

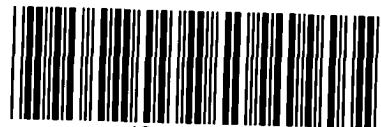
Company Registration Number: 05536312
Charity Registration Number: 1113061

**THE GENERATION FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

Annual Report and Consolidated Financial Statements

Year ended 31 December 2014

WEDNESDAY



S4H1KU6H

SCT

30/09/2015

#42

COMPANIES HOUSE

THE GENERATION FOUNDATION

Contents

Foundation Details	2
Trustees' Annual Report	3-7
Independent Auditors' Report	8-9
Consolidated Statement of Financial Activities	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Notes to the Financial Statements	13-20

THE GENERATION FOUNDATION

Foundation Details

Bankers

Royal Bank of Scotland
62/63 Threadneedle Street
London
EC2R 8LN

Lawyers

Clifford Chance
10 Upper Bank Street
London
E14 5JJ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
7 More London Riverside
London
SE1 2RT

Registered Office

20 Air Street
London
W1B 5AN

THE GENERATION FOUNDATION

Trustees' Annual Report for the year ended 31 December 2014

The Trustees present their report and audited Group financial statements for the year ended 31 December 2014. This Trustees' Report, required by Part VI of the Charities Act 2011, is also the Directors' Report prepared in accordance with Section 234 of the Companies Act 2006.

The Generation Foundation (the "Foundation" or the "Company") changed its year-end date from 31 August to 31 December in 2013. A 16-month extended period of account, 1 September 2012 to 31 December 2013, was therefore used to prepare the 2013 financial statement comparatives.

On 7 January 2014 Festivebright Limited ("Festivebright"), a subsidiary of the Company, was formally dissolved at Companies House. As a result the Festivebright results consolidated into the 2013 Group comparatives were prepared on a break up basis.

Generation Foundation ("US Foundation"), a 501(c) (3) registered organisation operating in the United States financial statements are consolidated into the group. The US Foundation financial statements are prepared on a going concern basis notwithstanding the fund deficit of £113,832 (2013: £32,252) at the balance sheet date. The trustees believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, The Generation Foundation.

Governance

The Generation Foundation is a company limited by guarantee (No. 05536312), incorporated on 15 August 2005, and registered with the Charity Commissioners (No. 1113061) on 22 February 2006. The Company was established under a Memorandum of Association, which established the objects and powers of the Company and is governed under the Articles of Association.

The Foundation is administered and managed on a regular basis by the Board of Trustees. The Board is responsible for appointing new Trustees who possess the required expertise.

Details of the Foundation's advisors and other administrative details can be found on page 2.

Trustees

The members of the Board of Trustees (the "Board") who were in office during the year and up to the date of signing the financial statements are set out below. For the purposes of company law the individuals listed are both Trustees and Directors of the Company and are appointed in accordance with the Company's constitution.

D W Blood (Chairman)
P S Knight
A A Gore
P M Harris
M Ferguson
C M le Duc
M R Nogales (Appointed 9 June 2014)
M J Ramsay (Appointed 9 June 2014)
T J Arnold (Appointed 14 May 2015)

Trustee induction and training

In the event of appointing a new Trustee an individual would be provided with sufficient information explaining the legal obligations of Trustees, the Foundation's governing document, the most recent annual report and accounts and any relevant Charity Commission guidance notes.

THE GENERATION FOUNDATION

Trustees' Annual Report for the year ended 31 December 2014 (continued)

Objectives

The objectives of the Foundation are:

- 1) To mobilise asset owners, asset managers, companies and other key participants in financial markets in support of the business case for Sustainable Capitalism, and to allocate capital accordingly.
- 2) To support key institutions with similar objectives aligned with Sustainable Capitalism through membership contributions.
- 3) To promote sustainable development through supporting
 - a. the preservation, conservation and the protection of the environment and the prudent use of natural resources.
 - b. the relief of poverty and improvement of the conditions of life in socially and economically disadvantaged communities.
 - c. the promotion of sustainable means of achieving economic growth.
- 4) To support GIM employees' philanthropic endeavours through a matched giving programme.

