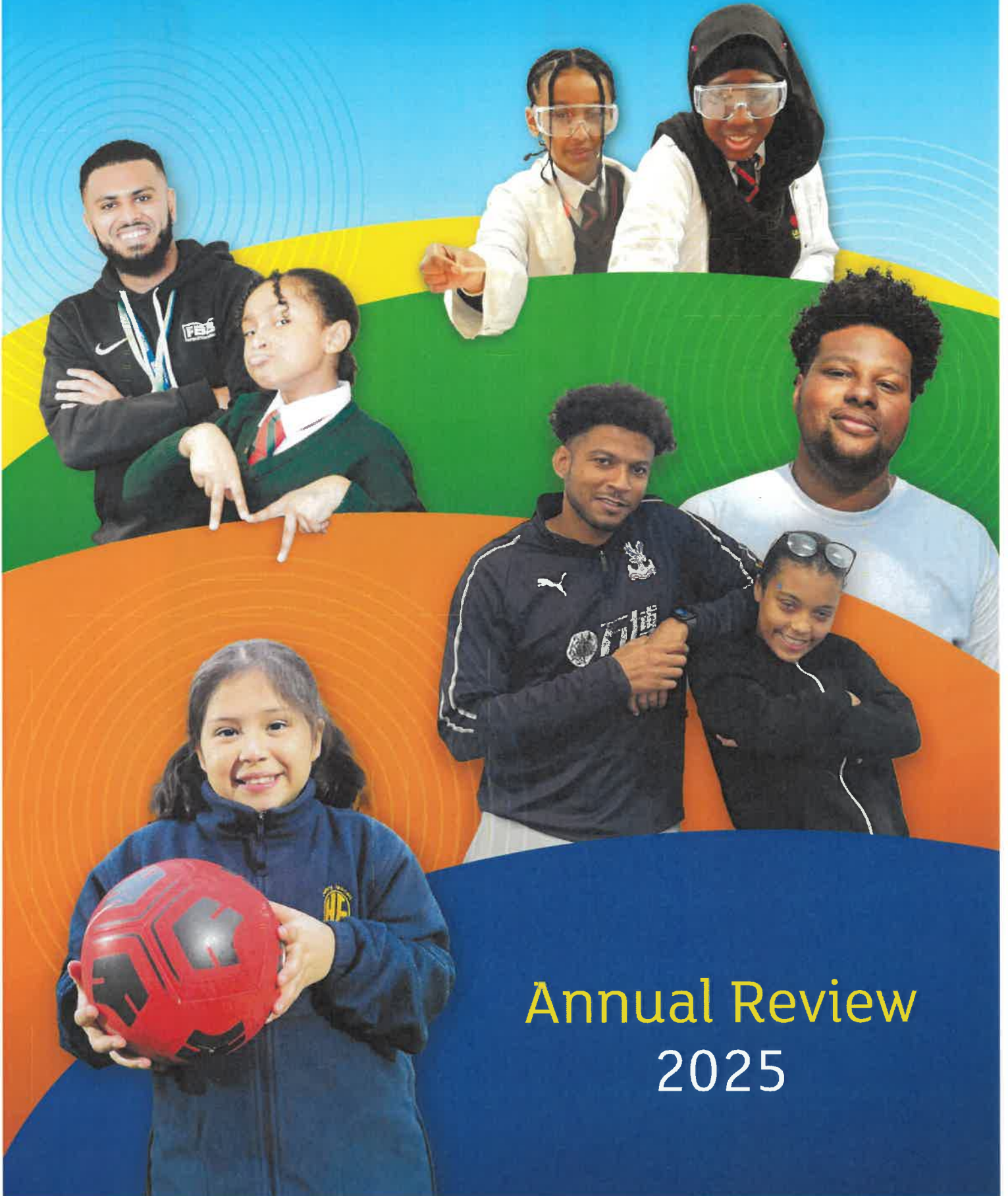


# WALCOT FOUNDATION



Annual Review  
2025

# Introduction from the Chair

Against a challenging backdrop of continued rising costs of living, and a global poly-crisis that threatens to take us backwards, our richly diverse communities continue to find ways to move forward successfully.

It is within this context that we have centred our values of compassion, collaboration, curiosity and responsibility, across all of the Foundation's work. In line with our new strategy, we press onward in forging relationships that enable us to work in and alongside community, sometimes in the context of partner, sometimes neighbour, sharing our resources.

Supporting a range of amazing, vibrant, hopeful work locally over this year has continued to be a privilege, enabling us to contribute to our vision of a Lambeth in which all young people can thrive. We remain ever grateful to all our community partners, governors and staff for their efforts towards this vision.

With Lambeth's young people in ever greater need of opportunities and support to build their own brighter futures, the need for the work of our Foundation remains as important as ever.

**Alice Chapple**  
Chair of Governors

The Walcot Foundation is proud to have been supporting young people in Lambeth for **over 350 years**

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*Names of individuals within the following pages have been changed to protect their identity.*

# Summary of achievements and performance

2024/25 has been a year of important beginnings and fresh energy for the Foundation. In this first year of our new strategy, we have started to reshape our grant-making approach around trust-based, relational work.

“ Guided by compassion, collaboration and curiosity, we continue working alongside communities to create lasting change for Lambeth’s young people.”

Helen George,  
Chair, Grants Committee

“ Amidst challenging times, the Foundation’s commitment remains clear: to nurture relationships that unlock opportunity and hope for Lambeth’s next generation.”

Ciorndan Brown,  
Grants Committee member

By placing relationships at the heart of what we do, we are laying stronger foundations for collaboration, connection and long-term positive change across Lambeth. We supported additional work valued at £400K including our first fully co-authored cohort programme. A group of 12 organisations came together to explore how their work connects and how collaboration can strengthen local support.

This marks a wider shift in our approach of being active participants in building long-term change. Such work requires generative, inquisitive leadership. While this can appear less focused on immediate outcomes, we believe the “how” is as important as the “what”. The process you use to get to the future is the future you get.

Over this year we strengthened connections with local networks in Lambeth including Collaborating to Fund and Radically Reimagining Funding, while maintaining links to regional and national funder forums. We also concluded our three-year BounceBack programme, our first cohort initiative, which focused on unemployment recovery post-Covid and youth unemployment.

Community engagement remains central. Our summer and Christmas receptions offered important moments to celebrate partners and young people working towards our joint vision of a Lambeth where all young people can thrive. We also relaunched the peer support network, enabling organisations to respond collectively to borough-wide issues such as school closures, and new local initiatives.

Internally, we developed our first theory of change, helping us clarify how we will transition

to better meet communities at their point of need. We hope to co-develop this with partners and stakeholders in the coming year.

## Integrity Framework

We also introduced our first integrity framework, summarising our ethos and guiding decision-making to ensure our values of compassion, collaboration, curiosity and responsibility remain central.

## Strengthening strategy delivery

We reviewed our internal structures and identified key investments:

- A Community Connector role to widen access and reach;
- A new communications strategy to centre partners' voices across social media;
- Improved governance architecture and Board development;
- Enhanced understanding of Lambeth's cultural, historical and economic context.

## Financial Strategy

Financially, we built on last year's system improvements by developing our first financial strategy. A priority for next year will be exploring a more sustainable model, including the potential of Total Return.

## Governor (Trustee) Recruitment

We welcomed three Governors whose expertise in equity-centred grant-making, systems change and innovation will strengthen the collective leadership of the Board.



# Our Direction of Travel

## WALCOTFOUNDATION Strategic Plan



## WALCOTFOUNDATION Financial Strategy

## WALCOTFOUNDATION

### Values & Mission Alignment Framework Checks & Balances for everyday, project and strategic work



## WALCOTFOUNDATION

### The Walcot Foundation journey 2025-2035

**Icon 1: Hand holding a heart**  
 In the longer term, we hope to see more diverse and inclusive communities that are better connected to each other and to the wider ecosystem.

**Icon 2: Hand holding a coin**  
 We hope for a future where the voices and needs of young people are central to the work we do, and where they are supported to lead and shape their own futures.

**Icon 3: Hand holding a scale**  
 We hope for a future where the voices and needs of young people are central to the work we do, and where they are supported to lead and shape their own futures.

**Icon 4: Hand holding a gear**  
 We hope for a future where the voices and needs of young people are central to the work we do, and where they are supported to lead and shape their own futures.

**Icon 5: Hand holding a lightbulb**  
 We hope for a future where the voices and needs of young people are central to the work we do, and where they are supported to lead and shape their own futures.

**Icon 6: Hand holding a person**  
 We hope for a future where the voices and needs of young people are central to the work we do, and where they are supported to lead and shape their own futures.

**Icon 7: Hand holding a person**  
 We hope for a future where the voices and needs of young people are central to the work we do, and where they are supported to lead and shape their own futures.

**Text:**  
 Our vision is for a future where young people can thrive and lead. We are committed to creating a supportive environment where they can do this. We are committed to being a trusted partner for young people and their communities. We are committed to being a trusted partner for young people and their communities. We are committed to being a trusted partner for young people and their communities.

# Programme highlights

Over the past year, we have once again been privileged to stand alongside Lambeth's people, schools and organisations. Our work has been rooted in commitment to the borough and creating opportunities for young people to thrive.

In higher and further education, we continued our support for young people with grants that help level the playing field. These resources ensure that those from less advantaged or marginalised backgrounds can fully participate in university life.

Meeting many of these students at our summer reception was a highlight of the year – a chance to hear their stories, celebrate their achievements and wish them well on their journeys ahead.

It's been a particularly challenging few years for schools, with limited resources, more children with additional needs and the looming risk of primary school closures. In response, we deepened our commitment by awarding more multi-year grants.

These have supported enrichment activities, mental health provision and projects which have helped reduce exclusions, all helping pupils get the most from their time in school.

We have also been able to support a huge range of community organisations who continue to do incredible work in Lambeth – from arts and culture to sport, employability and advocacy. Their creativity, resilience and impact inspire us, and we are proud to play a small part in their success.

This year also marked a new chapter in the type of funding we offered. We awarded our first core grants and launched our relationship-led cohort programme, bringing organisations together to share, learn and collaborate in fresh ways.

## Location of all Walcot Foundation grant recipients in Lambeth

### Organisations and schools:

- BounceBack delivery partner
- ▲ Organisation
- School (marker scaled for 1-3 award)

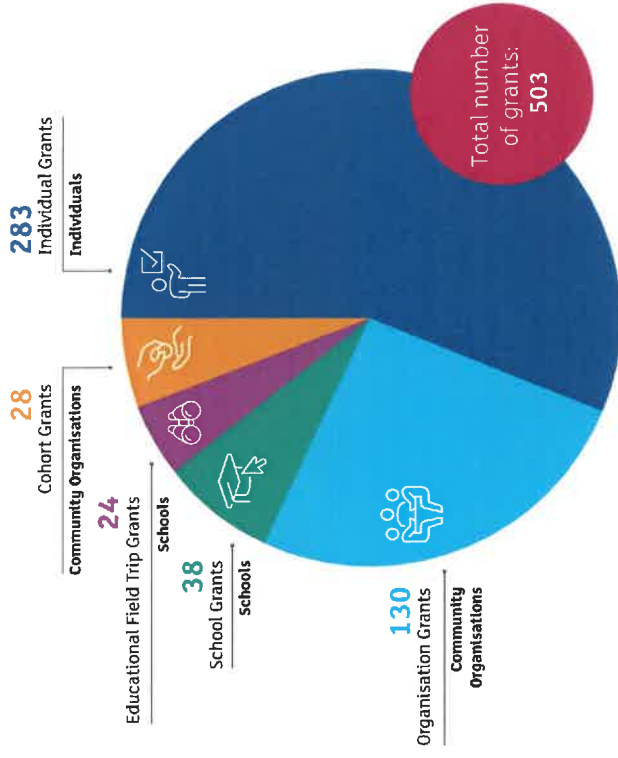
### Individuals:

- Location of grant recipients

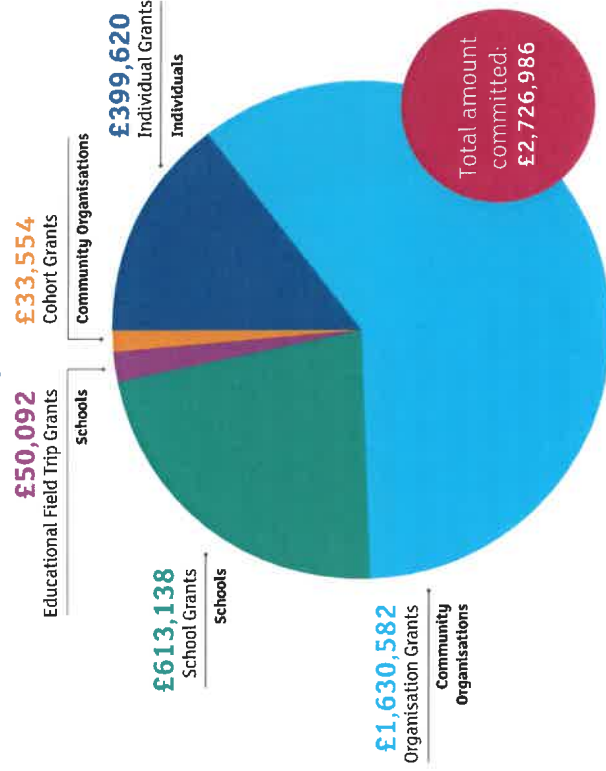


Contains Ordnance survey data © Crown copyright and database 2024  
Contains Royal Mail data © Royal Mail copyright and database 2024

## Number of Grants Made 2024/5



## Total Grant Spend 2024/5



# Individuals case studies

During the year, the Foundation was able to support almost 200 individuals with educational grants.

We have seen that Lambeth's young people continue to have a wide range of interests from courses in human neuroscience and electrical installation to graphic branding & identity and global development & economics.

It is frequently the case that the small, often unacknowledged, everyday support costs can have the biggest impact on whether a student will have an enjoyable experience studying or even in completing a course.

As such, it was heartwarming to receive feedback from the students regarding the difference that the grant made to them.

We were also able to offer a student grant to an increasing number of asylum seekers this year, the majority of whom were taking English for Speakers of Other Languages (ESOL) courses at college and view this as the first major step towards integrating in the Lambeth community.

## In Their Own Words

These voices capture the real, everyday impact of Walcot Foundation grants on young people's lives.



“... this financial support has allowed us to breathe with less pressure and to obtain basic and necessary things for the continued learning of the language. This will no longer be a barrier in the future and will improve our quality of life.”

Student TS, studying ESOL at college

“... [The grant] helped me to fully participate in first year without the added pressure of how I would afford the essentials. Coming from a low-income household, it relieved a lot of financial stress as I didn't need to work alongside studying which allowed me to focus on my studies and adjust to university life with fewer distractions, helping to achieve the best grade possible.”

Student AB studying for a degree in Biomedical Science



“... I used the grant to purchase a pair of comfortable shoes specifically for my clinical placement, which made long hours on my feet much more manageable. The grant also helped cover my travel costs to and from placement sites, ensuring I could attend without financial stress.”

Student SS, studying for a degree in Diagnostic Radiography



# Community organisations

Across Lambeth, community organisations continue to bring energy, resilience and hope in the face of challenging times.

Years of austerity, welfare cuts and the cost-of-living crisis have put a heavy strain on local people and on the groups that support them. Yet day after day, Lambeth's organisations respond with courage, creativity and commitment. They bring colour, joy and possibility to the borough, and we are privileged to work alongside them.

This year we supported a wide variety of groups. Some new to us, introducing fresh ideas and approaches, and others with whom our relationships continue to deepen. Newer partners are helping young people build social capital and confidence through group activities. Longer term partners remain committed to co-designing ambitious user-led projects.

Much of our funding has focused on tackling youth unemployment, including through our pandemic response programme BounceBack, which concluded this year.

Across all our funding priorities, we are continually humbled by the skills, commitment and presence these organisations exercise in Lambeth. As a place based funder, we value the fact that we are able to help support this diverse ecosystem.



“Over the course of the year she gradually became more and more engaged and her confidence began to grow. Now she has become a key member of the group, first to arrive and helping us to clear up at the end of the sessions.”

## Community – Case study

### High Trees – Lambeth Peer Action Collective

Jay was transitioning from secondary school to sixth form when he became a part of the Lambeth Peer Action Collective (LPAC). Initially, he exhibited significant potential for growth and development, yet he lacked confidence and had limited exposure to the professional world beyond school. Throughout his involvement in the LPAC project, he experienced substantial personal growth. He honed skills such as preparing for meetings, facilitating sessions, leading discussions, and presenting to senior stakeholders at various gatherings.

Reflecting on his journey, Jay remarked *“Being a part of LPAC has significantly enhanced my confidence, public speaking abilities, and critical thinking skills. It has heightened my awareness of creating a meaningful impact.”*

During his two and a half years with the LPAC, Jay completed his A levels and later secured a degree apprenticeship with Deloitte – a highly competitive opportunity. He credited his experience with the LPAC during his interview process with Deloitte, believing that it set him apart and provided him with a strong foundation for success.



## Community – Case study

### Respeito – A Safe Domestic Environment for Portuguese-speaking Families in Lambeth

Effie was referred to Respeito as she had experienced physical, verbal and emotional abuse from her partner. She had indefinite leave to remain in the UK but had housing and debt management issues and needed support with her children's health care. Her engagement with Respeito include 334 WhatsApp messages and video-calls; 45 emails; as well as face-to-face meetings, phone calls, chapertoned service visits and online meetings. Respeito also liaised with other services to obtain a formal diagnosis for Effie's child and helped have her rent arrears debt cleared.

Effie said *“If not for Respeito helping me through, I don't even know what I could have done. They are still helping me to this day. They advise me, they accompany me when I need them, and I am very happy because I am a lonely woman who found an organisation with such charismatic staff.”*



# Schools and educational enrichment

Schools are the beating heart of Lambeth's communities, yet many are facing immense pressures and growing challenges.

Planned closures, reduced resources and rising needs have stretched schools thin. Staff are doing more with less to continue to create environments where every child has the chance to reach their potential. We remain proud to share our resources with schools so that we can play our part in making sure that young people from less advantaged backgrounds are not further marginalised by missing out on enrichment activities or trips their peers can access.

In response to post-Covid challenges – from lower attendance to heightened mental health needs – we funded projects offering holistic support. These include coaching programmes, and in some schools employing full time psychotherapists or play therapists, allowing children to access appropriate care while teachers refocus on learning.