Activities

The Foundation is funded from Generation Investment Management LLP's net distributable profit. During the year to 31 December 2014 the Foundation recognised an allocation of £2,285,305 which is made up of the 2014 profit allocation (2013: recognised both 2012 and 2013 profit allocations totalling £2,023,203) and related gift aid thereon.

In-House Research

The Foundation continues to conduct its own research, writing white papers on Sustainable Capitalism and other related topics. This research aims to provide the investment community with informed views and actionable ideas around the business case for Sustainable Capitalism.

When selecting specific research topics the Foundation assesses: the alignment of the subject matter with its areas of expertise; if its efforts would be meaningful and unique to advancing the cause; who else in the field has explored the topic and what questions remain unanswered; what are the primary obstacles to success on this topic; and confirms practical actions for implementation.

Additionally, the Foundation works to disseminate the key ideas and recommendations outlined in its research through various publications and by participating in widespread workshops and events related to Sustainable Capitalism.

Research Partnership Grants

To support research in the field of Sustainable Capitalism, the Foundation also continued to provide catalytic capital through partnership models with likeminded individuals, organisations and institutions across sectors and geographies (see Note 5). The Foundation made research partnership payments totalling £130,278 in the year (2013: £1,076,470).

Affiliations and Membership Grants

The Foundation continued its affiliation with various like minded institutions through membership associations (see Note 5). The Foundation made membership fee payments totalling £13,846 in the year (2013: £49,421).

Sustainable Community Grants

In the year, the Foundation continued to make select grants to organisations operating in the field of Sustainable Capitalism and sustainable development (see Note 5). The Foundation made grant payments totalling £69,629 in the year (2013: £41,714).

THE GENERATION FOUNDATION

Trustees' Annual Report for the year ended 31 December 2014 (continued)

Matched-giving

During the year the Foundation made matched-giving awards in relation to eligible donations to charities by staff and members of Generation Investment Management LLP. Total matched-giving awards amounted to £101,167 (2013: £124,791).

People

The Foundation hired a fixed term employee between July 2012 until January 2013 (see Note 6) to focus on the Sustainable Capitalism research agenda. The US Foundation has one full time employee. The Foundation made payments to the US Foundation to cover staff costs in exchange for services associated with promoting the Sustainable Capitalism agenda.

Employee Incentive Benefit Plan (EIBP)

During the year the US Foundation invested £nil (2013: £110,696) in an incentive benefit plan for employees. Employees have been granted awards which have been invested in Generation's investment funds. Generally and subject to the Plan Rules, the awards vest after three years and after five years the investments may be realised and cash payments made based upon the current redemption value of those investments.

Other matters

The Trustees consider the funding sources and expenditure in the year have supported the key objectives of the Foundation.

In setting the Foundation's objectives and planning its activities, the Foundation's Trustees have considered section four of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission.

Sustainable Community Grant making Policy

Staff and partners who work at Generation Investment Management LLP group are eligible to participate and apply for grants to be awarded to chosen charitable organisations which further the Foundation's charitable objectives. Eligible applications are typically between £4,000 and £20,000, but may be greater at the discretion of the Trustees. Grants will be made for one year and consideration will be given for multi-year grants on a case by case basis up to a maximum of three years.

UK registered charities, 501(c)(3) US non-profits, or similarly registered charities that are tax exempt public charities recognised by the government of the particular country are eligible charitable organisations for grants. Eligible organisations may include but are not limited to NGO's, community and research organisations and advocacy groups dedicated to promoting Sustainable Capitalism or sustainable development. Eligible community organisations dedicated to relieving poverty and improving conditions in socially and economically disadvantaged communities may have, but are not required to have a sustainability focus. Grants to individuals are not eligible.