## Educational field trips

Providing financial support for school trips may appear a small gesture, but we know the impact can be transformative. New experiences broaden horizons, spark curiosity and inspire ambition.

This year, we funded 24 educational trips, enabling over 400 Lambeth children to take part in non-traditional learning. Educators continue to stress the importance of opportunities that build children's soft skills outside the classroom. Changing environments and opening boundaries expand children's sense of what's possible, both now and for their future.



“  
This week away enabled all pupils to build resilience, independence and leadership. They participated in a range of activities including: raft building, climbing, abseiling, and orienteering. A trip that they will remember for the rest of their lives!”

Julian's Primary School

### Schools – Case study

#### Jubilee Primary – Emotional Literacy Support Assistants (ELSA)

Odiel is aged 6 and has attended Jubilee Primary School since nursery. When Odiel was in Reception, she was placed in foster care due to complex situations within the family home. This has impacted Odiel, and she had almost no trust in adults.

Odiel started to have two ELSA (Emotional Literacy Support Assistant) sessions per week, building on her social skills as she found it quite challenging expressing her feelings and focusing on her emotions. Over the year, Odiel built a strong relationship with her ELSA and for the first time started to seek support from adults when needed.

Through having regular and sustained sessions, Odiel has become a confident student who is much more capable of recognising their identity and self-worth. Academically, Odiel made accelerated progress throughout the year and progressed to 'above age-related expectations' by the end of year 1.



### Schools – Case study

#### Streatham Well Primary – Unlocking Potential

At the start of the year, we had a Year 6 child in crisis. An autistic boy, Billy was awaiting his Educational Health & Care Plan (EHCP), and had been struggling with his mental health. While his attendance was very good, he would have daily 'meltdowns' coming into school. Billy struggled at lunchtime and would often be involved in violent incidents in the playground.

Through our partnership, Billy was able to receive 1:1 therapy, once a week, sometimes twice a week, and was also part of a lunchtime club with the school therapist. This work enabled Billy to develop new coping mechanisms and his therapist to offer Billy's parents additional parenting and counselling support.

Now, Billy manages to come into class each day without the issues he had faced previously, and lunchtime incidents have reduced by 20%.

Mum now reports she feels so much more confident with managing his behaviours and anxiety at home.



# BounceBack overview

Conceived of as a 2-year 'access to jobs' programme, BounceBack was the Foundation's central pandemic response programme, signed off by our Governors (Trustees) in spring 2021 and completed in October 2024.

The project evolved over its lifespan, incorporating work with 19 local partner organisations over 3 years.

BounceBack was a pandemic response programme designed and delivered at pace. We witnessed many amazing successes over the course of the project but with hindsight, we have learned that deeper community input at inception could have strengthened this work even further. Many exciting new relationships have been forged as a result, but we know more could have been possible if partners had been empowered to shape the model from the outset, with their service users at the centre. We have now taken this learning forward into our newer programmes, working to ensure that connections and co-creation are not treated as outputs, but as foundations for both process and content.

Some of the key metrics from the programme included:

- Over 1500 Lambeth young people accessed support via BounceBack.
- Projects were successful in supporting those young people furthest away from the labour market. 14% had involvement in the criminal justice system, 30% had a disability, 34% were 'long-term unemployed'.

- 49% completed their programmes of support, 27% started a new job, 9% went into full-time education.
- Where a job was the main outcome: 56% went into full-time employment, 30% into part-time or temporary employment, and 14% onto zero-hour contracts.
- Local organisations that took part over the 3 years are now working together in new ways. This includes new collaborative projects, joint funding bids and improved referral routes for young people in and out of their provisions.

A concluding BounceBack celebration day was held in March 2025, where we shared our experiences and learning and began to plan next steps, including the roll out of new job transition grants to Lambeth's young people in need of support to take their first step into work. At the event, we were honoured to welcome BounceBack delivery partners past and present, local stakeholders and young people who were instrumental in the design.

Full details of the achievements, learnings and a short film made by some of the young people who took part can be found on our website: [www.walcotfoundation.org.uk/bb](http://www.walcotfoundation.org.uk/bb)



“  
Our involvement in BounceBack helped us to establish even stronger relationships with other organisations working in Lambeth.”  
Construction Youth Trust

## BounceBack – Case study

### Construction Youth Trust

When we met Kit he had disengaged from his college course and was struggling to know how to make a positive next step. Despite having a keen interest in construction, Kit didn't have the guidance or connections to make progress in the sector. He joined our intensive coaching programme, funded by the BounceBack programme.

Kit received 1-2-1 employability support, confidence-boosting experiences such as site visits, and employability masterclasses. He went on to take part in a multi-employer 'Live Vacancies' event, where he put his new learning into practice. Kit impressed employers so much he was offered an interview for a bricklaying apprenticeship.

We supported him to prepare for his interview and helped him buy a smart outfit to wear, through our bursary scheme. Kit sailed through, has started his apprenticeship and is excited for his future in a career he is so passionate about.



## BounceBack – Case study

### 198 Gallery

Lara came to 198 following some sporadic freelance experience working in the creative industries, but she had struggled to secure consistent opportunities and put down roots. She was feeling self-doubt and a sinking hope for her future.

Joining our BounceBack project, Lara took full advantage of the 198 masterclasses and 1:1 support. She was increasingly keen to put herself forward for new opportunities, and 198 offered her two paid work roles over the course of the programme.

Lara told us: "198 allowed me to rediscover that I do enjoy event production and that I'm good at it! I grew within an organisation that contributed so much to my self-belief and my employability skills".



# Grantee organisations and school projects funded

## Organisations

<b>198 Contemporary Arts And Learning</b> BounceBack Year 3 evaluation project	<b>Code 7 Ltd</b> ‘Behind The Scenes’ – Family Intervention Project
<b>535 Group</b> Cohort 2024-25 – 535 Group	<b>Cofounder</b> Cohort 2024-25 – Cofounder
<b>AA Educates</b> Shaping Success programme	<b>Commons Law CIC</b> Cohort 2024-25 – Commons Law CIC
<b>Afewee Training Centre</b> Cohort 2024-25 – Afewee Training Centre	<b>Community TechAid</b> Digital Inclusion for Lambeth Families
<b>Ashdon Jazz Academy</b> Starprise	<b>Creative Sparkworks</b> BreakTHROUGH
<b>Ayumi Konno Consultancy</b> BounceBack Employer Engagement Consultancy	<b>Creeds</b> Cohort 2024-25 – Creeds
<b>Baytree Centre</b> Gems: increasing confidence & skills for girls experiencing disadvantage, through positive activities	<b>Crosslight Advice</b> Crosslight – Lambeth
<b>Black Prince Trust</b> Cohort 2024-25 – Black Prince Trust	<b>Doorstep Library</b> Lambeth Shared Reading Projects
<b>Black Thrive Lambeth</b> Cohort 2024-25 – Black Thrive Lambeth	<b>Dwayne Simpson Foundation CIC</b> Dwaynatics Youth Boxing Awards
<b>Bridge the Gap</b> Cohort 2024-25 – Bridge the Gap	<b>East African Association</b> Potential meets Opportunity
<b>Brixton Wings</b> Elevate Wings	<b>Esports Youth Club CIC</b> Building confidence, creative and social skills
<b>Business Launchpad</b> Business Launchpad Lambeth Initiative	<b>Exceed Reading Stars Ltd</b> Exceeding Youth Stars
<b>Calltime Foundations CIC</b> Calltime Foundations Trainee Scheme BounceBack	<b>Football Beyond Borders</b> Empowering Eim Green: FBB’s Holistic Education Impact
<b>Carers Hub Lambeth</b> Young Carers Project Extension	<b>Future Frontiers</b> Empowering disadvantaged young people from Lambeth on their education and career journeys
<b>Centre 70 Advice Centre</b> Walcot Advice Worker (2023/24-25/26)	<b>Ginas For The Community</b> Leap (Lambeths Empowerment Employment Programme)
<b>Class 13</b> Transforming Schools into Equitable Spaces	<b>Girls United Football Association</b> Leaders of Lambeth

<b>Gma’s Community Kitchen</b> Brixton Hospitality – Possible Together	<b>Neon Performing Arts Ltd</b> Illuminating Opportunities
<b>Home-Start Lambeth</b> Community champions empowering families	<b>Norwood And Brixton Foodbank</b> Electric Delivery Van for Norwood Foodbank – year 2
<b>Iconic Steps</b> Cohort 2024-25 – Iconic Steps	<b>Oasis Children’s Venture</b> Inclusive Adventure Playground: transforming lives through play
<b>Indoamerican Refugee And Migrant Organisation (Irmog)</b> Latin American Youth Forum (LAYF)	<b>Options 4 Change</b> CORE FUNDING: Family Welfare Crisis Intervention for Families With No Recourse to Public Funds (NRPF)
<b>Inzyme</b> Cohort 2024-25 – Inzyme	<b>Orange Bow CIC</b> Make IT Make Sense digital skills and employability programme
<b>Job Ladder</b> Recruitment of BounceBack Job Broker	<b>Pegasus Opera Company</b> Opera Mentoring Programme
<b>Juvenis</b> School of Hope	<b>Photofusion</b> The FAM Project
<b>Katakata</b> The one-stop-shop: tackling root causes of food poverty and insecurity	<b>Power2</b> Walcot Student Advance Programme – Power2 Aspire
<b>Keen London</b> KEEN to have fun in Lambeth	<b>Rathbone Society</b> Integrate Friday night youth club night at the Old Library
<b>Keep Good Health</b> Cohort 2024-25 – Keep Good Health	<b>Refuge</b> Rehousing and support fund for Lambeth residents
<b>Lambeth Larder Community Food Resource CIC</b> Digital Exclusion Paper Directory of Services 2023-25	<b>Remakery</b> Cohort 2024-25 – Remakery
<b>Lambeth Links</b> Cohort 2024-25 – Lambeth Links	<b>Repowering London</b> Cohort 2024-25 – Repowering
<b>Lambeth Somali Community Association</b> Breaking the Barrier Project (BBP)	<b>Respeto</b> A Safe Domestic Environment for Portuguese-speaking Families in Lambeth
<b>Lerato Community Initiative</b> Lerato Youth Coaching and mentoring for – girls (Sister Talk), and Boys (Stand In My Shoes)	<b>Rising Stars Support</b> Fight For Your Future
<b>Live Your Movie</b> New Era Programme	<b>RMUK Wellbeing</b> Cohort 2024-25 – RMUK Wellbeing
<b>Loughborough Community Centre</b> Empowering Futures Afterschool Club	<b>Rocket Science</b> BounceBack Year 3 evaluation
<b>Loughborough Junction Action Group</b> Platform Café Employability Programme	<b>Simply Beauty Pamper Services CIC</b> Steps to Work
<b>Mindheart Creative Therapies CIC</b> Dramatherapy: Creating Wellbeing Together in Schools	<b>South London Refugee Association (SLRA)</b> Immigration advice for vulnerable families in Lambeth community settings
<b>Mottvez CIC</b> Cohort 2024-25 – Mottvez CIC	

### Spiral Skills CIC

Spiral's Employment Hub

### St Giles Trust

SOS+ Embedded Mentor in Bishop Thomas Grant School

### St Matthews Project

Moving On Year 3

### Status Employment

Status Supported Internship Programme

### Step Now

Core Funding – Stronger Futures After School Programme

### Step Out Mentoring

Step Out Mentoring – Lambeth pathway

### Stockwell Park Estate Community Trust Ltd

Educational Enrichment at The Trust (EET)

### Stockwell Partnership

Supporting Low Income Lambeth Portuguese and Spanish speaking Families to Thrive

### Studio 61

Cohort 2024-25 – Studio 61

### Studio Z

Cohort 2024-25 – Studio Z

### Team GJC

Cohort 2025 – Cohort 2024-25 – Team GJC

### The Advocacy Academy

Beehive Open Access Youth Space

### The Boury Academy CIC

Mental Health through the arts

### The Children's Literacy Charity

Expert Literacy Lab Programme in Lambeth

### The Skills Spot

Embedding Wellbeing into Youth Employability Support

### The Weir Link

Monday Maths Homework Club

### Upper Norwood Library Trust

Children & Family Literacy, Numeracy, Signposting & Referral Project – The Upper Norwood Library Hub

### Vauxhall City Farm

City Sprouts: Wellbeing Programme

### We Rise Ltd

AAA (Access All Areas)

### Whippersnappers

SEND STEPS

### You Be You Ltd

Empowering young people in Lambeth with the life skills to thrive

### Heathbrook Primary School

Supporting Mental Health and Wellbeing in school

### Henry Fawcett Primary

School Educational Psychology and Counselling

### Herbert Morrison Primary School

Supporting wellbeing, attendance and welfare for children and families

### Heron Academy

Increasing confidence and skills through positive activities at Heron Academy

### Holy Trinity C of E Primary School

Building better mental health and life-coping skills for pupils and families at Holy Trinity

### Jessop Primary School

Improving mental health and engagement with learning at Jessop Primary

### Jubilee Primary School

Package of early mental health interventions for vulnerable pupils at Jubilee Primary

### Lambeth Nursery Schools Federation

Music Therapy across our nursery schools

### Lansdowne Turney Federation

School Links – Increasing Confidence and Skills

### Larkhall Primary School and Children's Centre

Music Therapy

### Lilian Bayliss Technology School

SEMH Leads

### Loughborough Primary School

Therapeutic schools project

### Orchard Primary

Improving pupil mental health and engagement with education at Orchard Primary

### Reay Primary School

Speech and Language Therapy

### Richard Atkins Primary School

Supporting better mental health and improved school engagement for Richard Atkins pupils and families

### Saint Gabriel's College

Removing Barriers in Education

### St Andrew's Church of England Primary School

Psychotherapeutic Model of Support

### St John's Angell Town C of E Primary School

Improved mental health and engagement with learning at St John's Angell Town

### St Jude's C of E Primary School

Better mental health and engagement with learning at St Jude's

### St Luke's C of E Primary School

Building better mental health and engagement with learning at St Luke's

### St Mark's C of E Primary School

Supporting Families Under Pressure

### St Saviours C of E Primary School

Improving mental health and learning engagement at St Saviour's

### St Stephen's C of E Primary School

Free Homework Club & Communication and Confidence Coaching

### Stockwell Primary School

Improving mental health and engagement with learning at Stockwell Primary

### Streatham Wells Primary School

Unlocking Potential

### Sudbourne Primary School

Supporting improved mental health for vulnerable children at Sudbourne Primary

### Van Gogh Primary School

Nurture Provision

### Vauxhall Primary School

Supporting families under pressure to improve attendance and wellbeing

### Walnut Tree Walk Primary School

Mental health hub at Walnut Tree Walk

### Wyvil Primary School

Support disadvantaged families and vulnerable children with family support, counselling and SALT

### Archbishop Summer C of E Primary School

Child psychotherapy. Removing barriers in education

### Ark Evelyn Grace Academy

A mentally healthy school environment

### Ashmole Primary School

Supporting wellbeing, attendance and welfare for children and families

### Bonneville Primary School

Empowering Children to Develop and Maintain Positive Mental Health

### Christ Church Streatham C of E Primary School

Building better mental health and engagement with learning at Christ Church Streatham

## Schools

**This year we are proud to have supported over 60% of schools in Lambeth, with many schools receiving multiple grants across our programmes.**

### Archbishop Summer C of E Primary School

Child psychotherapy. Removing barriers in education

### Ark Evelyn Grace Academy

A mentally healthy school environment

### Ashmole Primary School

Supporting wellbeing, attendance and welfare for children and families

### Bonneville Primary School

Empowering Children to Develop and Maintain Positive Mental Health

### Christ Church Streatham C of E Primary School

Building better mental health and engagement with learning at Christ Church Streatham

### Crown Lane Primary School

School Kitchen Equipment (IOUH Partnership)

### Elm Court School

The Skills for Life Employability Programme

### Elm Wood Primary School

School Kitchen Equipment (IOUH Partnership)

### Glenbrook Primary School

Emotional Literacy support for children at risk of exclusion and at risk of not flourishing due to wider vulnerability

### Granton Primary School

Musical instrument lessons for disadvantaged children



“Ola’s journey demonstrates the long-term impact of the programme in fostering her leadership, academic success, and career development. Her transition from participant to mentor and now to a university student and employee, shows how she has embodied the values of the programme: empowering young people to excel and contribute positively to their communities.”

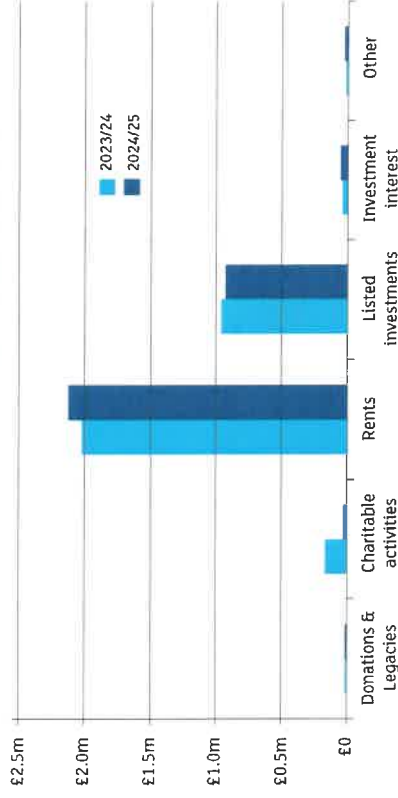
# Financial Review 2024/25

We are a Foundation with a permanent endowment. Most of our income is generated by our assets. We are required to preserve the capital value and ensure it grows to protect it against the effects of inflation. In this way the charity can assist today’s beneficiaries and those of the future.

## Income

Our income in 2024/25 amounted to £3.16m (2023/24: £3.24m), a 2.4% decrease, almost entirely attributable to a fall in income from charitable activities. Income from our investments, including directly held property, continues to be our primary income source.

2024/25 Income compared with prior year



### Rental income

Our largest source of income is rent from our properties on the Walcot Estate. This year, this amounted to £2.12m (2023/24, £2.02m), an increase of 5%.

### Listed investments (equities, bonds and other investments)

We received £945k in dividend income from listed investments (2023/24, £975k), a fall of 3.2%.

### Investment interest

Investment interest in 2024/25 amounted to £55k (2023/24: £36k), an increase of 52.8%.

### Charitable activities

The Foundation received £25k (2023/24: £170k) from external funders for agreed joint funding of specific projects.

### Donations

Donations form a small element of our income and vary year by year. This year we received £8k (2023/24: £11k), £1k of which came from Walcot Projects Limited’s Gift Aid.

### Other income

£8k (2023/24: £9k) was received as bank interest and other income.

## Expenditure

Total expenditure was **£4.71m** (2023/24: £4.38m): a 7.4% increase.

- We spent £2.73m on grants (2023/24: £2.80m): a 2.7% decrease. The decreased expenditure in 2024/25 is due to a drop in third party grants received.
- Our expenditure on generating income was £1.53m (2023/24: £1.17m): a 30% increase. This includes the cost of managing our financial investments and property portfolio. The main reason for the increase over the previous year was an increase in property maintenance and refurbishment costs, with minor works no longer being capitalised but instead charged against the property R&R fund.
- Support costs, which include the cost of governance, salaries and other running costs, were £472k (2023/24: £558k): a 15% decrease. This reflects the reallocation of certain staff costs from general overhead to property costs.

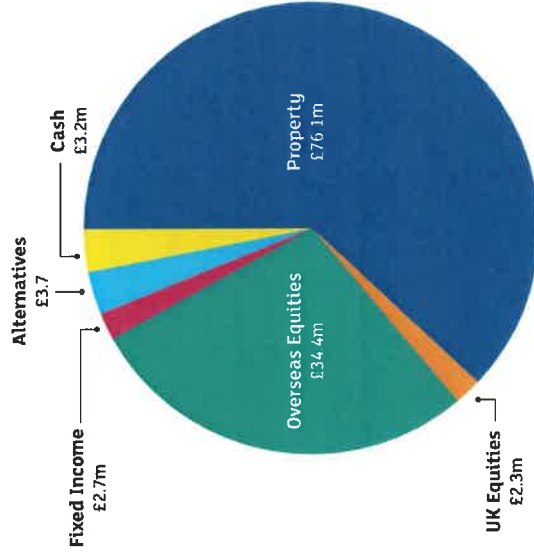
## Fund balances

At the end of the year, our total funds stood at **£122.44m** (2023/24: £125.93m): a 2.8% decrease. This figure includes the Foundation's investments, tangible fixed assets and net current assets.

## Investments

At 31 March 2025, the Foundation's investments (property, stocks, bonds and long-term cash) were revalued at **£122.42m** (2023/24: £125.99m): a 2.8% decrease. 62% of our investments is in property, almost entirely the Walcot Estate, which includes around 80 mostly residential properties in and around Walcot Square, London SE11. The remaining 38% was represented by a mixture of financial investments made on the advice of the Foundation's investment managers Baillie Gifford and CCLA. The asset allocation is shown below.

### Asset allocation at 31 March 2025



## Monitoring investment performance

The Investment Committee reviews the performance of the portfolio every quarter and reports to the Board. Financial investments are benchmarked against a number of comparable stock market indices relevant to the portfolios under management by both CCLA and Baillie Gifford.

Our property investments are historical and specialised, and there is no suitable index against which to benchmark them, although we do review the income and yields informally against rental income indices. Across all investments and property, the total return (income plus capital growth) for the year was a loss of £71k (2023/24: gain of £6.87m), representing a return of minus 0.1% on average asset values; and the gross yield, (measured by income for the year divided by the average value of our investments over the year), was 2.5%.

Our practice is to undertake a full external valuation of our property portfolio every five years, together with individual valuations as needed (for example, where residential properties revert from registered rent status and are significantly refurbished and then let at market rents). In the intervening years the property valuations are assessed by the Investment Committee. The last full valuation was as at 31 March 2021 and the next will be in 2026.

The gross yield on the property portfolio (as measured by rental income for the year divided by average valuation over the year) was 2.9%, the relatively low yield being a function of the relatively high value of London property and of the number of registered rent tenancies.

Our financial investments were valued at £47.54m (2023/24: £52.51m). There was a reduction in market value of investments in the year amounting to £1.79m (2023/24: gain of £5.98m), due primarily to a weak performance in equity markets. The total return for the year on financial investments was minus £1.05m and the yield on the portfolio was 2.8%.

## Long-term investment policy

Our investment goals are:

- to generate enough income from our investments to meet the needs of current beneficiaries
- to ensure our investments grow in value to meet the needs of future beneficiaries
- to maintain the integrity of the Walcot Estate and to maximise rental income
- to align our investment strategy to our values. This means:
  - being as rigorous in our selection of investment products as we are in our grant-making, and not to invest in any products or funds that we do not understand
  - investing responsibly
  - providing high-quality, well-maintained accommodation coupled with exceptional customer service. This proactive approach is designed to achieve three key objectives: reducing tenant turnover; minimising vacancy rates, and maximising rental income.

The portfolio is currently divided as indicated in column 2 below, the target range of minimum and maximum values of each class of asset being as shown in columns 3 and 4.

Asset	Portfolio	Min	Max
Property	62%	30%	66%
Equities	30%	30%	70%
Alternatives and fixed income	5%	0%	10%
Cash and short-term investments	3%	0%	20%
<b>Total</b>	<b>100.0%</b>		

## Risk

We keep under review the risks facing the Foundation. These are set out in a Risk Register which adopts a measured approach and identifies material risks, considers their severity and probability and identifies the measures needed to limit or avoid them. The Foundation is less vulnerable to many of the risks faced by other third sector (charity) bodies. Our income is more secure, and we do not provide services that carry inherently higher risk levels (for example, direct services to vulnerable groups or running charity retail outlets). The Governors collectively use their expertise and skill to help us continually review this position.

We see the principal risk facing the Foundation as being loss of income (and the erosion of spending power as inflation rises) and the consequent effect on our ability to fulfil our present charitable goals.

Our policy is to:

- review our Investment Policy (which applies to both financial investment and management of our property portfolio) as needed and at least biennially
- keep the nature and amount of grants under review
- diversify our listed investments – geographically, by asset type, and between investment managers
- pro-actively manage our properties to minimise voids
- have an active Investment Committee with governor-members who embody a range of relevant skills
- take professional specialist advice as required

## Reserves policy

At 31 March 2025, the Foundation's funds were:

	Endowment Funds £m	Restricted Funds £m	Unrestricted Funds £m	Total £m
Walcot Educational Foundation	98.4	5.0	6.3	109.7
Hayle's Charity	9.2		1.7	10.9
The Lady Cynthia Charity	1.6		0.2	1.8
	<b>109.2</b>	<b>5.0</b>	<b>8.2</b>	<b>122.4</b>

The unrestricted funds represent our available reserves. Our policy had been to hold reserves sufficient to ensure the full continuity of our operations for up to 15 months (equal to £5m). We explain the need for reserves in these terms: to stabilise grant-making at times when investment income is below expectation; to set aside sufficient funds for future property maintenance and development; and to retain capacity to respond to unexpected opportunities.

Liquidity and cash needs are reviewed every quarter and reserves every six months.

## Governor trustees, staff and registered office

### Governor trustees

The following served as Governor Trustees of the Foundation during 2023/2024:

- Thomas **Anderson**
- Donatus **Anyanwu**
- Chris **Ashley Jones**
- Angus **Boag**
- Michelle **Bogle**
- Clorndan **Brown**
- Alice **Chapple**
- Rezina **Chowdhury**
- Christina **Cornwell**
- Helen **George**
- Michael **Marshall**
- Andrien **Meyers**
- Denise **Ramsey**
- Glencora **Senior**
- Simon **Taylor**
- Simon **Webb**
- Rowena **Wilkinson (previously White)**

## Changes to the Governing Board through 2024/25

- New Governor Trustees, Clorndan Brown, Christina Cornwell and Denise Ramsey were appointed to the Board on 9th September 2024.
- Councillors and cabinet members Donatus Anyanwu and Rezina Choudhury sit on the Board as Lambeth appointed nominees.

### Honorary Adviser

- Winston **Goode** (Grants Committee)

# The following Governor Trustees served on committees up to 31 March 2025

## Finance and general purposes committee

Tom Anderson, Michelle Bogle, Angus Boag, Alice Chapple (Chair), Christina Cornwell (from November 2024), Denise Ramsey (from November 2024), Glencora Senior (until 17 July 2024).

## Grants

Donatus Anyanwu, Chris Ashley-Jones, Ciorsdan Brown (from November 2024), Alice Chapple, Rezina Chowdhury, Christina Cornwell, Helen George (Chair), Denise Ramsey

## Investment committee

Tom Anderson, Angus Boag (Chair), Ciorsdan Brown (from November 2024), Mike Marshall, Andrien Meyers (until 17 July 2024), Glencora Senior (until 17 July 2024), Simon Taylor (until 17 July 2024), Simon Webb, Rowena Wilkinson.

## Lead Governors:

Risk – Michelle Bogle, Audit – Alice Chapple

## Staff

**Marcia Asare** Executive Director  
**Marita Barnes** Executive Assistant (from 01 April 2024)  
**Techia Braveboy** Grants Officer (from 01 April 2024)  
**Fraser Coppin** Property Operations & Admin Officer  
**Joe Doran** Head of Grants  
**Ross Griffiths** Head of Property  
**Daniel Hogan** Grants Manager  
**Djilali Tefrah** Finance Manager

## Volunteers

Giles Branston  
Chloe Thorogood  
Sasha Tiffany

## Registered address

127 Kennington Road London SE11 6SF. [www.walcotfoundation.org.uk](http://www.walcotfoundation.org.uk)

## Advisers to the foundation

### Auditors

Moore Kingston Smith LLP, 9 Appold Street, London EC2A 2AP

### Solicitors

Russell Cooke

### Financial advisers

David Blake, Chantry Corporate Finance

### Investment managers

CCLA, 1 Angel Lane, London EC4R 3AB

Baillie Gifford & Co. Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN

### Bankers

National Westminster Bank Plc, 250 Bishopsgate, London EC2M 4AA

# Structure, governance and management

## Constituent charities

We have four constituent charities: **The Walcot Educational Foundation** (312800), **The Hayle's Charity** (312800-1), **The Walcot Non-Educational Charity** (312800-2) and **The Lady Cynthia Charity** (312800-3). Our charities, notably the Hayle's Charity, subsumed numerous other smaller charities over the years.

## Trustee body

The Walcot & Hayle's Trustee (registered at Companies House as 6133849) is recognised by the Charity Commission as the sole trustee of our four constituent charities.

## Walcot Projects Limited

This is a company limited by guarantee and registered in 2018. It is owned by Walcot Educational Foundation and manages the development of new property holdings. Its profits are gifted to the Foundation.

## Recruitment, appointment and induction of new governors

A bi-annual skills audit is undertaken to identify skills, experience and leaderships gaps on the board. Recruitment is targeted at identified gaps.

Following a successful application, prospective Governors are invited for an interview with a panel of Governors and then recommended to the Board.

We have in place established methods of supporting the induction of new Governors. These include structured meetings with staff, a Governors' Handbook and briefings on key aspects of the role and the Foundation, assets, financial systems and controls, grant-making practices, policies, governance structures and other relevant information.

## Remuneration of staff

Executive pay is determined by Governors with decisions informed by comparison to salaries within the sector.

## Public benefit

We are required to show that the Foundation's charitable objects or aims are for the public benefit, known as the 'public benefit requirement'. Ours fall within the first two descriptions set out in the Charities Act 2011: (a) the prevention or relief of poverty, and (b) the advancement of education.

We confirm that in exercising our powers we have complied with the duty to have due regard to the guidance on public benefit published by the Charity Commission. The identifiable public benefit provided by the Walcot Foundation is in the making of grants for the relief of poverty and the advancement of education for residents within our area of benefit who meet our eligibility criteria.

We now broadly define this as supporting primarily young people from Lambeth to thrive and interpret this within grant making that directly supports individuals, community organisations and schools. We also support work focused on the ecosystem of the voluntary sector, with the intention being the thriving systems and structures are best placed to support thriving communities.

### Statement of the Board's Responsibilities

The Board is responsible for preparing the Annual Review and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charities 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 charity's governing instrument.

The Governors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### The Governors

Approved by **The Walcot & Hagley's Trustee Board on 3 December 2025** and signed on its behalf by

  
Chair



# WALCOT FOUNDATION



The Walcot & Hayle's Trustee (company 6133849) is sole trustee of The Walcot Educational Foundation (312800), The Hayle's Charity (312800-1), The Walcot Non-Educational Charity (312800-2) and The Lady Cynthia Charity (312800-3)



# WALCOT FOUNDATION

## Financial Statements

Year ended 31 March 2025



# Independent Auditor's Report

Year Ended 31 March 2025

## Independent Auditor's Report to the Trustees of Walcot Foundation

### Opinion

We have audited the financial statements of Walcot Foundation for the year ended 31 March 2025, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 March 2025, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

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Balance Sheet	7
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Analysis of Changes in Net Cash	9
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## Other information

The other information comprises the information included in the Annual Review 2025, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the Annual Review. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Review is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; 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 required for our audit.

## Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement set out on page 5, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud are: to identify and assess the risks of material misstatement of the financial statements due to fraud; and to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with the governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charity complies with these requirements through discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

### Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 any party other than the charity and charity's trustee as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Statutory auditor

Date: 4 December 2025

6th Floor  
9 Appold Street  
London  
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

# Statement of the Board of the Trustee's Responsibilities

The Board of the trustee (which is comprised the Governors of the charities) is responsible for preparing the Annual Review and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England & Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charities and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Governors 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, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charities 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 charity's governing instrument.

The Governors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Glossary

Term	Definition
WEF	Walcot Educational Foundation
WNEC	Walcot Non-Educational Charity
TLCC	The Lady Cynthia Charity

## Statement of Financial Activities

## Balance Sheet as at 31 March 2025

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024/25 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2023/24 £000
<b>INCOME FROM:</b>									
Donations and legacies	3	8	0	0	8	11	0	0	11
Charitable activities	4	0	25	0	25	0	170	0	170
Investments	5	3,105	24	0	3,129	3,015	24	0	3,039
Other		0	0	0	0	21	0	0	21
<b>TOTAL INCOME</b>		<b>3,113</b>	<b>49</b>	<b>0</b>	<b>3,162</b>	<b>3,047</b>	<b>194</b>	<b>0</b>	<b>3,241</b>
<b>EXPENDITURE ON:</b>									
<b>Raising Funds</b>									
Investment management costs	6	45	30	193	268	46	31	180	257
Property and support costs		572	687	0	1,259	494	415	5	914
		<b>617</b>	<b>717</b>	<b>193</b>	<b>1,526</b>	<b>540</b>	<b>446</b>	<b>185</b>	<b>1,171</b>
<b>Charitable Activities</b>									
Grants payable	19	2,669	58	0	2,727	2,649	154	0	2,803
Grant-making support costs		455	0	0	455	410	0	0	410
		<b>3,124</b>	<b>58</b>	<b>0</b>	<b>3,182</b>	<b>3,059</b>	<b>154</b>	<b>0</b>	<b>3,213</b>
<b>TOTAL EXPENDITURE</b>		<b>3,741</b>	<b>775</b>	<b>193</b>	<b>4,708</b>	<b>3,599</b>	<b>600</b>	<b>185</b>	<b>4,384</b>
Net gains / (losses) on investments		(298)	(204)	(1,447)	(1,949)	831	569	3,283	4,683
<b>NET INCOME / (EXPENDITURE)</b>		<b>(925)</b>	<b>(930)</b>	<b>(1,640)</b>	<b>(3,495)</b>	<b>279</b>	<b>162</b>	<b>3,098</b>	<b>3,540</b>
Transfers between funds		(4)	4	0	0	(7)	7	0	0
<b>NET MOVEMENT IN FUNDS</b>		<b>(929)</b>	<b>(926)</b>	<b>(1,640)</b>	<b>(3,495)</b>	<b>272</b>	<b>169</b>	<b>3,098</b>	<b>3,540</b>
<b>RECONCILIATION OF FUNDS:</b>									
<b>TOTAL FUNDS brought forward at 31 March 24</b>		<b>9,197</b>	<b>5,911</b>	<b>110,821</b>	<b>125,930</b>	<b>8,925</b>	<b>5,742</b>	<b>107,723</b>	<b>122,390</b>
<b>TOTAL FUNDS carried forward at 31 March 2025</b>		<b>8,268</b>	<b>4,985</b>	<b>109,181</b>	<b>122,435</b>	<b>9,197</b>	<b>5,911</b>	<b>110,821</b>	<b>125,930</b>

	Notes	2025 £000	2024 £000
<b>FIXED ASSETS</b>			
Tangible assets	10	345	345
Investments	11	122,420	125,988
		<b>122,765</b>	<b>126,333</b>
<b>CURRENT ASSETS</b>			
Debtors	12	423	496
Cash and cash equivalents		387	141
		<b>810</b>	<b>637</b>
<b>CREDITORS: amounts falling due within one year</b>	13	<b>1,140</b>	<b>1,040</b>
<b>NET CURRENT LIABILITIES</b>		<b>(330)</b>	<b>(403)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>122,435</b>	<b>125,930</b>
<b>FUNDS</b>			
Endowment funds		109,181	110,821
Restricted funds		4,986	5,912
Unrestricted funds		8,268	9,197
		<b>122,435</b>	<b>125,930</b>

These financial statements were approved by the Board of Trustees on 3rd December 2025 and signed on its behalf by:



Natalie Creary  
Chair

Date 03/12/25

## Statement of Cash Flows

	2024/25 £000	2023/24 £000
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	(4,192)	(4,449)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	3,129	3,039
Purchase of property, plant and equipment	0	0
Proceeds from sale of investments	3,000	1,825
Capital expenditure on investments	(1,566)	(795)
Investment management fees paid	(125)	(120)
<b>Net cash provided by investing activities</b>	<b>4,438</b>	<b>3,949</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>246</b>	<b>(500)</b>
Change in cash and cash equivalents in the reporting period	246	(500)
Cash and cash equivalents at the beginning of the reporting period	1,272	1,772
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,518</b>	<b>1,272</b>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
<b>Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>(3,495)</b>	<b>3,540</b>
Adjustments for:		
Depreciation charges	0	2
Investment management fees paid	125	120
Movement in the market value of investments	2,134	(4,507)
Dividends, interest and rents from investments	(3,129)	(3,039)
(Increase)/decrease in debtors	73	(172)
Increase/(decrease) in creditors	100	(392)
<b>Net cash used in operating activities</b>	<b>(4,192)</b>	<b>(4,449)</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand and bank current accounts	387	141
Cash held as investments	0	0
Deposits and money market funds	1,131	1,131
<b>Total cash and cash equivalents</b>	<b>1,518</b>	<b>1,272</b>

## Analysis of Changes in Net Cash

	At start of year £000	Cashflows £000	At end of year £000
Cash in hand and bank current accounts	141	246	387
Cash held as investments	0	0	0
Deposits and money market funds	1,131	0	1,131
<b>TOTAL</b>	<b>1,272</b>	<b>246</b>	<b>1,518</b>

## Notes to the accounts

### 1. Charity Information

The charities are registered with The Charity Commission (registration numbers 312800, 312800-1, 312800-2, 312800-3), are domiciled in the UK and are public benefit entities. The address of the registered office is 127 Kennington Road, London SE11 6SF. Further information is given in the accounting policies below.