Research Partnerships Grant making Policy

The Foundation will collaborate with likeminded individuals and organisations to pursue research related to advancing the field of Sustainable Capitalism. Funding may go towards programmatic costs, and in select instances and as deemed suitable by the trustees, funding may also go towards core operating costs. Where applicable, The Foundation may also provide in-kind support to partners through providing knowledge and expertise in the field of Sustainable Capitalism, access to our networks, use of our office space and communications/media connections and/or other resources deemed fit and necessary. All commitments both in funding and in-kind will be at the discretion of the Trustees. Partnerships will be formed for one year and consideration will be given for multi-year grants on a case by case basis up to a maximum of three years, with funding re-assessed and distributed on an annual basis.

THE GENERATION FOUNDATION

Trustees' Annual Report for the year ended 31 December 2014 (continued)

Affiliations and Membership Grant making Policy

The Foundation will choose select institutions with which to become affiliated members with applicable membership fees.

Responsibilities of Trustees

The trustees (who are also directors of The Generation Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Plans for the future

The Trustees will continue to use funds in furtherance of the Foundation's objectives as outlined on page 4.

Funds policy

The Group aims to maintain at least one year's running costs in unrestricted funds. The policy is reviewed on an annual basis.

THE GENERATION FOUNDATION

Trustees' Annual Report for the year ended 31 December 2014 (continued)

Risks policy

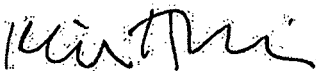
Any risks to which the Foundation is exposed, when identified, are monitored and reviewed on a regular basis by the Board, and appropriate action is taken to minimise any possible disruption to the effectiveness of the Foundation's work.

The Trustees believe that the Foundation is well placed to manage its business risks successfully and have a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Foundation financial statements. As previously noted Festivebright's financial statements are no longer prepared on the going concern basis given the company has been struck off.

Small company provisions

The above report has been prepared in accordance with the special provisions applicable to companies within Part 15 of the Companies Act 2006.

Approved by the Board of Trustees on 18 May 2015 and signed on their behalf:



P M HARRIS
Trustee/Director

THE GENERATION FOUNDATION

Independent Auditors' Report to the members of the board of trustees of The Generation Foundation

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2014, and of the group's and parent Charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent charitable company financial statements (the "financial statements"), which are prepared by The Generation Foundation, comprise:

- the group and parent charitable company balance sheet as at 31 December 2014;
- the group statement of financial activities and the group summary income and expenditure account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

THE GENERATION FOUNDATION

Independent Auditors' Report to the members of the board of trustees of The Generation Foundation

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.


RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the trustees

As explained more fully in the Responsibilities of Trustees Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


Colleen Local (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London
18 May 2015

THE GENERATION FOUNDATION

Consolidated Statement of Financial Activities
(including income and expenditure account)

		Unrestricted Total Funds Year ended 31 December 2014 £	Unrestricted Total Funds Period ended 31 December 2013 £
	Note		
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income- share of partnership profits	1	2,285,305	2,023,203
Voluntary income- other donations			15,869
Investment income- bank interest		4,332	1,836
Other incoming resources- waiver of related party loan	15	-	69,045
Total incoming resources for the year/ period		2,289,637	2,109,753
RESOURCES EXPENDED			
Charitable activities	4	(610,003)	(1,703,699)
Governance costs	8	(29,860)	(100,193)
Other resources expended	9	-	6,097
Total resources expended		(639,863)	(1,797,795)
Net income for the year/ period		1,649,774	311,958
OTHER RECOGNISED GAINS AND LOSSES			
Unrealised gain on investment	10	13,304	12,210
Foreign exchange (loss)/gain on consolidation		(6,369)	2,758
Net movement in funds		1,656,709	326,926
Fund balances brought forward at 1 January/ 1 September		3,604,812	3,277,886
Fund balances carried forward at 31 December		5,261,521	3,604,812

All results in 2014 derive from continuing operations. In 2013 all results other than those from Festivebright, derive from continuing operations. Net income for Festivebright for the period ended 31 December 2013 amounted to £56,670.

There were no material recognised gains or losses other than those included in the statement of financial activities above. Therefore no separate statements of total recognised gains and losses have been presented.

As permitted by section 408 Companies Act 2006 the Company is exempt from presenting its own Statement of Financial Activities. The net income of the Company for the financial year amounted to £1,738,289 (2013 period: net income of £312,155).

The notes on pages 13-20 form part of these financial statements.

THE GENERATION FOUNDATION

Consolidated Balance Sheet

	Note	31 December 2014 £	31 December 2013 £
Fixed assets			
Investments	2	-	-
Current assets			
Debtors	11	2,340,408	1,404,263
Investments	10	144,710	122,906
Cash at bank and in hand		3,152,567	2,461,580
		5,637,685	3,988,749
Creditors: Amounts falling due within one year	12	(221,680)	(255,289)
Net current assets		5,416,005	3,733,460
Total assets less current liabilities		5,416,005	3,733,460
Provisions for liabilities	13	(154,484)	(128,648)
Net assets		5,261,521	3,604,812
The funds of the charity:			
Unrestricted income funds		5,261,521	3,604,812

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, 'The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008' and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on 18 May 2015 and signed on their behalf:



P M HARRIS
Trustee/Director

The Generation Foundation (Company No: 05536312)

The notes on pages 13-20 form part of these financial statements

THE GENERATION FOUNDATION

Company Balance Sheet

	Note	31 December 2014 £	31 December 2013 £
Fixed assets			
Investments	2	-	1
			<u>1</u>
Current assets			
Debtors	11	2,290,623	1,330,167
Cash at bank and in hand		3,129,319	2,399,951
		<u>5,419,942</u>	<u>3,730,118</u>
Creditors: Amounts falling due within one year	12	<u>(45,569)</u>	<u>(94,035)</u>
Net current assets		<u>5,374,373</u>	<u>3,636,083</u>
Total assets less current liabilities		<u>5,374,373</u>	<u>3,636,084</u>
Net assets		<u>5,374,373</u>	<u>3,636,084</u>
The funds of the charity:			
Unrestricted income funds		<u>5,374,373</u>	<u>3,636,084</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, 'The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008' and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on 18 May 2015 and signed on their behalf:



P M HARRIS
Trustee/Director

The Generation Foundation (Company No: 05536312)

The notes on pages 13-20 form part of these financial statements

THE GENERATION FOUNDATION

Notes to the Financial Statements

1 Accounting policies

- (a) The accounts have been prepared on a going concern basis under the historical cost convention modified to include the revaluation of certain financial assets and liabilities, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities effective 1 April 2005, and the Charities Act 2011 and applicable accounting standards in the United Kingdom.

Festivebright Limited subsidiary financial statements were consolidated into the Group accounts in 2013, as required by FRS 18.21 and as permitted by SI 2008/420. Schedule 1 (10) (2), they were prepared on the basis that the Company was no longer a going concern. The 2013 subsidiary accounts were prepared on the break up basis since the Company was struck off on 7 January 2014.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

- (b) Share of partnership profits represents the annual allocation of distributable profit arising from Generation Investment Management LLP and related gift aid thereon and is accounted for on an accruals basis. Other donations relates to ad hoc donations received and are recognised on a cash basis. Interest income is recognised in the Statement of Financial Activities on an effective interest rate basis.
- (c) The financial statements consolidate the results of the Company and the US Foundation, together which make up the 'Group'. As Festivebright has been struck off it has not been consolidated into the Group in 2014 but its results were consolidated into the period ending 31 December 2013. All significant inter-company accounts and transactions have been eliminated upon consolidation. In accordance with paragraph 397 of the charities SORP 2005, no separate Statement of Financial Activities has been prepared for the Company alone. Uniform accounting policies are adopted throughout the Group.
- (d) Governance costs are those costs incurred in the compliance with constitutional and statutory requirements including related professional fees, and are accounted for on an accruals basis.
- (e) As a registered charity, the Foundation is exempt from UK taxation on income and gains to the extent that these are applied in furtherance of its charitable objectives. The taxation expense incurred in prior years related to Festivebright Limited which was subject to corporate level taxes levied by Federal, New York State and New York City given it received profit share from Generation Investment Management LLP where income is derived in part from income arising in the United States of America.
- (f) Grants payable are payments made to third parties in the furtherance of the Foundation's charitable objectives. Single or multiyear grants are accounted for in the year in which the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition.
- (g) Matched giving awards are made to third parties in relation to eligible donations to charities by staff and members of Generation Investment Management LLP. Eligibility conditions are aligned with the charitable objectives of the Foundation.
- (h) The Company and US Foundation are not registered for VAT. All expenditure is therefore stated inclusive of VAT where applicable.
- (i) All of the funds of the Foundation are unrestricted. These may be used in accordance with the charitable objectives at the discretion of the Trustees.