### 2. Accounting Policies

#### a) Going concern

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Foundation to continue as a going concern. They have made this assessment for a period of at least one year from the date of approval of these financial statements. In particular, the Governors have considered the Foundation's forecasts and projections and, after making enquiries, have concluded there is a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

#### b) Basis of preparation

Walcot Foundation is the working name for the group of four charities administered by the Walcot and Hayle's Trustee Company, which is the corporate trustee for each of the four charities. Three of the charities: the Walcot Educational Foundation (WEF), the Walcot Non Educational Charity (WNEC) and the Hayle's Charity, were united by a Charity Commission uniting order dated 26 March 2007. A fourth charity, The Lady Cynthia Charity (TLCC), joined the group when its trusteeship was transferred to the Walcot & Hayle's Trustee Company by a Charity Commission Scheme on 23 June 2009. These financial statements are the aggregated accounts for the four separate charities and include all the funds of the four charities.

The funds of the Walcot Educational Foundation (WEF) are regulated by the Scheme of 6th February 1991, as amended by the Order of 24 August 2004, by the Resolution of 5 October 2004, by the Scheme dated 26 March 2007, and by the Scheme dated 14 October 2015. The funds of the Hayle's Charity are regulated by the Scheme of 31 January 1990, as amended by the Scheme of 26 March 2007. The funds of the Walcot Non Educational Charity (WNEC) are regulated by the Scheme of 1974, as amended by the Scheme of 26 March 2007. The funds of The Lady Cynthia Charity (TLCC) are regulated by the Declaration of Trust dated 1 January 1936, as amended by schemes of 23 January 1951, 6 December 1965, 27 September 1995, and 23 June 2009.

The accounts (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.

The accounts have been prepared under the historical cost convention, except for investments and property fixed assets which are stated at market value at the balance sheet date, and in accordance with applicable accounting standards and the Statement of Recommended Practice '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) (effective 1 January 2015), and the Charities Act 2011.

The Walcot Foundation's subsidiary, Walcot Projects Limited, has been excluded from consolidation as its inclusion is not material for the purposes of giving a true and fair view.

The Walcot Educational Foundation, the Hayle's Charity and The Lady Cynthia Charity have permanent endowments, which must remain intact as the charities' capital. These permanent endowments are invested in fixed assets either used by the charities or to provide income for the charities' activities.

After making enquiries, the Governors have a reasonable expectation that the Walcot Foundation has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities above.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### c) Investments

Investment assets are stated at their market value at the balance sheet date. Gains and losses on revaluations and on investment asset disposals are taken to the accounts in which the investments are held, as disclosed in the statement of financial activities.

A full external valuation of investment properties is carried out every five years. The last full valuation, undertaken by Cluttons LLP, was carried out as at 31 March 2021. This was followed by a full desktop valuation, also undertaken by Cluttons LLP, as at 31 March 2023. The next full external valuation is due at 31 March 2026 and in the intervening years the valuation is assessed by The Investment Committee of the Trustee.

### d) Tangible Fixed Assets and Depreciation

Operational property assets are part of the endowment of the Walcot Educational Foundation and are included in tangible fixed assets of the charity and shown at their current value at the balance sheet date, with regular revaluations. They are maintained in such a condition that their residual value is at least equal to their carrying value and the Governors carry out an annual impairment review to ensure that this is so. As a result, no depreciation is charged on them. Computers and equipment costing more than £2,000 are capitalised and included at cost and are written off over their estimated useful life of three years through the Statement of Financial Activities.

### e) Fund Accounting

#### Endowment funds

The Walcot Educational Foundation (WEF), the Hayle's Charity and The Lady Cynthia Charity have permanently endowed assets, which provide unrestricted income to the WEF General Fund, the Hayle's General Fund and The Lady Cynthia Charity General Fund respectively.

#### Restricted funds

The application of WEF's income is governed by the Charity Commission Scheme, which permits the Walcot Educational Foundation (WEF) to allocate up to 18% of its income to a Rebuilding and Repairs Fund (R&R fund). This fund is treated as a restricted fund and has its own investment assets, but the income generated from its assets is now credited to the WEF General Fund, as permitted by the Scheme, as the R&R fund is judged to be large enough for the charity's present needs.

In addition, WEF has the St Thomas' Fund and the Townsend Fund, both restricted capital funds arising from gifts to WEF in 1995 and 2015 respectively. Both The St Thomas' Fund and the Townsend Fund have their own investment assets, the income from which is credited to the St Thomas' Income Fund, and the Townsend Income Fund respectively.

#### Unrestricted funds

All four charities have their own general funds, which are applied according to the Schemes governing the charities.

### f) Income

Income from listed investments and common investment funds is accounted for by reference to the date on which distributions are receivable. Investment interest and rental income are accounted for on an accruals basis.

Donations and voluntary income are applied to the purposes expressed by the donor, if applicable, and are accounted for when receivable.

### g) Resources Expended

Costs incurred by each charity directly are assigned to that charity and all expenditure is accounted for on an accruals basis. Almost all of the operational costs of the four charities, including the employment of all staff are borne by the Walcot Educational Foundation unless otherwise stated.

Apart from grants paid, the Hayle's Charity and The Lady Cynthia Charity incur directly only investment management fees and some other small costs. Each pays an annual service charge to the Walcot Educational Foundation as a contribution towards the costs of grant-making and governance. The Walcot Non Educational Charity incurs no direct costs, other than grants paid.

The following headings are used for the analysis of expenditure:

- **Cost of Raising Funds** – Costs relating to the management of investments – e.g. valuation fees, investment managers' and surveyors' fees, management, maintenance and improvement of investment properties.
- **Charitable Expenditure** – Grants are recognised when conditions attached to their payment have been fulfilled. Grants for which the Governors still have further actions to take before releasing them for payment are not recognised in the financial statements but the total value of such grants is disclosed in note 14.

### h) Allocation of Support Costs

Support costs are allocated to the two areas mentioned above based on staff time spent on work in these areas. Included in support costs are the staff costs for those staff who work across the different areas, together with the costs of running the office and governance. Support costs are allocated as follows:

- Cost of raising funds 60%
- Charitable expenditure 40%

### i) Pensions

The pension charge represents contributions payable by the Foundation on behalf of employees to independent money purchase pension schemes.

### j) Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, bank current accounts, deposits at banks and in money market funds with maturities of 95 days or less.

### k) Significant Judgements and Estimates

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

Valuation of land and buildings and investment properties. The charities' land and buildings, whether held as investment properties or as tangible fixed assets, are stated at their estimated fair value based on external professional valuations and internal assessments as disclosed in Note 11.

The latest external professional valuation was carried out in March 2021 and certain refurbished properties were externally valued as at 31 March 2024.

### l) Financial instruments

The Walcot Foundation 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 the present value of future cash flows (amortised cost).

Financial assets held at amortised cost comprise cash at the bank and in hand, short-term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short-term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

## Note 3. Donations and Legacies

	2024/25 Unrestricted Funds £000	2024/25 Restricted Funds £000	2024/25 TOTAL £000	2023/24 TOTAL £000
<b>Walcot Educational Foundation</b>				
Donations	5	0	5	5
Gift aid from Walcot Projects Limited	1	0	1	4
	6	0	6	9
<b>Hagley's Charitty</b>				
Grants	2	0	2	2
	2	0	2	2
<b>Total Donations and Legacies</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>11</b>

## Note 4. Income from Charitable Activities

	2024/25 Unrestricted Funds £000	2024/25 Restricted Funds £000	2024/25 TOTAL £000	2023/24 TOTAL £000
<b>Walcot Educational Foundation</b>				
Grants	0	25	25	170
	0	25	25	170

## Note 5. Investment Income

	2024/25 Unrestricted Funds £000	2024/25 Restricted Funds £000	2024/25 TOTAL £000	2023/24 TOTAL £000
<b>Walcot Educational Foundation</b>				
<b>Investment Income</b>				
Rents	2,121	0	2,121	2,018
Listed Investments	701	23	724	752
Investment interest	54	1	55	36
Bank deposit interest	8	0	8	9
	2,884	24	2,908	2,815
<b>Hagley's Charitty Investment Income</b>	<b>187</b>	<b>0</b>	<b>187</b>	<b>190</b>
<b>The Lady Cynthia Charity Investment Income</b>	<b>34</b>	<b>0</b>	<b>34</b>	<b>34</b>
<b>Total Investment Income</b>	<b>3,105</b>	<b>24</b>	<b>3,129</b>	<b>3,039</b>

Restricted income refers to income from the Townsend Fund and the St Thomas' Fund.

## Note 6. Expenditure on Raising Funds

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2024/25 TOTAL £000	2023/24 TOTAL £000
<b>Walcot Educational Foundation (WEF) Expenditure on Raising funds</b>					
WEF Property Investment Expenditure					
Staff costs	122	0	0	122	2
Property costs (incl. Insurance & Utilities)	80	0	0	80	78
Surveyors' Fees	1	0	0	1	0
Other Professional Fees	85	0	0	85	84
Routine Walcot Estate maintenance	0	216	0	216	194
Improvement of properties	0	471	0	471	221
Support Expenditure (see Note 8)	288	687	0	975	579
	283	0	0	283	335
<b>Total WEF Property Investment Expenditure</b>	<b>571</b>	<b>687</b>	<b>0</b>	<b>1,258</b>	<b>914</b>
<b>WEF Investment Management Fees for Financial Investments</b>					
	36	30	139	205	198
<b>WEF Total Expenditure on Raising Funds</b>	<b>607</b>	<b>717</b>	<b>139</b>	<b>1,463</b>	<b>1,112</b>
<b>Haigle's Charity Investment Management Fees</b>					
	8	0	45	53	50
<b>The Lady Cynthia Charity Investment Management Fees</b>					
	1	0	9	10	9
<b>Total Expenditure on Raising Funds</b>	<b>616</b>	<b>717</b>	<b>193</b>	<b>1,526</b>	<b>1,171</b>

## Note 7. Charitable Expenditure

	2024/25 Number	2024/25 £000	2023/24 Number	2023/24 £000
<b>Walcot Educational Foundation (WEF) Grants Awarded</b>				
Grants to individuals	202	308	217	315
Grants to institutions	132	1,968	182	2,121
<b>WEF total grants awarded</b>	<b>334</b>	<b>2,276</b>	<b>399</b>	<b>2,436</b>
<b>Haigle's Charity Grants Awarded</b>				
Grants to individuals	1	1	5	1
Grants to institutions	0	0	0	0
<b>Haigle's Charity total grants awarded</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>1</b>
<b>Walcot Non-Educational Charity (WNEC) Grants Awarded</b>				
Grants to individuals	80	91	94	110
Grants to institutions	88	359	13	255
<b>WNEC total grants awarded</b>	<b>168</b>	<b>450</b>	<b>107</b>	<b>365</b>
<b>The Lady Cynthia Charity (TLCC) Grants Awarded</b>				
Grants to individuals	0	0	0	0
Grants to institutions	0	0	0	0
<b>TLCC total grants awarded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total grants awarded</b>	<b>503</b>	<b>2,727</b>	<b>511</b>	<b>2,803</b>

## Grant-making support costs

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024/25 £000	Total 2023/24 £000
Direct grant-making staff costs	191	0	0	191	163
Other direct costs	75	0	0	75	24
	266	0	0	266	187
Support costs (see Note 8)	189	0	0	189	223
	455	0	0	455	410

## Note 8. Support Costs

	Cost of Generating Funds £000	Charitable Activities £000	2024/25 TOTAL £000	2023/24 TOTAL £000
	60%	40%		
Management & Finance Staff costs	153	102	255	356
Premises costs	23	15	38	16
Office expenses	32	21	53	45
Legal & Professional	33	23	56	67
Irrecoverable VAT	23	15	38	35
Audit fees	14	10	24	25
Governance & Annual Review	5	3	8	13
	283	189	472	558

## Note 9. Staff Costs

	2024/25 TOTAL £000	2023/24 TOTAL £000
Wages & salaries	452	412
National insurance costs	52	45
Accrued holiday pay	(5)	(4)
Pension & Life insurance costs	47	44
Recruitment & Staff expenses	13	24
	559	521

The average number of employees employed throughout the year was 8. One employee works part-time, and the full-time equivalent basis (FTE) was 7.6 (2023/24: average 7, FTE 6.6).

The key management of the charity are the Director, Finance Manager, Head of Grants and Head of Property & Estate.

Their total remuneration (gross pay, employer NI, employer pension and benefits/life insurance) was £365,238 (2023/24: £308,314).

Employees whose salary plus pension contribution fell in the £60,001-£130,000 band	2024/25	2023/24
£60,001-£70,000	0	0
£70,001-£80,000	3	1
£80,001-£90,000	0	0
£90,001-£100,000	0	0
£100,001-£130,000	1	1
	4	2

Pension payable to these employees amounted to £29,914 (2023/24: £16,856).

## Note 10. Tangible Fixed Assets

Cost or Valuation	Freehold Property £000	Furniture & Equipment £000	Total £000
As at 31 March 2024	345	31	376
Additions	0	0	0
Disposal	0	0	0
<b>At 31 March 2025</b>	<b>345</b>	<b>31</b>	<b>376</b>
<b>Depreciation</b>			
As at 31 March 2024	0	(31)	(31)
Charge for period	0	0	0
Disposal	0	0	0
<b>At 31 March 2025</b>	<b>0</b>	<b>(31)</b>	<b>(31)</b>
<b>Net book values</b>			
At 31 March 2025	345	0	345
<b>As at 31 March 2024</b>	<b>345</b>	<b>0</b>	<b>345</b>
Historic cost of property (stated as valuation at 1 January 1980, see note 11)	116	0	116

Investment property held within the Waicot Foundation for its own use at 1st January 1980 is included in the cost at the valuation at that date and was revalued in March 2021 by Cluttons LLP.

## Note 11. Investments at Valuation

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2024/25 £000	Total Funds 2023/24 £000
Market value at 31 March 2024	<b>9,569</b>	<b>5,916</b>	<b>110,503</b>	<b>125,988</b>	121,241
Additions at cost	0	0	1,566	<b>1,566</b>	2,065
Disposals at market value	(3,000)	0	0	<b>(3,000)</b>	(1,825)
Investment management fees deducted from portfolio value	(31)	(21)	(133)	<b>(185)</b>	(176)
Net gains/(losses) on revaluation	(298)	(204)	(1,447)	<b>(1,949)</b>	4,683
Movement in Investment Assets allocation between funds	2,342	(704)	(1,638)	<b>0</b>	0
<b>Market value at 31 March 2025</b>	<b>8,583</b>	<b>4,987</b>	<b>108,850</b>	<b>122,420</b>	<b>125,988</b>
<b>Analysis of Investments held at 31 March 2025</b>					
Directly held freehold land & buildings	0	0	74,882	<b>74,882</b>	73,480
Property investment	206	135	920	<b>1,260</b>	1,118
UK equities	371	242	1,657	<b>2,270</b>	1,988
Overseas equities	5,627	3,679	25,136	<b>34,442</b>	41,207
Fixed income	437	286	1,952	<b>2,674</b>	2,325
Alternatives	601	393	2,687	<b>3,682</b>	3,958
Cash with investment managers	340	222	1,517	<b>2,079</b>	781
Cash held as investments	1,001	30	99	<b>1,131</b>	1,131
<b>TOTAL</b>	<b>8,583</b>	<b>4,987</b>	<b>108,850</b>	<b>122,420</b>	<b>125,988</b>

The cost of Freehold property held within the Walcot Foundation at 1st January 1980 is included within the valuation at that date and was revalued in March 2021 by Cluttons LLP. All valuations are on an open market basis in accordance with the Royal Institution of Chartered Surveyors' Valuation – Professional Standards, 2014 Edition.

Investments held by the charity include a £100 investment (2024: £100) in the subsidiary company, Walcot Projects Limited, and represent 100% of the issued share capital. Walcot Projects Limited was incorporated on 2 August 2018 (registration number 1149713) and its registered office is at 127 Kennington Road, London, United Kingdom, SE11 6SF. The principal activity of Walcot Projects Limited is the provision of design and build services to the Walcot Educational Foundation.

At 31 March 2025, Walcot Projects Limited had no fixed assets, net current assets of £100 and shareholder's funds of £100. Its turnover for the year was £20,318 (2023/24: £73,806) and it made a profit of £1,192 (2023/24: £3,361) prior to an accrued gift aid distribution of £1,192 (2023/24: £3,361) to the Walcot Educational Foundation.

## Note 12. Debtors

	2025 £000	2024 £000
<b>Walcot Educational Foundation Debtors</b>		
Rental debtors	<b>0</b>	36
Amounts owing from Walcot Projects Ltd	<b>1</b>	3
Prepayments	<b>84</b>	72
Accrued income	<b>338</b>	384
	<b>423</b>	<b>496</b>

## Note 13. Creditors: amounts falling due within one year

	2025 £000	2024 £000
<b>Walcot Educational Foundation Creditors and Accruals</b>		
Trade creditors	<b>294</b>	27
Deferred rental income	<b>115</b>	111
Accruals	<b>63</b>	65
Accrued grants	<b>372</b>	622
Other creditors	<b>99</b>	29
	<b>943</b>	<b>854</b>
<b>Hagley's Charity Accruals</b>	<b>5</b>	5
<b>WNEC Accruals</b>	<b>191</b>	180
<b>The Lady Cynthia Charity Accruals</b>	<b>1</b>	1
	<b>1,140</b>	<b>1,040</b>

## Note 14. Grant Commitments

	2025 £000	2024 £000
Due for payment in 2024/25	<b>0</b>	565
Due for payment in 2025/26	<b>1,165</b>	147
Due for payment in 2026/27	<b>1,180</b>	13
Due for payment in 2027/28	<b>40</b>	0
Due for payment in 2028/29	<b>4</b>	0
	<b>2,390</b>	<b>725</b>

The amounts above have been provisionally approved as grants to be made by the Governors as at 31 March 2025. As the Governors have further actions to take on them (mostly carrying out progress reviews on each one against performance conditions) before releasing them for payment, they have not been recognised in this year's accounts. No discounting has been applied to grant commitments due in more than one year on the basis that the period over which amounts will be settled is such that any discounting would be immaterial.

## Note 15. Capital Commitments

Capital commitments outstanding at 31 March 2025 were £332,722 (2024: £Nil). Capital commitments represent contracted expenditure on the refurbishment of two investment properties.

## Note 16. Analysis of Funds Movements

	Balance at 31 Mar 24 £000	Income £000	Expenditure £000	Gains/(losses) £000	Transfers between funds £000	Balance at 31 Mar 25 £000
<b>Unrestricted Funds</b>						
WEF General Fund	7,419	2,890	(3,331)	(237)	(604)	6,338
Hayle's General Fund	1,563	189	(8)	(53)	0	1,690
WNEC General Fund	0	0	(400)	0	400	0
The Lady Cynthia Charity	215	34	(1)	(7)	0	240
<b>Sub-total Unrestricted Funds</b>	<b>9,197</b>	<b>3,113</b>	<b>(3,740)</b>	<b>(298)</b>	<b>(4)</b>	<b>8,268</b>
<b>Restricted Funds</b>						
WEF R & R Fund	4,649	0	(711)	(161)	0	3,777
WEF St Thomas' Income Fund	152	20	0	0	0	173
WEF St Thomas' Capital Fund	895	0	(5)	(36)	0	854
WEF Townsend Income Fund	0	4	(8)	0	4	0
WEF Townsend Capital Fund	189	0	(1)	(7)	0	181
WNEC, WEC & Guy's & St Thomas's	26	25	(50)	0	0	1
<b>Sub-total Restricted Funds</b>	<b>5,911</b>	<b>49</b>	<b>(775)</b>	<b>(204)</b>	<b>4</b>	<b>4,986</b>
<b>Endowment Funds</b>						
WEF Endowment fund	99,681	0	(139)	(1,090)	0	98,452
Hayle's Endowment fund	9,503	0	(45)	(300)	0	9,158
The Lady Cynthia Charity	1,637	0	(8)	(57)	0	1,571
<b>Sub-total Endowment Funds</b>	<b>110,821</b>	<b>0</b>	<b>(193)</b>	<b>(1,447)</b>	<b>0</b>	<b>109,181</b>
<b>Total Funds</b>	<b>125,930</b>	<b>3,162</b>	<b>(4,708)</b>	<b>(1,949)</b>	<b>0</b>	<b>122,435</b>

The Walcot Educational Foundation (WEF) Scheme directs the allocation of WEF's income: this includes payment of between 10% and 20% of net income after management expenses to the Walcot Non-Educational Charity. In 2024/25, a total of £399,774 (2023/24 £365,404) was transferred from WEF General Fund for this purpose.

Hayle's Charity (Hayle's) and The Lady Cynthia Charity Fund (TLCC) pay an annual service charge to WEF to reflect a contribution to the costs of grant-making and office administration. The service charge is based on the proportion of grants each charity pays. In 2024/25 Hayle's paid £105 (2023/24 £206) and TLCC paid £0 (2023/24 £0).

## Note 16 (continued). Analysis of Funds Movements 2023/24

	Balance at 31 Mar 23 £000	Income £000	Expenditure £000	Gains/(losses) £000	Transfers between Funds £000	Balance at 31 Mar 24 £000
<b>Unrestricted Funds</b>						
WEF General Fund	7,505	2,821	(3,225)	690	(372)	7,419
Hayle's General Fund	1,255	192	(8)	125	0	1,563
WNEC General Fund	0	0	(365)	0	365	0
The Lady Cynthia Charity	165	34	(1)	16	0	215
<b>Sub-total Unrestricted Funds</b>	<b>8,925</b>	<b>3,047</b>	<b>(3,599)</b>	<b>831</b>	<b>(7)</b>	<b>9,197</b>
<b>Restricted Funds</b>						
WEF R & R Fund	4,628	0	(440)	460	0	4,649
WEF St Thomas' Income Fund	132	20	0	0	0	152
WEF St Thomas' Capital Fund	809	0	(5)	91	0	895
WEF Townsend Income Fund	0	4	(11)	0	7	0
WEF Townsend Capital Fund	172	0	(1)	18	0	189
WNEC Trust For London & Battersea Power Station	0	170	(144)	0	0	26
<b>Sub-total Restricted Funds</b>	<b>5,741</b>	<b>194</b>	<b>(601)</b>	<b>569</b>	<b>7</b>	<b>5,911</b>
<b>Endowment Funds</b>						
WEF Endowment fund	97,466	0	(134)	2,349	0	99,681
Hayle's Endowment fund	8,761	0	(43)	785	0	9,503
The Lady Cynthia Charity	1,496	0	(8)	149	0	1,637
<b>Sub-total Endowment Funds</b>	<b>107,723</b>	<b>0</b>	<b>(185)</b>	<b>3,283</b>	<b>0</b>	<b>110,821</b>
<b>Total Funds</b>	<b>122,390</b>	<b>3,241</b>	<b>(6,384)</b>	<b>4,683</b>	<b>0</b>	<b>125,930</b>

## Note 17. Analysis of Net Assets Between Funds

	Un-restricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL FUNDS 2024/25 £000	Un-restricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL FUNDS 2023/24 £000
<b>Funds balance at 31 March 2025 as represented by:</b>								
Tangible fixed assets	0	0	345	345	0	0	345	345
Investment assets	8,583	4,987	108,851	122,420	9,569	5,916	110,503	125,988
Debtors	423	0	0	423	496	0	0	496
Other current assets	387	0	0	387	141	0	0	141
Current liabilities	(1,124)	(1)	(15)	(1,140)	(1,009)	(5)	(27)	(1,040)
<b>Total Funds</b>	<b>8,268</b>	<b>4,986</b>	<b>109,181</b>	<b>122,435</b>	<b>9,197</b>	<b>5,911</b>	<b>110,821</b>	<b>125,930</b>

## Note 18. Related Party Transactions

The four charities forming the Walcot Foundation are related parties, being all administered by the same corporate trustee – The Walcot & Hayle's Trustee Company. The grant-making, governance and support costs for the four charities are borne by the Walcot Educational Foundation.

Hayle's Charity and The Lady Cynthia Charity pay an annual service charge to reflect these costs. In 2024/25 Hayle's paid £105 (2023/24: £206), and The Lady Cynthia Charity paid £0 (2023/24: £0).

No claims for expenses were made by any Governor in 2024/25 (2023/24: £210). No Governor or any person connected with a Governor received any remuneration or any benefit from any of the four charities (2023/24: £nil).

Where a Governor has an interest in any grant beneficiary, that Governor will excuse herself/himself from the decision making process.

In 2024/25, Walcot Projects Limited charged £20,318 (2023/24: £73,806) to the Walcot Education Foundation in respect of design and build services and made provision for Gift Aid payments to the charity of £1,192 (2023/24: £3,361). The net balance owed to the Walcot Education Foundation at 31st March 2025 was £1,192 (2023/24: £9,167).

## Note 19. Grants of £10,000 or more awarded to institutions working with financially disadvantaged Lambeth residents

Organisation name	Grant Name	Amount £000
<b>Centre 70 Advice Centre</b>	Walcot Advice Worker (2023/24-25/26)	59
<b>Power2</b>	Walcot Student Advance Programme – Power2 Aspire	58
<b>Baytree Centre</b>	Gems: increasing confidence & skills for girls experiencing disadvantage through positive activities	30
<b>Carers Hub Lambeth</b>	Young Carers Project Extension	30
<b>Class 13</b>	Transforming Schools into Equitable Spaces	30
<b>Creative Sparkworks</b>	BreakTHROUGH	30
<b>Doorstep Library</b>	Doorstep Library – Lambeth Shared Reading Projects	30
<b>Dwayne Simpson Foundation C.I.C</b>	Dwaynatics Youth Boxing Awards	30
<b>Exceed Reading Stars Ltd</b>	Exceeding Youth Stars	30
<b>Home-Start Lambeth</b>	Community champions empowering families	30
<b>Indoamerican Refugee And Migrant Organisation (Irmo)</b>	Latin American Youth Forum (LAYF)	30
<b>Juvenis</b>	School of Hope	30
<b>Lansdowne Turney Federation</b>	School Links – Increasing Confidence and Skills	30
<b>Live Your Movie</b>	New Era Programme	30
<b>Loughborough Community Centre</b>	Empowering Futures Afterschool Club	30
<b>Neon Performing Arts Ltd</b>	Illuminating Opportunities	30
<b>Oasis Children's Venture</b>	Inclusive Adventure Playground: transforming lives through play	30
<b>Respeito</b>	A Safe Domestic Environment for Portuguese-speaking Families in Lambeth	30
<b>Rising Stars Support</b>	Fight For Your Future	30
<b>Spiral Skills C.I.C</b>	Spiral Skills Employment Hub	30
<b>Status Employment</b>	Status Supported Internship Programme	30
<b>Step Now</b>	Core Funding – Stronger Futures After School Programme	30
<b>Stockwell Park Estate Community Trust Ltd</b>	Educational Enrichment at The Trust (EET)	30
<b>The Advocacy Academy</b>	Beehive Open Access Youth Space	30
<b>The Boury Academy C.I.C</b>	Mental Health through the arts	30
<b>The Skills Spot</b>	Embedding Wellbeing into Youth Employability Support	30
<b>Vauxhall City Farm</b>	City Sprouts: Wellbeing Programme	30

Organisation name	Grant Name	Amount £000
We Rise Ltd	AAA (Access All Areas)	30
Orange Bow C.I.C	Make IT Make Sense digital skills and employability programme	30
Stockwell Partnership	Supporting Low Income Lambeth Portuguese and Spanish speaking Families to Thrive	30
Options 4 Change	CORE FUNDING, Family Welfare Crisis Intervention for Families With No Recourse to Public Funds (NRRPF)	30
St Matthews Project	Moving On Year 3	30
Football Beyond Borders	Empowering Elm Green: FBB's Holistic Education Impact	30
Katakata	The one-stop-shop, tackling root causes of food poverty and insecurity	30
Gma's Community Kitchen	Brixton Hospitality – Possible Together	30
You Be You Ltd	Empowering young people in Lambeth with the life skills to thrive	29
South London Refugee Association (SLRA)	Immigration advice for vulnerable families in Lambeth community settings	29
Whippersnappers	SEND STEPS	28
Rathbone Society	Integrate Friday night youth club night at the Old Library, Knights Hill, West Norwood	27
Code 7 Ltd	'Behind The Scenes' – Family Intervention Project	26
Lambeth Somali Community Association	Breaking the Barrier Project (BBP)	25
Mindheart Creative Therapies C.I.C	Dramatherapy: Creating Wellbeing Together in Schools	25
Norwood And Brixton Foodbank	Electric Delivery Van for Norwood Foodbank – year 2	25
Crosslight Advice	Crosslight – Lambeth	24
Step Out Mentoring	Step Out Mentoring – Lambeth pathway	22
Ark Evelyn Grace Academy	A mentally healthy school environment	20
Business Launchpad	Business Launchpad Lambeth Initiative	20
Girls United Football Association	Leaders of Lambeth	20
Jubilee Primary School	Package of early mental health interventions for vulnerable pupils at Jubilee Primary	20
Lambeth Nursery Schools Federation	Music Therapy across our nursery schools	20
Larkhall Primary School and Children's Centre	Music Therapy	20
Lilian Baylis Technology School	SEMH Leads	20
Richard Atkins Primary School	Supporting better mental health and improved school engagement for Richard Atkins pupils and families	20
Saint Gabriel's College	Removing Barriers in Education	20

Organisation name	Grant Name	Amount £000
St Giles Trust	SOS+ Embedded Mentor in Bishop Thomas Grant School	20
Van Gogh Primary School	Nurture Provision	20
The Children's Literacy Charity	Expert Literacy Lab Programme in Lambeth	20
Community TechAid	Digital Inclusion for Lambeth Families	19
Keen London	KEEN to have fun in Lambeth	19
Esports Youth Club C.I.C	Building confidence, creative and social skills	19
Ashmole Primary School	Supporting wellbeing, attendance and welfare for children and families	18
Brixton Wings	Elevate Wings	18
Christ Church Streatham CofE Primary School	Building better mental health and engagement with learning at Christ Church Streatham	16
Elm Court School	The Skills for Life Employability Programme	15
Glenbrook Primary School	Emotional Literacy support for children at risk of exclusion and at risk of not flourishing due to wider vulnerability	15
Heathbrook Primary School	Supporting Mental Health and Wellbeing in school	15
Henry Fawcett Primary School	Educational Psychology and Counselling	15
Herbert Morrison Primary School	Supporting wellbeing, attendance and welfare for children and families	15
Holy Trinity CofE Primary School	Building better mental health and life-coping skills for pupils and families at Holy Trinity	15
Jessop Primary School	Improving mental health and engagement with learning at Jessop Primary	15
Loughborough Primary School	Therapeutic schools project	15
Orchard Primary	Improving pupil mental health and engagement with education at Orchard Primary	15
Pegasus Opera Company	Opera Mentoring Programme	15
Photofusion	The FAM Project	15
Power2	Power2 Advance Transitions – Lambeth	14
Reay Primary School	Speech and Language Therapy	14
St Andrew's CofE Primary School	Psychotherapeutic Model of Support	14
St John's Angell Town CofE Primary School	Improved mental health and engagement with learning at St John's Angell Town	13
St Jude's CofE Primary School	Better mental health and engagement with learning at St Jude's	15
St Luke's CofE Primary School	Building better mental health and engagement with learning at St Luke's	13

Organisation name	Grant Name	Amount £000
St Mark's CofE Primary School	Supporting Families Under Pressure	15
Stockwell Primary School	Improving mental health and engagement with learning at Stockwell Primary	15
Streatham Wells Primary School	Unlocking Potential	15
St Saviours CofE Primary School	Improving mental health and learning engagement at St Saviour's	15
St Stephen's CofE Primary School	Free Homework Club & Communication and Confidence Coaching	15
Sudbourne Primary School	Supporting improved mental health for vulnerable children at Sudbourne Primary	15
Vauxhall Primary School	Supporting families under pressure to improve attendance and wellbeing	15
Walnut Tree Walk Primary School	Mental health hub at Walnut Tree Walk	15
Wyvil Primary School	Support disadvantaged families and vulnerable children with family support, counselling and SALT	14
Bonneville Primary School	Empowering Children to Develop and Maintain Positive Mental Health	14
Archbishop Sumner CofE Primary School	Child psychotherapy. Removing barriers in education	13
Future Frontiers	Empowering disadvantaged young people from Lambeth on their education and career journeys	11
Refuge	Rehousing and support fund for Lambeth residents	11
Upper Norwood Library Trust	Children & Family Literacy, Numeracy, Signposting & Referral Project – The Upper Norwood Library Hub	10
Heron Academy	Increasing confidence and skills through positive activities at Heron Academy	10
East African Association	Potential meets Opportunity	10
Lambeth Larder Community Food Resource C.I.C	Digital Exclusion Paper Directory of Services 2023-25	10
Lerato Community Initiative	Lerato Youth Coaching and mentoring for – girls (Sister Talk), and Boys (Stand In My Shoes)	10
Loughborough Junction Action Group	Platform Café Employability Programme	10
Simply Beauty Pamper Services C.I.C	Steps to Work	10
Total large grants		<b>2,217</b>
Grants made to individuals		<b>110</b>
Smaller grants to organisations (not listed above)		<b>400</b>
<b>Total</b>		<b>2,727</b>



# WALCOT FOUNDATION

The Walcot & Hayle's Trustee (company 6133849) is sole trustee of The Walcot Educational Foundation (312800), The Hayle's Charity (312800-1), The Walcot Non-Educational Charity (312800-2) and The Lady Cynthia Charity (312800-3)

# Walcot Foundation

Post-Audit Management Report  
Year Ended 31 March 2025

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# Post-Audit Management Report

We have completed the audit of Walcot Foundation for the year ended 31 March 2025 and we expect to issue an unqualified audit opinion.

This report covers the findings from our audit, the scope of which was communicated to you prior to commencing the work. It includes some recommendations for improving the accounting and internal control systems as well as highlighting some future developments that may be of interest to the Board.

We hope that the recommendations are practical and are able to be implemented. We would be grateful if you could discuss the points as a board and will welcome a written response. Please extend our thanks to Marcia, David and Djilali for all their help with the audit.

If you have any concerns or questions arising from this report, please contact Samir Chandoo or Ranna Rizvi.

Yours faithfully,

Moore Kingston Smith LLP

Moore Kingston Smith LLP

Date: 4 December 2025

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This report has been prepared for the sole use of the board of Walcot Foundation and must not be shown to any third parties without our prior consent. No responsibility is accepted by Moore Kingston Smith LLP towards any third party acting or refraining from action as a result of this report.

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## Audit Approach - Risks

As outlined in our audit scoping report dated 22<sup>nd</sup> April 2025 our audit approach is based on an assessment of the audit risk relevant to the individual financial statement areas. Areas of risk are categorised according to their susceptibility to material misstatement, whether through complexity of transactions or accounting treatment. For each area we calculated a level of testing and review sufficient to give comfort that the financial statements are free from material misstatement.

In order that we were able to perform an appropriate level of audit testing, a figure of £2,471,502 was calculated at the planning stage for overall materiality. We did not need to revise this because of any of our findings from the audit.

The following table lists any risks identified at the planning stage and during the audit, our approach to mitigate the risk and our conclusions from completing this work.

## Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
<p><b>Fraud &amp; Management Override (including accounting estimates and judgements)</b></p> <p>Under International Standard on Auditing (UK and Ireland) 240 “The Auditor’s responsibility to consider fraud in an audit of financial statements” (‘ISA 240’), there is a presumed significant risk of management override of the system of internal controls.</p> <p>We are not responsible for preventing fraud or corruption - the primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity. They are responsible for establishing a sound system of internal control designed to support the achievement policies, aims and objectives and to manage the risks facing the organization; this includes the risk of fraud.</p> <p>Within any organisation, the risk that the financial statements are materially misstated through management override of controls and bias around significant judgements and estimates is always present.</p> <p>Given the comparatively small senior management team, there is an inherently increased risk of management override.</p> <p>We remain vigilant to the possibility throughout our audit work and are required by auditing standards to consider this a significant risk on all audits.</p>	<p>Our audit work in this area will include:</p> <ul style="list-style-type: none"> <li>• reviewing controls around journal entries and the financial reporting process;</li> <li>• testing a sample of journal entries;</li> <li>• testing miscellaneous payments;</li> <li>• reviewing key accounting estimates and judgements within the financial statements affected by management judgement and estimation for evidence of management bias in line with ISA 540 auditing requirements. In this context we view the key estimates as being:             <ul style="list-style-type: none"> <li>➢ Basis of income recognition (including cut off);</li> <li>➢ Amortisation / Depreciation and useful economic life of assets;</li> <li>➢ Prepayments, accruals and provisions; and</li> <li>➢ Cost allocation in line with Charities FRS102 SORP.</li> </ul> </li> <li>• Reviewing significant or unusual transactions outside the normal course of business.</li> </ul> <p>Significant transactions outside the normal course of business We have not been made aware at this stage of any significant transactions which have occurred outside of the normal course of business.</p> <p>We will reconfirm this with management at the time of our audit fieldwork and remain alert throughout the audit to any such transactions which have not already been disclosed to us.</p>	<p>From a sample review of the journal transactions and miscellaneous payments, no instances of management override were identified.</p> <p>During our testing we didn’t identify any concerns over the key estimates used and are satisfied that they were appropriate,</p> <p>During our testing we found the transactions tested to be authorised and to be genuine charity expenditure.</p>

## Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
<p><b>Revenue recognition</b></p> <p>We are also required to presume that there may be risks of fraud in the recognition of income in the financial statements and to conduct our audit testing accordingly.</p> <p>Our key area of focus will be on the capture and processing (including any restrictions or designations) of the various sources of income, focusing on the main income streams – based on the analysis provided by management.</p> <p>Overall, there is a risk that income may be materially incomplete, and cut-off may not have been properly applied which may result in income not being recorded in the correct accounting period.</p>	<p>As part of our audit, we will:</p> <ul style="list-style-type: none"> <li>document our understanding of the procedures used to achieve control over the capture, processing and disclosure of the company's and charity's key income streams and test the design and implementation of the key controls in these areas, in particular voluntary income and grant/external funding income;</li> <li>document our understanding of voluntary income to confirm that the income is being correctly accounted for and any restrictions appropriately identified.</li> </ul> <p>In particular, we will :</p> <p>I. review the adopted revenue recognition policy to ensure continued appropriateness and compliance with recognition defined by the Charities FRS 102 SORP via substantive sample testing. We will further ensure the income has been appropriately classified between unrestricted and restricted funds.</p> <p>II. further ensure that any restrictions / conditions (including claw-backs) have been appropriately identified;</p> <ul style="list-style-type: none"> <li>undertake other procedures and testing to check accuracy of amounts recorded and ensure that amounts have been accounted for in correct period (including substantively testing any accrued and deferred income balances); and</li> <li>review income received around the year-end and post year end receipts to ensure cut-off has been appropriately applied and income has been recorded in the correct period.</li> </ul>	<p>From the sample testing completed, we are satisfied that revenue is not materially misstated and has been recognised in the correct period.</p> <p>From our testing we found that income was allocated to the relevant funds appropriately.</p>

## Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
<b>Valuation of the Investment Properties</b> There is a risk that the value of both the commercial and residential properties held is materially misstated.	We will: <ul style="list-style-type: none"><li>• review and validate third party report on valuation of Investment properties.</li><li>• analytically review valuations of properties and investigate any significant differences from prior year.</li><li>• verify historic cost to purchase agreements.</li><li>• Discuss with Savills with respect to the assumptions used in the valuation report</li></ul>	From our sample testing we have gained reasonable assurance that the properties are disclosed at fair value.  We conducted detailed analysis and reviewed the assumptions for a sample of properties and are satisfied that the valuations are not materially misstated.
<b>Operation of the various schemes and Funds in use</b> There is a risk that conditions of the various schemes/funds are not being met.	We will perform testing to gain assurance that income and expenditure are being allocated to the correct scheme/fund and transfers from one fund to another are being done correctly.	Following our review on reserves, and sample testing undertaken, income (including gains) and expenditure (including losses), and transfers are being allocated to the various funds/schemes in accordance with the various scheme rules.

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## Significant findings from the audit

We are required under International Standards on Auditing to request you to correct all misstatements identified during our audit, except for those that are clearly trivial.

### **Corrected misstatements and reclassifications**

There were no corrected misstatements identified by us during our audit work.

### **Uncorrected immaterial misstatements and reclassifications**

There were no uncorrected misstatements identified by us during our audit work.

### **Observations concerning the operation of the accounting and control systems**

There are no matters to be brought to your attention concerning the operation of the accounting and control systems. We have, however, included an assessment of the extent to which our previous recommendations have been implemented.

Due to the nature of an audit, we may not have identified all weaknesses within the accounting and internal control systems which may exist, and the contents of this section of our report and any items disclosed in this report should not therefore be taken as a comprehensive list of such weaknesses.

### **Management representation letter**

A draft of our proposed management representation letter has been sent to you under separate cover. All the matters included in this letter on which we seek the Governors' formal confirmation are in respect of routine matters, except point 12 re fair values of the investment property and point 13 regarding the non-depreciation of property.

### **Independence and objectivity**

Having considered our independence and objectivity as auditors for the period under review we believe the following matters, and the safeguards we have put in place, should be brought to the attention of the Board.

*Threat:* We are preparing and submitting the 2025 tax computation and return of Walcot Projects Limited to HMRC.

*Safeguard:* All the information submitted to HMRC is prepared and reviewed based on the accounts and information provided by management, we are not making management decisions as entries in the computation and tax return are made and approved by management.

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## Operating of the accounting and internal control system

We are required to report to you, in writing, significant deficiencies in the internal control environment that we have identified during the course of our audit. These matters are limited to those which we have concluded are of sufficient importance to be reported to you. Our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have categorised the internal deficiencies noted via a colour-scale rating system. The key to which follows:



We consider this to be of critical importance and would recommend that it is addressed as a matter of urgent priority



The control should be strengthened to enhance operational efficiency but we do not consider this to be an urgent priority



This is provided for either information only or we do not consider there to be a risk of material loss




This is a prior year management letter point that has been resolved

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**There are no matters requiring attention because of our audit work on the 2025 financial statements.**

## Operating of the accounting and internal control system

Prior year observation	Recommendation	Implementation response
<p><b><u>Aged debtors discrepancies</u></b></p> <p> We noted a difference between the Aged Debtors Report and the balance in the financial statements of £12K. This was due to amounts having been received from debtors during the year, not allocated until post year end.</p>	<p>Receipts should be allocated as soon as possible, once received.</p>	<p>2025 update: Following a conversation with Finance, the aged debt report is reconciled on a regular basis, and we are satisfied that the difference found has stayed at this level for several years. Finance is aware of the reasons for this discrepancy.</p> <p><b>This point has therefore been satisfied.</b></p>

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# Sector Updates

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## Sector Updates

### The new FRS 102 Charity SORP

The Charities Statement of Recommended Practice (SORP) has been released, following a lengthy consultation to ensure it reflected the changes introduced by the Financial Reporting Council to FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland. The new SORP will become effective from 1 January 2026 (impacting 31 December 2026 and 312 March 2027 year ends for the first time). The new SORP can be found here: <https://www.charitysorp.org/documents/d/guest/charities-sorp-2026-1>

As we have already mentioned previously, the changes include:-

- Introduction of three tiers of income (up to £500K, £500K - £15m, and over £15m) to ensure proportionate reporting, while also meeting the information needs of users. \*
- Advancing reporting in important areas such as impact reporting, reserves, social investments, going concern and volunteers.
- Introduction of proportionate reporting for environmental, social and governance issues.
- Introduction of reporting for smaller charities.

\* These currently do not align with the audit thresholds. However, there was a separate consultation on threshold changes that closed on 12 June.

Each tier will have its own set of reporting requirements with the greatest reporting being reserved for those charities that fall into Tier 3 (greater than £15m of income).

However, it has been recognised that there is still some uncertainty over the thresholds, and this will be reviewed during 2026-27.

SORP 2026 requires charities to account for most operating leases on the balance sheet, resulting in an increase in assets and liabilities. There will also be changes to how a charity presents expenses relating to the lease in the statement of financial activities. A potential impact of this, is that it increases the gross asset value of a charity and pulls them into the requirement to have an audit.

However, operating leases for less than 12 months and/or low value leases are not considered. Furthermore, any leases that are below market value can be treated as a Gift in Kind.

On revenue recognition, the SORP adopts the new FRS 102 approach with the introduction of a five-step revenue recognition model for income from **exchange contracts** (as opposed to non-exchange contracts) – an exchange contract being a contract that has performance obligations attached to it. This means that charities will need to recognise income from exchange contracts differently and they will have to carefully assess their revenue recognition accounting policies to ensure they are compliant with the new requirements.

The 5 steps of recognition include:

- Identify the presence of a contract with a third party
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocation of the price to the obligations in the contract
- Recognise the income when or as an obligation is satisfied

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## Sector Updates

A possible relief to many is that cash flow statements is reserved for **Tier 3 charities only**. However, the standard setters are asking those in Tiers 1 and 2 to think about whether the cashflow statement adds value to their users, before eliminating it.

SORP 2026 has introduced a few changes to the Trustees Report:

- Proportionate reporting for environmental, social and governance (ESG) issues. However, this is reserved for those charities that fall into Tier 3.
- Emphasising the **impact** a charity makes – i.e. the differences it has made to its beneficiaries.
- The contributions made by volunteers (though, not trustees)
- More disclosure and explanations on the reserves of a charity – the different fund balances held, why funds are designated.
- More disclosure on Plans for the Future
- Legacy income explanation – how much legacy income has been recognised but not yet received and what impacts this has on the funds of the charity.
- Total Return and Social investments disclosure – with charities that fall into Tiers 2 and 3 to have a policy on their use of social investments.
- Reporting of provisions and contingencies easier to understand.
- The format of the Statement of Financial Activities (SOFA).

The overall aim of the new disclosures being to enhance the accountability and transparency of charity financial statements.

### Charity Audit Threshold to rise

Following its own separate consultation, DCMS has announced some threshold changes, which will come into effect on 1 October 2026:

- charities to produce accrual accounts will double from £250,000 to **£500,000**, to match the lowest SORP tier.
- Audit threshold for charities will rise 50% to **£1.5m**.
- Independent Examination threshold requirement from £25,000 to **£40,000**
- doubled the threshold over which certain qualification requirements to be an independent examiner apply to **£500,000**,

The Charity Commission for England and Wales plans to work with DCMS to consider further changes including the potential development of a standard form for receipts and payments accounts and **the digitisation of charity accounts filing**.

To review the DCMS consultation, please see here: [Consultation on financial thresholds in charity law: government response - GOV.UK](#) and [Changes to charity accounting and reporting - GOV.UK](#)

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## THE CHARITY SORP: Practical Tips

The next iteration of the Charities Statement of Recommended Practice (SORP) is being implemented from 1 January 2026, so for most charities this will be applicable for the first time for the year ended 31 December 2026 or 31 March 2027. Feels like a long way away, but when a new SORP is applied for the first time there are “retrospective applications” resulting in restatements for the comparative period and adjustments to opening balances at the start of the prior year (so 1 January 2025 or 1 April 2025).

The upcoming changes to the Charities SORP (and FRS 102 that impact on charities) will have challenges but it is also an opportunity to improve processes and aid transparency, for example regarding income contracts and lease agreements.

In November 2024, the FRC issued an updated suite of [FRS 102 factsheets](#), intended to highlight certain requirements arising from the changes and include factsheets for the two key topics mentioned above. These will assist you in preparing for changes early.

### Key changes arising from the revised FRS 102 (and their impact on charities)

- **Lease accounting:** the distinction between operating and finance leases will be removed for lessees. This means that **more leases will be recognised on the balance sheet** (asset and liability). While there are some exemptions that allow short-term leases and leases of low-value assets to remain off-balance sheet, the exemptions granted to micro-entities reporting under FRS 105 are (unfortunately) not available to charities. These changes will **not** require a restatement of comparatives but will instead be reflected in an amendment to the opening reserves.
- Revenue recognition: a [five-step revenue recognition model](#) will be introduced for **all contracts with customers**. This requires charities to identify the distinct goods or services promised to the customer (verbally or in writing) and the amount of consideration it will be entitled to in return. This may affect charities receiving income from contracts or certain performance-related grants. As a result, the timing of revenue recognition may **change. These changes can be reflected by restating comparatives or by amending the opening reserves.**

While the new five-step model may require a change in mindset and is likely to take time to get used to once effective, having a single revenue recognition model should achieve more consistent and comparable accounting. Ultimately, this will lead to higher quality, more reliable information – an ambition ICAEW supports

- Heritage assets and income from non-exchange transactions, such as recognising income from goods donated to charity shops, donated services and facilities, and legacies will be dealt with specifically in the new Charities SORP.

### Practical steps to undertake now (or soon)

Practical tips for charities to start preparing for the upcoming changes.

- **Analyse lease commitments:** create a list of all current leases, categorising them as operating or finance leases under the current framework and listing the terms and conditions of the lease agreement. Estimate how the new lease accounting standards might affect your balance sheet and Statement of Financial Activities (e.g. increased depreciation, reduced rental costs).

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Also consider the impact of the changing recognition, for example for bank covenants (or on whether the charity breaches the asset-related audit threshold).

- **Assess income streams and contracts:** conduct a detailed review of your charity's income streams to identify those with performance conditions, especially those that span multiple accounting periods. For each revenue stream, document any performance obligations and their associated transaction values per the contract. This will help in determining when income should be recognised under the new rules.
- **Strengthen financial reporting processes:** ensure that your charity is collecting the necessary data, such as detailed lease terms, and performance metrics for contractual income. Provide training for finance staff and trustees to understand the upcoming changes and their implications.
- **Engage early with professional advisors:** consult with your auditors and advisors early to understand how the changes may affect your charity's specific circumstances, for example by modelling potential scenarios to ascertain how asset and liability values might be impacted by the changes and understand potential knock-on effects.
- **Stay informed and participate in the consultation:** regularly check for updates on the Charities SORP, for example by reading our newsletters / email bulletins (along with those published by the regulators) and registering for relevant training events and webinars. Being informed will help you anticipate specific requirements. If your charity has specific concerns or unique circumstances, please reach out to your engagement director.

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## New Charity Governance Code (CGC)

Following a lengthy consultation that started in 2024, the much-anticipated revised Charity Governance Code has been launched and is effective from 3<sup>rd</sup> November 2025. The update, from the previous Code, is intended to improve accessibility and should remove barriers to its use. “Our response emphasises the need for scalable expectations and practical guidance – particularly for smaller charities – so that the Code remains aspirational without being burdensome.”

Radojka Miljevic, Chair of the code's steering group, said: “This is the most significant refresh of the code in eight years, and it could not have been achieved without the thoughtful input of a wide range of charities, professionals and other stakeholders.”

As a reminder, the Code's principles, rationale and outcomes apply to **all charities**, although the recommended practice to meet those Principles will vary. As the Code is not mandatory this offers flexibility, in terms of approach and timing, to charities who are interested in benchmarking themselves against it.

Furthermore, there has been several changes in the overall governance landscape that has helped shape the new Code: Code of Fundraising Practice (which becomes effective from the 1<sup>st</sup> of November), the Revised SORP (which becomes effective from the 1<sup>st</sup> of January 2026), the Charity Investment Governance Principles (published in February 2025) alongside the Commission's CC14 guidance alongside other Commission guidance around Charity Meetings, Conflicts of Interest, Trustee Decision Making and Fraud. Taken together, trustees will now be required to demonstrate how the Board demonstrates it is acting with good governance when reviewing its risk appetite, investment policies, fundraising practices, digital policies and, if necessary, its political activities.

Although the 7 core principals haven't changed it is expected that there will be a stronger emphasis placed on the areas of:

- Culture – how organisation values drive behaviour and what tone is being set by the Board and how this filters down throughout the organisation.
- digital and data – how are charity boards addressing the areas of AI, data protection, risks of going digital.
- equity and inclusion – how diverse is your workforce, including Board representation.
- sustainability – looking at the wider ESG agenda and demonstrating how you compare.
- stakeholder voice – are beneficiaries views being reviewed and acted upon and how this has shaped your strategies.

Further information about the new code can be found here: [Using the Code — Charity Governance Code](#)

An interactive online version of the code will launch next year to help boards explore resources and case studies tailored to their size and structure.

Many of the governance reviews that we have undertaken for clients focus on looking at all or a selection of the CGC Principles, depending on our clients' needs. We help clients to assess themselves against the CGC, through identifying relevant *best practice* – and benchmarking the organisation against it.

If you would like to consider how you compare against the new Code or like to refresh your governance framework against the new Code, please speak to your engagement Director to find out more.

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## Revised Code of Fundraising Practice

The revised Code of Fundraising Practice came into effect on 1 November 2025 and adopts a principles-based format that is designed to be better suited to modern fundraising, will support innovation in the sector and will allow fundraisers to apply the principles across a broad range of scenarios.

The Code needed a revision: technological developments, societal behavioural changes and revised legislation all made aspects of the old Code less relevant. The likelihood that there will be more technology, society and legislation developments also necessitated a Code that could be future-proofed. To be future-proof, the new Code is principles-based rather than prescriptive, as its principles will be less likely to change over time. That means that more is required from fundraisers to judge what is the right approach. Undoubtedly future investigations and their findings will provide clarification of greyer areas.

The Code, while being 45% shorter than the previous Code, does have new content on how charities should interact with the Regulator. It also has supplementary guides which weren't in the former Code. The Regulator has produced initial guides on due diligence, documenting fundraising decisions, and monitoring fundraising partnerships. There will be more to come over time. These guides will help fundraisers interpret the principles of the Code; the first batch cover quite fundamental issues. This approach may herald a much more two-way relationship between the regulator and the regulated, where the implications of the Code can be carefully explored, rather than there being more of a poacher/ gamekeeper relationship, where the Regulator tends to step in when charities have erred.

The code says donors must be able to see clear, accurate and up-to-date information about unstaffed collections, which includes the name of the charity receiving the donation, its registration number and contact details. If organised by a third-party collector, the information must also include details of how any

fundraising partners will be paid; and the name and details of the collector, if different from the charity.