THE GENERATION FOUNDATION

Notes to the Financial Statements

- (j) Generation Investment Management LLP has created the Employee Incentive Benefit Plan ('EIBP') for employees of the wider Generation group, to which the US Foundation is participating in on behalf of its employee. Payments made to the plan in respect of awards to employees are recognised as assets and liabilities of the Group until such assets vest, subject to the Plan Rules, to the identified beneficiaries.
- (k) Investments are financial asset investments held for continuing use in the business. Marketable securities are classified as held at fair value through Statement of Financial Activities and are stated at market value in accordance with market practice; income and expenses arising from revaluation are taken to the Statement of Financial Activities as unrealised.
- (l) Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.
- (m) Transactions denominated in foreign currency are translated into sterling at the exchange rates ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

Assets and liabilities of subsidiaries which have currencies of operation other than sterling are translated into sterling at the year-end exchange rates. Income and expenses are translated at the average rate of exchange for the year. Exchange differences arising from the retranslation of the opening net assets of subsidiaries, which have currencies of operation other than sterling and any related loans are taken to the Statement of Financial Activities together with the differences arising when the Statement of Financial Activities are translated at average rates and compared with rates ruling at the year end.

2 Fixed asset investments

The Foundation previously owned 100% of the issued ordinary share capital of Festivebright (a company incorporated in England and Wales). The purpose of Festivebright was to receive distributions of any profits from Generation Investment Management LLP and make charitable donations to the Foundation.

Festivebright results have not been consolidated in the 2014 Group financial statements. Festivebright has been wound down during the year and formally struck off on 7 January 2014. There is no gain or loss on disposal of Festivebright Limited.

Generation Foundation ('US Foundation'), a 501(c) (3) company incorporated in the District of Columbia, is managed on a unified basis and therefore is treated as a subsidiary and forms part of the Group. The US Foundation employs the Group's sole full time employee. The Foundation made payments to the US Foundation during the year to cover staff costs in exchange for services associated with promoting the Sustainable Capitalism agenda. The net liabilities of the US Foundation as at the balance sheet date were £113,832 and the net resources expended during the year amounted to £88,515.

3 Guarantees

The Foundation is a company in which the liability of each company member is limited to an amount not exceeding £10.

THE GENERATION FOUNDATION

Notes to the Financial Statements

4 Charitable activities

	Year ended 31 December 2014 £	Period ended 31 December 2013 £
Grant activities (see note 5)	213,753	1,167,605
Matched-giving awards	101,167	124,791
Professional fees	2,482	19,855
Research expenses	33,455	149,254
Staff costs (see note 6)	259,146	242,194
	<u>610,003</u>	<u>1,703,699</u>

Professional fees, research expenses and staff costs are considered to be support costs and have been allocated to in-house research activities.

5 Grant activities

Grant type	Institution	Total grant expense included in SOFA	Organisation description
Research Partnership Grants	KKS Advisors LLC	£30,278 (2013: £64,368)	Advisory services firm working to find innovative solutions through extensive research, which enables the creation of more sustainable business models and communities.
	Volans Ventures Ltd.	£100,000 (2013: £25,000)	Volans is a future-focused business working at the intersection of the sustainability, innovation and entrepreneurship movements.
	The Sustainability Accounting Standards Board	£nil (2013: £380,352)	501(c) 3 non-profit that provides standards for use by publicly-listed corporations in the U.S. in disclosing material sustainability issues for the benefit of investors and the public.
	Mercer Investment Consulting Inc.	£nil (2013: £188,726)	The Responsible Investment unit works directly with leading responsible investors to develop cutting edge strategies and implementation plans.
	Resources for the Future	£nil (2013: £188,024)	RFF is a non-profit and nonpartisan organization that conducts independent research – rooted primarily in economics and other social sciences – on environmental, energy, natural resource and environmental health issues.
	Smith School at Oxford University	£nil (2013: £100,000)	Leading international academic programme focused upon teaching, research, and engagement with enterprise on climate change and long-term environmental sustainability.