The final version of the code also includes an additional requirement urging online fundraising platforms to respond appropriately to reasonable requests from charitable institutions.

The new Code has more of an emphasis on charities' responsibilities to their fundraisers, a move that will be welcomed within the profession. This reflects societal changes which have made it harder for fundraisers to ask for donations. It also speaks to the importance of wellbeing and the risk that fundraisers may make themselves vulnerable in their roles of those doing the asking.

The Regulator has set a six-month implementation period until 1 November before the new Code will be enforceable. Charities that have been compliant with the old Code will need time to ensure that clauses in the new Code don't conflict with their current practice.

At Moore Kingston Smith Nonprofit Advisory, we can take a strategic perspective to reviewing your compliance against the new Code and recommend where changes to policies and practice would improve your fundraising efficiency and effectiveness. Get in touch to find out more.

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## Data Use and Access Bill 2025 (E-mail Marketing Rules)

The government has accepted that they need to make amendments to the Data Use and Access Bill (i.e. the e-mail marketing rules), put forward by Lord Clement-Jones which has the potential to increase annual donations to charities to the tune of £290m.

For the first time since 2003, charities will be on a level playing field with for-profit entities with respect to their ability to contact potential donors by e-mail/SMS. The detail revolves around the ability for charities to use a **soft opt-in approach** rather than relying on consent as the only lawful reason to send direct marketing messages about their charitable purpose.

The Data Use and Access Act (DUAA) will bring some important updates to UK data protection law as charities will soon be able to use the soft opt-in method to send direct marketing emails, texts, and social media messages. Soft opt-in will therefore allow a data controller to use someone's personal e-mail address, or mobile number, to follow-up on an earlier purchase. This is done on the basis that if the 'data subject' was sufficiently interested to make a purchase, then they would expect to be informed about similar products or services which they may also wish to purchase.

It should be remembered that DUAA amends, but does not replace, the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 (DPA) and the Privacy and Electronic Communications Regulations (PECR).

The changes will be phased in between June 2025 and June 2026, but details of exact timings has not been released. While most provisions are expected to come into force in August or December 2025, some may take up to 12 months. However, the Information Commissioner's Office (ICO) website has detailed updates on the changes under the Act.

Changes to the law include clarifying how personal information can be used for research; lifting restrictions on some automated decision making, setting out how to use some cookies without consent, allowing charities to send people email marketing without consent in certain circumstances, requiring organisations to have a data protection complaints procedure, and introducing a new lawful basis of recognised legitimate interests.

Until now, charities have been excluded from using the soft opt-in approach under the PECR (2003) which distinguished between charitable purposes and business purposes. Charities could only send a personal e-mail address or text message if **informed consent had been given at the point of donation**. This has led to a sophisticated set of tick-boxes being used to persuade donors to allow on-going electronic communications.

The bill has now received Royal Assent, and charities will be able to send direct marketing e-mails/text messages if they have obtained the contact details when the individual was expressing an interest in supporting or donating to the charity – the rule change does not cover phone calls. The charity needs to provide a simple means of refusing direct marketing messages, both at their initial point of data capture and during all subsequent communications.

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Furthermore, charities must follow some specific rules:

- Contact can only be made by electronic mail (email, text, social messaging)
- Can only be used for the portion of your own charity's work
- Consent was giving while engaging with your charity (registered for an event, made a donation, etc)

What can you do now to help you prepare for the change?

- Be tactical – only send messages to those who would reasonably expect to receive such
- Map out the supporter journey – consider welcome series, impact updates and event invites
- Personalise – use the data you have wisely. Tailor messages but avoid risky data sharing
- Stay on the right side of the law – document consent, ensure there are easy opt-outs and review your privacy policies
- Test and learn
- Protect the vulnerable

While the change of law creates the possibility to generate significantly more fundraised income, charities should also note that the new Act also increases the level of fines for breaches of the regulations from a maximum £500,000 to £17.5m, or 4% of global turnover, whichever is greater.

John Edwards, Information Commissioner, said: 'The Data (Use and Access) Act 2025 gives organisations using personal information new and better opportunities to innovate and grow in the UK, and further enhances our ability to balance innovation and economic growth with strong protections for people's rights.'

Over the coming months new guidance will be launched, consultations will open, and practical tools will be created to help charities embed the Act's principles into their operations.

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## The Economic Crime and Corporate Transparency Act 2023 (ECCT Act) – Failure to prevent fraud

One of the key changes being brought about by the ECCT Act is the new criminal offence of failure to prevent fraud.

Although this currently applies to organisations (whether incorporated in the UK or outside the UK) that have **more than 250 employees, £36m of turnover/income or total assets of more than £18m**, this is likely to filter down to all organisations and it would be advisable for small and medium-sized organisations to also take heed of the guidance issued, especially as they may also be liable if they form part of the chain.

Although this applies to incorporated organisations, only, unincorporated organisations are advised to consider the proposals for good governance purposes.

Under the new legislation, as of **1 September 2025** (only 8 months left to comply), large organisations would become criminally liable to a fraud offence committed by an employee, subsidiary or agent, for the organisation's benefit, where the organisation did not have reasonable fraud prevention procedures in place. In certain circumstances, the offence will **also** apply where the fraud offence is committed with the intention of benefitting a client of the organisation (even if there is no advantage gained). It **does not need to be demonstrated** that directors or senior managers ordered, or knew about, the fraud.

The offence of failure to prevent fraud applies to specific fraud offences, which the guidance refers to as 'base fraud' offences. These are listed in Schedule 13 of the Economic Crime and Corporate Transparency Act 2023 ([Economic Crime and Corporate Transparency Act 2023](#)).

The issue of who is intended to benefit from the underlying fraud is key to determining whether a relevant organisation can be held accountable for the offence of failure to prevent fraud. However, an organisation does not need to receive any benefit for the offence to apply. It is enough that the organisation was **intended** to be the beneficiary.

Individuals who carried out the actual fraud can still be prosecuted under existing laws, but, crucially, the organisation which employs them will now face a prosecution too if investigators can reasonably conclude that **they failed to prevent the crime**.

The processes and controls that organisations should have in place should be informed by the following six principles:-

- Top level commitment
- Risk assessment
- Proportionate risk-based prevention procedures
- Due diligence
- Communication (including training)
- Monitoring and review

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Organisations, must start planning properly for compliance with this new regime and ensuring their systems, policies and procedures are brought up to date and are in place to avoid falling foul of the new legislation. There is no “grace period” provided for, so organisations with multi-lingual staff and where the concepts of economic crime compliance requirements may be very different, will find this a challenge.

Suffice to say that this change is something the Serious Fraud Office (SFO) is intending to take advantage of, as this will assist them to improve their enforcement record when it comes to economic crime.

For areas of the business identified as being particularly high risk of fraud, consider obtaining professional advice on policies and procedures to ascertain whether there are sufficient checks and balances in place and to obtain advice as to additional checks, balances and safeguards which could be introduced. The fact that professional advice has been obtained may assist in the event of a prosecution as it demonstrates that proper steps have been taken to consider policies, procedures and safeguards.

The onus will lie with businesses to demonstrate they have taken steps to prevent fraud, and they will no longer be able to turn a blind eye to the actions of employees and associates.

Further information regarding the new guidance can be found here: [Economic Crime and Corporate Transparency Act 2023: Guidance to organisations on the offence of failure to prevent fraud \(accessible version\) - GOV.UK](#)

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## Cyber Crime

The annual cybersecurity breaches survey reports that 30% of charities experienced a cybersecurity breach or attack in the previous 12 months, equating to around 61,000 registered charities.

The most common attacks (86% of charities surveyed) are phishing attacks, in which staff receive fraudulent e-mails or are directed to bogus websites, followed closely by people impersonating organisations in e-mails or online and then viruses and malware.

Charities with an income of over £500,000 were more likely to see cybersecurity as a high priority (88%). However, the findings suggest that only one or two board members possess the required technical skills/knowledge in cyber security.

Furthermore, limited training appears to have been spent on cyber security awareness for charity staff. There has also been a marked decline in deploying activities to identify cybersecurity risks, reviewing immediate supplier risks and having a formal cybersecurity strategy in place.

There are 169,029 registered charities in England and Wales with an annual sector revenue value of £99.7 billion. All of these charities collect huge volumes of data from donors through to beneficiaries, and a significant number of these share data with external organisations such as marketing companies or donor management providers. It is therefore quite easy to see the motives for direct attacks on charities and cyber criminals aim to access charities' networks and/or information through the supply chain.

The Board is ultimately responsible for making sure a charity is taking appropriate measures to protect itself from a cyber attack (**not** the IT team) and taking steps to stay secure online is deemed to be a core component of

good governance.

Trustees don't need to be technical experts, but they do need to know enough about the importance of cyber security, to facilitate educated discussions and collaboration with key staff, volunteers and stakeholders.

On this note, and in the face of relentless cyber attacks on UK organisations, DSIT (Department for Science, Innovation and Technology) and NCSC (National Cyber Security Centre) have produced a range of documents and advice, much of it targeted at Boards including a new Cyber Security Governance Code (which can be accessed here: [Cyber Governance Code of Practice - NCSC.GOV.UK](https://www.ncsc.gov.uk/industry-guidance/cyber-governance-code-of-practice))

In summary, the risks to all charities from cyber-crime are increasing in terms of impact, significance, cost and repercussions. The nature of the sector model and its reliance on financial donations (often processed by a third-party), means that all organisations need to be aware of (and guard against) the cyber threat.

Further information on the role of trustees can be found here: [DATA PRIVACY: Understanding the responsibilities of the Trustee - MOORE ClearComm](https://www.mooreclearcomm.com/resources/data-privacy-understanding-the-responsibilities-of-the-trustee)

A copy of the cybersecurity breaches survey can be found here: [Cyber security breaches survey 2025 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674447/cyber-security-breaches-survey-2025.pdf)

A copy of the Cyber Security Toolkit for Boards can be found here: [Cyber Security Toolkit for Boards - NCSC.GOV.UK](https://www.ncsc.gov.uk/industry-guidance/cyber-security-toolkit-for-boards) (However, see overleaf.)

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## Strengthening Cyber Resilience

Charities and nonprofit organisations are increasingly reliant on technology to deliver their services and engage with stakeholders. Many operate with limited budgets and minimal in-house IT expertise, leaving them vulnerable to phishing, ransomware, and data breaches and, ultimately, easy targets for cybercriminals.

The National Cyber Security Centre (NCSC) has recognised these challenges and developed a free [Cyber Security Toolkit](#). The toolkit offers a self-assessment approach that helps users identify where they stand against a set of practical security principles, and points them toward clear, actionable guidance to address gaps.

### Why the toolkit matters

This toolkit is a powerful enabler. It raises awareness of key risks, demystifies technical jargon, and provides a structured way to take stock of existing practices. Carrying out a self-assessment helps charities better understand their vulnerabilities and empowers them to have more informed discussions with trustees, staff, and IT providers.

Even if an organisation has limited internal expertise, the simple act of completing the toolkit demonstrates a commitment to safeguarding the data of beneficiaries, donors, and employees. It provides visibility of where investment and support are most needed and encourages a culture of continuous improvement rather than reactive problem-solving.

### A valuable first step but not the destination

While the toolkit is an excellent starting point, it is not a substitute for professional expertise. Some of the recommended security controls — such as multi-factor authentication, secure configuration, and data backup strategies — can appear straightforward but are technically complex in

practice.

In our experience of working with charities and nonprofits, we often find that their IT service providers may not always possess specialist cybersecurity knowledge. This can lead to a false sense of assurance: believing a control is effectively implemented when, due to misconfiguration or incomplete deployment, it is **not**. Our work with organisations has found that a focused cyber security review and roadmap is required to help identify key risks and determine where improvements in system configurations are needed. A culture of continuous monitoring and supported preparation for Cyber Essentials certification can then be put into effect. The result of such a detailed exercise is **stronger protection** of beneficiary data, **reduced exposure** to cyber threats, and **greater confidence** among trustees and leaders in managing cyber risk sustainably.

The logical next step would be to achieve Cyber Essentials or Cyber Essentials Plus certification, which provides independent assurance that fundamental security controls are in place and **operating effectively**.

### How we can help

Our team supports charities and nonprofits in making the most of the NCSC toolkit, helping to interpret its findings, validate technical measures, and prepare for Cyber Essentials certification.

To help you get started, we're offering a **free 30-minute, no-obligation call** with one of our cyber consultants. It's an opportunity to ask any questions you may have about the NCSC toolkit, discuss your organisation's specific challenges, and get practical advice on how to shape your approach to cyber resilience.

If you wish to find out more, please speak to your Audit Partner or Manager in the first instance. [For more information, see here](#)

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## Gift/Donation Acceptance Policy

The new legal rules for trustees when deciding whether to accept, refuse or return a donation were published in March 2024 and the Charity Commission has now released new guidance on gift acceptance.

The guidance maintains the Commission's perspective that the starting point is that gifts **should be accepted by a charity**, with David Holdsworth (Chief Executive of the Charity Commission) recently re-affirming the guidance and urging trustees to accept 'contentious or controversial' donations if they are in the charity's best interests. The revised guidance now states that charities now have the power to return a donation or dispose of assets without asking the Commission, as would have been the case before.

This raises an interesting quandary with the question of whether to return, for example, cultural artefacts, which the Commission has previously not been in favour of. It does, however, align the guidance with recent changes to charity law to simplify the threshold for the process of dealing with a failed appeal which either raised too little or too much money with restrictions on its use.

The guidance highlights the importance of a charity having clear gift acceptance policies in place. The absence of a policy or a poorly worded and outdated policy will make it harder for trustees to return donations. Care is also needed to separate ethical issues from reputational damage issues in these policies, so that trustees can be clear on what grounds they are using, should they decide to return a donation.

Some key considerations where donations can be refused or returned include:-

- **Mandatory refusal:** Including donations from illegal sources, donors lacking mental capacity, or situations where accepting would result in legal claims against the charity.
- **Best interests of the charity:** Including cases where donations fall outside the charity's objects, compromise independence, or create unacceptable levels of private benefit. A charity must have the constitutional power to return or refuse donations, either expressly or under a general power.
- **Special powers:** Where the law provides charities special powers to return/refuse.

In all cases, should a charity return/refuse a donation, the trustees must make their decision on the grounds that it is "rational and reasonable and supported by clear evidence."

If you require assistance with the creation of a gift/donation acceptance policy, please do speak to your audit engagement partner who can advise further.

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## Charities Act 2022 (Parts 15 and 16): Ex-Gratia Payments

Under the Charities Act 2011, charities must apply to the Charity Commission for permission to make ex gratia payments. The rationale behind the requirement is from the duty to only use charity funds to further the charity's purposes. Charities want to avoid any breach of their obligations and having the blessing of the Charity Commission (or the courts), means they can proceed with ex gratia payments without the risk of criticism, or other potential ramifications of a breach of their obligations.

However, Parts 15 and 16 of the new Charities Act 2022 (which will come into effect later in 2025) will make changes to this requirement and trustees/management will need to ensure that they are ready for its implementation. Such preparations may include:

- Delegation by charity trustees of their decision-making powers regarding ex gratia payment to charity staff.
- Putting in place a framework detailing how any delegation will work in practice and how decisions will be documented.
- Updates to governing documents that are needed to detail the delegated powers.
- Training for staff on the new rules and how this will work in practice.

Current Charity Commission guidance states that the Commission will not interfere with de minimis (under £1,000) payments being made without consent. This is still restrictive for larger charities with considerable funds, which may receive numerous ex gratia payment requests.

Any decision to make an ex-gratia payment must be made by the charity trustees, and the power to make the decision cannot be delegated.

## Sections 15 and 16 of the Charities Act 2022

Under sections 15 and 16 it will become possible for charity trustees to make small ex gratia payments where there is a moral obligation. In such cases, **the requirement to seek Charity Commission consent will be removed**. The definition of what is a "small" ex gratia payment will depend on the charity's gross income.

- Gross income not exceeding £25K – threshold of £1K
- Exceeding £25K but not £250K – threshold of £2.5K
- Exceeding £250K but not £1m – threshold of £10K
- Exceeding £1m – threshold of £20K

In the case of larger ex gratia payments, permission from the Commission will still need to be obtained, and all ex-gratia payments will still need to appear in the charity's annual accounts.

These changes will equally apply to **Statutory Charities** – i.e. those Charities that are incorporated/governed by a specific Act of Parliament.

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## Trustee/Connected Party Remuneration - CC11 (revised)

On the 25<sup>th</sup> of April 2025, the Commission published revised guidance on the payment of remuneration to trustees/connected parties, to help trustees think through the issues and risks, determine if they have powers they can use or if they need authority from the regulator.

CC11 continues to stress that charities must consider all other options before agreeing to pay a trustee and that they must manage the resulting conflict of interest. Charities must also have **legal authority** to pay a trustee through their governing document and are instructed to decide it is in their best interests before doing so, and that any payments made to trustees should be in the best interests of the charity.

Expenses do not constitute trustee remuneration and the guidance says that reasonable costs such as travel and accommodation can (still) be reimbursed. It also adds that childcare costs or adjustments enabling those with disabilities to conduct their role might also be considered reimbursable expenses.

Further information on the guidance can be found here: [Charities paying a trustee or a connected person: understand the rules \(CC11\) - GOV.UK](#)

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## Trustee Recruitment (CC30 Revised)

Following a recent research project with PBE (formerly known as Pro Bono Economics) it was found that charities relied more on personal contacts to recruit new trustees, rather than widening their search parameters and asking for individuals to apply for the role.

The Charity Commission has since published revised guidance (CC30 revised) that focusses on practical steps charities can take to diversify the candidate pool, as well as identify and remove barriers that may put people off from applying. In a nutshell, charities are encouraged to undertake a Trustee skills audit to determine the skills and expertise they need on their board, the behaviours and qualities the charity expects from trustees, and to distinguish between what is required and what can be learned in the role. The role description should also make clear what the legal responsibilities of trustees are and how much time will need to be dedicated to the fulfilment of that role.

The guidance says charities are more likely to attract a wider range of people if they do not rely solely on informal recruitment methods or use personal connections. The regulator also suggests that charities could advertise their trustee roles on their website and social media, in local or national press, on local notice boards, in specialist publications, to charities or community groups doing similar work, with employers and to the charity's volunteers, members or communities and with their professional advisors.