THE GENERATION FOUNDATION

Notes to the Financial Statements

	Share Action	£nil (2013: £50,000)	Promotes responsible investment by pension funds and fund managers.
	Tomorrow's Company	£nil (2013: £50,000)	Global think tank addressing the systemic questions of the business world through the overarching themes of: leadership & talent; sustainability & models of business success and governance & stewardship.
	Investor Watch	£nil (2013: £30,000)	The Carbon Tracker initiative is the first project of Investor Watch, a non-profit company established by its directors to align the capital markets with efforts to tackle climate change.
Sustainable Community Grants	Resolution Project	£9,200 (2013: £9,736)	Develop socially-responsible young leaders and empower them to make a positive impact today.
	The Harvard Law School Institutional Investors Forum	£12,490 (2013: £nil)	Contributing to discourse, policy making and education with respect to institutional investors and issues of interest to them.
	Zoological Society of London	£25,000 (2013: £nil)	An international scientific, conservation and educational charity whose mission is to promote and achieve the worldwide conservation of animals and their habitats.
	The Interfaith Center of New York	£7,440 (2013: £nil)	Seeks to make New York City and the world safe for religious differences by increasing respect and mutual understanding among people of different faith, ethnic, and cultural traditions and by fostering
	Kellogg School of Management Sustainable Investing Challenge	£15,499 (2013: £nil)	To educate, equip and inspire leaders who build strong organizations and wisely leverage the power of markets to create lasting value.
	Conservation International	£nil (2013: £19,283)	Building upon a strong foundation of science, partnership and field demonstration, CI empowers societies to responsibly and sustainably care for nature; our global biodiversity and for the well-being of humanity.
	Greenhouse Schools Project	£nil (2013: £9,000)	London based sports and performing arts charity empowering children in disadvantaged communities.
	The Aspen Institute	£nil (2013: £3,695)	The Aspen Institute is an educational and policy studies organisation. Its mission is to foster leadership based on enduring values and to provide a nonpartisan

THE GENERATION FOUNDATION

Notes to the Financial Statements

Affiliation and Membership Grants	Global Impact Investing Network (GIIN)	£12,053 (2013: £13,330)	US 501(c) (3) registered not-for-profit organisation focused on accelerating the development of solutions to pressing social and environmental problems.
	Ceres Inc	£1,793 (2013: £32,968)	Non-profit organisation advocating for sustainability leadership. Mobilising a powerful network of investors, companies and public interest groups to accelerate and expand the adoption of sustainable business practices and solutions to build a healthy global economy.
	Carbon Disclosure Project	£nil (2013: £3,123)	Works to transform the way the world does business to prevent dangerous climate change and protect our natural resources. To see a world where capital is efficiently allocated to create long-term prosperity rather than short-term gain at the expense of our environment.
	Total 2014 Total 2013	£213,753 £1,167,605	

6 Employee information

(a) Staff costs

	Year ended 31 December 2014	Period ended 31 December 2013
	£	£
Wages and salaries	233,500	213,898
Social security costs	7,438	12,705
Other pension costs	18,208	15,591
	<u>259,146</u>	<u>242,194</u>

Wages and salaries include salary and taxable benefits in kind and other payments to employees.

(b) Average monthly numbers of employees who served during the year

The average monthly number of employees who served during the year equates to one (2013: one).

(c) Emoluments of employees

There was one employee during the year with emoluments exceeding £60,000 (2013: one employee with emoluments exceeding £60,000).

THE GENERATION FOUNDATION

Notes to the Financial Statements

7 Payments to Trustees

The Trustees have not received remuneration or expenses during the year (2013: nil).