MKS has a dedicated team of governance experts that can assist Boards to both carry out a skills audit as well as help you to identify skills shortages and create the necessary advertisements. Do reach out to your Audit Engagement Partner or Manager should this be of interest to you.

Further information on the guidance can be found here: [Finding and appointing new trustees \(CC30\) - GOV.UK](#)

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## Charity Meetings

The Charity Commission has recently updated its guidance on the rules for charity meetings, known as **CC48**. The guidance now includes commentary on what charities should do, given how technology has aided board members to come together to discuss and make decisions about the organisations they are governing.

The Board is responsible for ensuring that charities are run properly and must therefore comply with charity law requirements and follow the governing document regarding how the Board must plan, run and keep a record of meetings.

It would be very surprising if your governing documents make no mention of how meetings are to be conducted and it is therefore imperative that the clauses within these are reviewed and, if necessary, updated to reflect the current environment. You should therefore amend your governing documents to make sure that it has all the rules you need to hold meetings, including the ability to allow you to hold virtual and/or hybrid meetings.

CC48 points out that you should check your governing document to ensure it talks about:

- how you must plan, run and keep a record of meetings
- whether you must hold face-to-face meetings, **or can hold virtual and hybrid meetings**
- the number or percentage of people entitled to attend the meeting that must be present to make valid decisions (known as the “quorum”)
- the types of meetings your charity must hold, for example trustee meetings and annual general meetings (AGM)

- who can vote at different types of meeting, and how
- the **minimum number** of meetings your charity must hold per year
- whether you can carry out charity business in other ways, for example by telephone, including making decisions.

Any standing orders, rules and by-laws should also be updated to reflect the governing documents and any changes you make so there is consistency across all documents.

Further details can be found in the CC guidance here: [Charity meetings - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/charity-meetings)

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## Charity Decision-Making

Alongside CC48, the Commission updated its CC27 guidance (“it’s your decision”) which outlines the criteria for making lawful decisions. Like CC48 it is aimed at ensuring trustees act responsibly and are prioritising the best interests of the charity.

The guidance stipulates that when making decisions for your charity, trustees must:

- act within their powers
- act in good faith and only in the interests of the charity
- make sure they are sufficiently informed
- take account of all relevant factors
- ignore any irrelevant factors
- manage conflicts of interest
- make decisions that are within the range of decisions that a reasonable trustee body could make

The full guidance from the CC can be seen here: [Decision-making for charity trustees \(CC27\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/decision-making-for-charity-trustees-cc27)

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## Employment Law Updates

Over the next few years, employers can expect significant changes in employment law that will impact their operations and workforce management. From enhanced protections against sexual harassment, neonatal leave and pay and the Employment Rights Bill, which introduces a massive 28 worker-friendly changes to employment law, it has never been more important for not for profit, already under increased costs pressures, to keep informed and take proactive steps to navigate and adapt to these changes, ensuring compliance whilst maintaining a productive and supportive work environment.

### Prevention of Sexual Harassment

From 26 October 2024, not-for-profit organizations must take reasonable steps to prevent sexual harassment, including by third parties. The government intends to strengthen this obligation, making it a duty to take 'all' reasonable steps to prevent sexual harassment and expressly adding third-party harassment because of any protected characteristic into the statute. Not-for-profits will need to protect staff from a range of individuals, including clients, contractors, and visitors, and ensure that any actions taken align with safeguarding procedures.

### National Minimum Wage

The National Minimum Wage for workers over 21 will rise to £12.21 from April 2025, with larger increases for lower age groups as the government begins the process of creating one National Minimum Wage for all. Not-for-profits must pay the new rates and may experience upward pressure on wages from lower-paid staff as wages improve across the economy because of the changes, while also experiencing downward pressure from other factors such as rising employer National Insurance costs.

### Neonatal leave and pay

From April 2025, employees will have the right, from day one of employment, to take up to 12 weeks' neonatal leave to care for children who require neonatal care for 7 or more days within the first 28 days of birth. The leave can be taken within 68 weeks of the birth. Employees with over 26 weeks' continuous service will also be entitled to neonatal pay, at the same statutory rate as all types of family leave. Employees exercising or seeking to exercise their right to take neonatal leave and / or pay are protected from dismissal or unfavourable treatment for doing so. Not for profits should update their policies, contracts and handbooks and payroll systems, ensure that employees are aware of their rights and that managers are trained in dealing with applications for neonatal leave and pay.

### The Employment Rights Bill

The Employment Rights Bill (ERB), published on 10 October 2024, contains 28 worker-friendly changes to employment law. Additional changes will be introduced outside of the ERB and, in the longer term, the government intends to review various areas of employment law.

Most of the changes will not be coming in until 2026 (unfair dismissal changes will come in no sooner than Autumn 2026), although at the rate the Bill is progressing through the legislative stage (the House of Commons approved the Bill on 12 March 2025, so it now goes to the House of Lords for debate and potentially amendments) some commentators are predicting that parts of the Bill, particularly the extension to Tribunal time limits, the ban on fire and rehire and the reintroduction to statute of employer liability for third party harassment could come in as early as October 2025.

Not for profits should be monitoring developments and preparing to react when the full and final details of the changes become known. This update summarises the key changes you need to be aware of.

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## New Day One Rights

New rights, from day one of employment, are:

- Unfair dismissal rights, subject to a statutory probationary period. The government is now consulting about this and how the probationary period will work in practice, so we will wait and see what finer details emerge, but we know that it favours clear and communicated objectives, the right to appeal any decisions made during the probationary period and a 9-month duration.
- Paternity leave and unpaid parental leave will become day-one rights. Pregnant employees and those returning from family leave will receive additional protection against redundancy for six months post-return. Not-for-profits will need to update their policies ready for the law to come in in 2026 and prepare for increased requests.

## Statutory Sick Pay

The waiting time for statutory sick pay will be abolished, allowing employees to receive SSP from day one. The lower earnings limit will be abolished) and a lower level of sick pay will be introduced for people earning below the SSP rate. Non-profits will need to keep abreast of and apply any changes to SSP rates and prepare for greater SSP liabilities.

## Flexible working

Employees will continue to have the right to request flexible working, and not-for-profits will continue to have the right to reject requests for reasons allowed by statute. However, they must be able to show that it was not practicable to allow a request if they wish to reject it. They will also need to include flexible working options in job adverts where appropriate to the role. Not-for-profits should consider how they will manage increased requests for atypical working arrangements whilst ensuring that their operations are not compromised.

## Restricted ability to fire and rehire

It will be automatically unfair for an employer to dismiss an employee for refusing to agree a change in their contract of employment unless the employer can show evidence of financial difficulties and demonstrate that the need to make the change was not reasonably avoidable. The government will double the cap on protective awards for failing to inform and consult collective from 13 to 26 weeks per affected employee. The government has, however, dropped its plan to grant employees a new right to apply to tribunals for interim relief, which would have essentially prevented employers carrying out its proposed course of action pending the outcome of litigation.

## Ban on 'exploitative' zero hours contracts

Employers will need to offer staff on zero-hours or low-hours contracts a more stable arrangement based on actual hours worked over a reference period, expected to be 12 weeks. To avoid the emergence of any potential loophole, agency workers engaged on zero-hours contracts too will have the right to be offered guaranteed hours by the end user (e.g., the not-for-profit organization) to reflect the hours worked during a reference period. There will be provisions requiring employers to provide reasonable notice of shifts, changes, or cancellations and compensation for cancelled shifts. Not-for-profits who use casual staff should consider carefully the impact that these changes may have on their business model in preparation for the changes.

## Equality Action Plans

Employers with more than 250 employees will have to develop and publish action plans relating to gender equality, closing gender pay gaps and supporting employees through the menopause.

## Extension to Tribunal Time Limits

**The time limit for bringing many tribunal claims will rise from 3 months to 6 months, which may lead to a heightened risk of tribunal claims with employees having more time to prepare and plan for litigation and seek legal advice.**

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## **Tackling Non-Compliance in the Umbrella Company Market**

Responding to a consultation by the previous government, the current government has said that it intends to amend the Employment Rights Bill to ensure that workers will have comparable rights and protections when working through umbrella companies as they would with direct recruitment agencies. Enforcement action will be taken against non-compliant umbrella companies.

## **Trade Unions**

The new Bill will enhance trade union rights, potentially leading to increased union activity and industrial action in not-for-profits. The previous government's anti-union laws will be repealed and the legislative framework for trade unions will be updated to make it easier for unions to be recognised, organised, recruit and represent members. Not-for-profits should prepare to deal with increased requests for union recognition and, where unions are recognised, establish clear communication channels with staff and unions.

## **Collective Redundancies**

The threshold for collective redundancy consultation (20 employees) will apply across an entire workforce rather than each workplace location. The government will increase the maximum period of the protective award from 90 days to 180 days and issue further guidance for employers on consultation processes for collective redundancies. This aims to deter employers from ignoring consultation obligations and ensure it is not financially beneficial to do so.

## **Equality**

This government is committed to advancing equality, diversity and inclusion. Not-for-profits should be prepared for changes to equality law. Pay gap reporting obligations will be extended to disability and race. Larger employers will be required to publish equality action plans, while smaller employers will receive guidance on various areas.

## **Changes outside of the Employment Rights Bill**

Additional developments include a new statutory code of practice giving employees the right to disconnect (although recent news indicates that this may not now proceed), banning of unpaid internships, expansion of pay gap reporting obligations and further consideration about merging employee and worker status are also included.

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## Equality (Race and Disability) Bill

The Equality Act 2010 (as amended) provides that men and women should receive 'equal pay' if they perform 'equal work'. Under the legislation, a failure to provide equality of contractual terms can be very costly and cause extensive reputational damage to organisations.

On 17 July 2024, The King's Speech outlined the government's legislative agenda, including priorities aimed at promoting security, fairness, and opportunity for all. Among the proposals was the draft Equality (Race and Disability) Bill which requires organisations to expand their focus on fairness and equality in the workforce. Some of the measures proposed would mirror the existing framework for gender pay gap reporting, whilst others would be bespoke to ethnicity and/or disability pay gap reporting.

In essence, an extension to the legal requirement of equal pay for equal work will be made to cover **both ethnic minorities and disabled people**. Extending the legal right of contractual equal pay to these groups will provide a specific framework for claims for individuals who have been paid differently to comparable colleagues.

Ahead of the publication of the Equality (Race and Disability) Bill, the government has opened a consultation seeking views on how to implement mandatory ethnicity and disability pay gap reporting for **large employers**. This enhanced transparency will identify pay disparities at an organisation-wide level and prompt employers to constructively consider why pay gaps exist and how to tackle them.

### Actions Employers should take now

As well as participating in the consultation, employers should conduct an equal pay analysis audit. This allows organisations to analyse their data,

results and risk profile confidentially, taking any necessary corrective action ahead of the Bill being passed.

Other things employers can do are:-

- Collect ethnicity and disability data, in line with applicable legal safeguards, so you can analyse your equal pay risks and calculate pay gaps.
- Assess the quantity and quality of the ethnicity and disability data you have collected. Ideal disclosure rates of at least 80% should be aimed for to ensure that data is representative of your workforce.
- Review your grading/job levelling structure to ensure you can appropriately compare roles and pay.
- Calculate your ethnicity and disability pay gaps to understand the state of fairness and equality within your workforce and to prepare for mandatory disclosure.
- Conduct an equal pay review to identify potential equal pay risks within your workforce, considering differences based on gender, ethnicity and disability as a minimum.

The consultation closed on 10 June 2025. Full details can be found here: [Disability and Ethnicity Mandatory Pay Gap Reporting Consultation](#)

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## Revised Code of Practice on Fire and Re-Hire

Fire and re-hire is generally used by employers when there is a need to make changes to fundamental terms, such as reducing pay.

Following a period of consultation in early 2023, the Government released a revised draft statutory Code of Practice on fire and re-hire practices. The goal of the new Code is to act against employers who use fire and re-hire tactics when negotiating with staff and is applicable to all employer processes that are intended to achieve proposed changes to employee terms and conditions.

The Code will set out expectations on employers to take all reasonable steps to explore alternatives to dismissal and engage in meaningful consultation in good faith, with an open mind, without applying undue pressure on employees to accept new terms. Where this process is followed, the usual fair and reasonable test will apply to any dismissals. Therefore, employers are still expected to follow a process of consultation with staff even under the existing law and risk an unfair dismissal if they fail to do so.

There are no legal obligations and a failure to observe the Code does not render employers liable to proceedings. It will, however, be admissible as evidence in proceedings with an employment tribunal.

In March 2025, the government published a 200-page amendment paper to the Employment Rights Bill, which included a bid to clamp down on the practice of “fire and re-hire”. The Bill provides that it will be automatically unfair to dismiss an employee because:

- They failed to agree to an alteration to their contract of employment, or
- the employer intends to replace or re-engage them under an amended contract to perform substantially the same duties as before.

Dismissal due to a failure to agree to a contract variation will only be fair if:

- the reason for the variation was to eliminate, prevent or significantly reduce, or significantly mitigate the effect of, any financial difficulties which would affect the employer’s ability to carry on the business as a going concern, and
- the employer could not reasonably have avoided the need to make this variation.

Simply enhancing business efficiency does not meet this requirement; there must be a “genuine lack of alternatives”, setting a high bar for justification. In reality, therefore, the exception is likely to apply only in rare and limited cases

The government’s response to the consultation on strengthening remedies against abuse of rules on collective redundancy and “fire and rehire” confirms that the government’s previous proposal to make interim relief available in unfair dismissal claims relating to fire and re-hire will not proceed, acknowledging that this would place too much of a burden on businesses and would be difficult to implement.

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## Sexual Harassment Law (Worker Protection Act 2023)

From 26 October 2024, all employers will be under a new duty to protect all workers from sexual harassment in the workplace **AND** take preventative action against it. This includes preventing sexual harassment whilst the worker is working and in other circumstances that relate to work, such as a staff party or social gathering connected to work. Failure to do so will come up against the Equality and Human Rights Commission (EHRC).

Unlike what is noted in the current Equality Act 2010, this new law aims to be proactive and ‘anticipatory’. The guidance makes clear that employers must take steps to prevent sexual harassment amongst their own staff and by third parties – note though that although employers will not be held accountable for sexual harassment of their employees by third parties, employers must still be able to demonstrate that employees know that they can safely report such occurrences.

Breaching this duty is not via employment tribunal but by an employee referring the matter to the EHRC (even when no harassment has taken place) – the ‘anticipatory’ factor. The EHRC, on hearing such concerns, could:

- (1) Investigate the employer
- (2) Issue an unlawful act notice
- (3) Force the employer to enter into a formal, legally binding agreement to prevent future unlawful acts; and
- (4) Ask the court for an injunction to restrain an employer from committing an unlawful act.

The new law will therefore seek to ensure that employers take “reasonable steps” but what this means in practice will vary from one employer to the next and considers an employer’s size, the work environment and the sector it operates in. It is therefore up to employers to assess the risks of such occurrences and put in relevant processes/procedures to mitigate such occurrences.

The EHRC has recently released a guide to support employers with implementation, and it is recommended that employers should follow these steps. However, such ‘reasonable steps’ can be summarised as follows:

- (1) Having a sexual harassment policy
- (2) Training of staff on sexual harassment (together with an understanding/awareness of what is deemed as unacceptable)
- (3) Creating and maintaining a culture of openness and transparency
- (4) Communicating a zero-tolerance approach to employees and third parties.
- (5) Regularly reviewing and updating the above.
- (6) Supporting the workforce affected by such occurrences.

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Sexual harassment claims are uncapped, and if a claim is brought to employment tribunal, then the tribunal must consider if the employer has complied with the preventative duty. If the employment tribunal finds that the preventative duty has been breached, it may increase the compensation award by up to 25%.

Should you require any assistance with reviewing, drafting or updating your policies to help you eliminate bullying and harassment and reduce your claims risk, please contact your Audit Engagement Partner.

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## The Renters' Rights Bill

The Renters' Rights Bill is expected to pass into law by the summer of 2025 and is intended to give tenants greater protection, spelling the end of Assured Shorthold Tenancies (Section 21 notice).

The Bill is 250 pages, with five parts and six schedules, as follows:

- Part 1 — Tenancy reform
- Part 2 — Residential landlords
- Part 3 — Decent homes standard
- Part 4 — Enforcement
- Part 5 — General

(Along with 6 Schedules.)

Section 21 Notices are currently widely used by landlords in the private rented sector to evict tenants without stating a legal reason. Under the new law, we will have what is referred to as Assured Periodic Tenancies (APTs). These will run monthly until either the tenant serves notice, or the landlord meets one of the grounds for regaining possession of the property.

During the first 12 months of any new tenancy, landlords will not be allowed to move back into their property or attempt to sell it unless they sell to another landlord. This means tenants will also have a 12-month protected period; however, a tenant can serve notice to terminate during this period. Tenants will be required to give two months' notice to leave.

Non-compliance will be met with fines. These fines are being increased, and

local authority enforcement powers will be strengthened. Fines can be up to £7,000 for minor or initial non-compliance and up to £40,000 for repeat offences.

Landlords will need to prepare for the Bill becoming law and this will include a review of existing tenancy agreements, policies and procedures. However, as the Bill is still making its journey through Parliament it could be subject to further change before becoming law.

Further information on the bill can be found here: [Guide to the Renters' Rights Bill - GOV.UK](#)

Further information can also be found on Shelter's website here: [What to expect from the Renters' Rights Act - Shelter England](#)

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## Other matters

### Engagement & Independence

Our engagement objective was the audit of The Walcot Foundation.

We have implemented policies and procedures to meet the requirements of the Financial Reporting Council's (FRC) Ethical Standards. To this end we considered our independence and objectivity in respect of the audit for the period under review before commencing planning our audit and communicated with you on these matters in our audit scoping report dated 22<sup>nd</sup> April 2025.

No other matters have come to our attention during the audit which we are required to communicate to you and the safeguards adopted were as described in our audit scoping report.

### Qualitative aspects of accounting practices, accounting policies and financial reporting

Based on our audit work performed, we believe that the Trustees' Report and financial statements for the period under review comply with United Kingdom Accounting Standards (FRS 102 SORP) and the Charities Act 2011.

During the course of our audit of the financial statements for the period under review, we did not identify any inappropriate accounting policies or practices.

### Matters specifically required by other Auditing Standards to be communicated to those charged with governance

Other than as already explained in our Engagement Letter, Audit Scoping Report and this Post-Audit Management Report, there are no other specific matters to communicate because of our audit of the financial statements under review.

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