8 Governance costs:

	Year ended 31 December 2014 £	Period ended 31 December 2013 £
Auditors remuneration- statutory audit fees	7,056	6,960
Other professional fees	22,804	93,233
	<u>29,860</u>	<u>100,193</u>

Auditors' remuneration in relation to fees payable for tax compliance services amounted to £4,077 (2013: £nil) and is included within other professional fees.

9 Other resources expended:

	Year ended 31 December 2014 £	Period ended 31 December 2013 £
Current tax credit	-	(6,097)
	<u>-</u>	<u>(6,097)</u>

10 Investments:

The Group

	2014 £	2013 £
At 1 January/ 1 September	122,906	-
Additions	-	110,696
Unrealised gain on investment	13,304	12,210
Foreign exchange gain	8,500	-
At 31 December	<u>144,710</u>	<u>122,906</u>

Investments comprise investments on behalf of the EIBP, details of which are given in note 14. The trustees believe that the carrying value of the investments is supported by their underlying net assets.

11 Debtors

	31 December 2014		31 December 2013	
	The Group	Foundation	The Group	Foundation
	£	£	£	£
Other debtors	2,290,623	2,290,623	1,330,167	1,330,167
Deferred award	49,785	-	74,096	-
	<u>2,340,408</u>	<u>2,290,623</u>	<u>1,404,263</u>	<u>1,330,167</u>

Deferred award amounts relate to amounts due under the EIBP, see note 14.

THE GENERATION FOUNDATION

Notes to the Financial Statements

12 Creditors: Amounts falling due within one year

	31 December 2014		31 December 2013	
	The Group	Foundation	The Group	Foundation
	£	£	£	£
Trade creditors	38,533	38,513	90,106	90,003
Other creditors	176,091	-	136,370	-
Accruals	7,056	7,056	28,813	4,032
	<u>221,680</u>	<u>45,569</u>	<u>255,289</u>	<u>94,035</u>

13 Provisions for liabilities

	2014	2013
	£	£
At 1 January/ 1 September	128,648	-
Movement in the year	25,836	128,648
At 31 December	<u>154,484</u>	<u>128,648</u>

Provisions for liabilities consist of amounts due to employees by the EIBP of £144,710 (2013: £122,906) and social security on the awards under the EIBP of £9,774 (2013: £5,742).

14 Employee Incentive Benefit Plan

The plan is designed to give certain employees an investment interest in the Generation managed investment funds. On the closure of the plan the value of these interests in the funds will be realised and payments will be made in respect of the value of those interests at the time.

The Group has invested directly in the Generation IM Global Equity Fund LLC.

Employee interests in the plan are set out in award letters to participants. The awards represent awards of units or financial interests in Generation Funds. The number of units comprised in an award or the financial interest depends on the employee's level of seniority at the grant date.

Terms and conditions of the awards are detailed in the Plan Rules. Subject to Plan Rules, the awards vest for members and employees after three years from the date of grant and after five years the units will be redeemed and cash payments may be made in respect of the value of the awards.

15 Related party transactions

Generation Investment Management LLP, an entity under common control received US tax repayments from Festivebright totalling £nil (2013: £10,714). The balance due to the LLP as at the 31 December 2014 was £nil (2013: £69,045 previously due to the LLP had been waived by the LLP).

As at 31 December 2014 a balance of £1,828,244 (2013: £925,526) was due from Generation Investment Management LLP in relation to its 2014 profit share allocation to the Foundation and is included in other debtors.

THE GENERATION FOUNDATION

Notes to the Financial Statements

During the year Generation Investment Management Services LLC, an entity under common control, made payments on behalf of the US Foundation totalling £49,794 (2013: £125,124). The balance of £174,918 (2013: £125,124) at the balance sheet date is included in other creditors.

The Group holds interests amounting to £144,710 (2013: £122,906) invested in Generation IM Global Equity Fund LLC on behalf of employees in connection with the Group's EIBP (see note 14).

The Group has taken advantage of the exemption from the requirement to disclose transactions with related parties that are wholly owned within the Group.

16 Ultimate controlling party

The ultimate controlling parties are the trustees as listed in the trustees' annual report.

The Group is both the smallest and largest group to consolidate the financial statements of The Generation Foundation.