Paul Hamlyn Foundation

Trustees' Report and Financial Statements

2025/26

phf

phf.org.uk

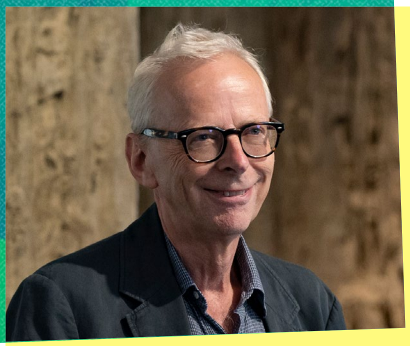
Contents

Cover image: Empire Fighting Chance.
Photo credit: Alex Turner.

Chair's Statement

A challenging year

The turbulence of the past year has added to the pressures that many of the organisations we support are having to contend with on a daily basis.



James Lingwood
Chair

There is no sign that this volatility will diminish soon. If anything, it is likely to increase as world events play out in unpredictable ways and political discourse becomes ever more partisan.

Through the close relationships our teams maintain with these organisations, the depth of their commitment and the thoughtfulness of their work shines through.

Although progress is hard-won and often precarious, they are beacons of light, creating hope and making a positive difference to the lives of the individuals and communities with whom they work. Together with PHF's trustees, I would like to mark our appreciation for everything they do.

This is the challenging context in which we have begun to review our work over the past five years and to plan for the years ahead. The process is being led by our Chief Executive, Halima Khan, working closely with our staff and trustees to chart a way forward which we feel responds to current challenges and is clear-eyed about our priorities for the future.

> "Through the close relationships our teams maintain with these organisations, the depth of their commitment and the thoughtfulness of their work shines through."

Since becoming Chair of the Foundation in January, it has been a pleasure to work with Halima, the team at the Foundation, our trustees, and Akeela Ahmed, whom I'm delighted accepted the invitation to become Vice Chair this year.

We have a difficult act to follow. For more than two decades, Jane Hamlyn has been Chair of the Foundation before stepping down at the end of 2025 (she remains on our Board as a trustee). Over this period, Jane has overseen the Foundation's growth and evolution with exceptional modesty, humanity and care, always guided by the inspiring legacy of her father Paul Hamlyn and his determination that the Foundation he set up should be forward-thinking and focused on making a tangible difference to the lives of people across Britain, Northern Ireland and India. It's my intention to be guided by the same spirit.

Jane would be the first to recognise the importance of the wit and wisdom of Tom Wylie, long-standing trustee and Vice Chair for the past four years, who stepped down at the end of 2025. Tom's contribution to the Foundation, like Jane's, has been immense.

Finally, many thanks to the team, advisors and trustees for their deep investment in the life and work of the Foundation.

Photo credit: Peak Cymru

Chief Executive's Statement

In this year's annual report, we've chosen three themes to give shape to the work that we do: investing for the long-term, being fit for the future, and togetherness.

Halima Khan
Chief Executive

These themes have long been central to our work, but they feel relevant as ever at this moment.

Instability is the watchword as we contend with a context characterised by disruption and turbulence. As our Chair rightly notes (p2), these challenges are unlikely to go away any time soon.

In this context, we are balancing our continued focus on longer-term work — that seeks to achieve deep, lasting change — with a recognition that the sectors we work in also face real and immediate needs. One example of this way of working is our Kinship programme, which has entered a 'test and learn' phase exploring how young people can build more hopeful futures, connecting their experience now to ideas for tomorrow. We also made 59 grants to organisations working in migration to address immediate, urgent needs for those most sharply affected by increasing unrest and hostility.

> "We are balancing our continued focus on longer-term work that seeks to achieve deep, lasting change."

We are proud to support many incredible organisations who offer an antidote to division, marginalisation and isolation. This is a thread that runs through our grant-making. We continue to monitor our work to consider the proportion of our grant-making that supports racialised communities as part of our commitment to anti-racism. This year, £7.7 million of our funding (through 72 grants) supported work specifically addressing racial inequity.

This grant-making is made possible by our dedicated staff and trustees who, for 23 years, have benefitted from the enduring leadership of Jane Hamlyn. In December, Jane stepped down as Chair, succeeded by our long-standing trustee, James Lingwood, who brings a wealth of sectoral and institutional knowledge to the role. Jane has been instrumental in shaping the Foundation since its inception and has overseen significant changes in that time.

We are immensely thankful for Jane's leadership as Chair, and delighted that she remains on the Board as a trustee.

Finally, this year saw the loss of a dear colleague, Louisa Robinson. Louisa brought joy, generosity and kindness to her work and to everyone around her. Through our collective grief, we found ways to remember and honour Louisa, including by making an institutional donation to Future Dreams — a charity supporting those diagnosed with breast cancer which provided valuable support to Louisa and her loved ones. We are immensely sorry to lose Louisa and will cherish her memory.

£7.7m

of our funding went to work specifically addressing racial inequity as part of our ongoing commitment to anti-racism.

Image: Multi-Story Orchestra.
Photo credit: Oliver McKenzie.

Trustees' and Directors' Report

Objectives and Activities

Paul Hamlyn arrived in the UK as a migrant in 1933. He started his first bookselling business in 1949 and went on to establish a long and successful career in publishing. When he died in 2001, he left most of his estate to the Foundation, creating one of the largest independent grant-making organisations in the UK.

Paul had a strong interest in social justice, challenging prejudice and opening up the arts and education to everyone, particularly young people. These themes run through the work of the Foundation today and continue to inform the work we do.

The Foundation, in its current form, was incorporated in February 2004. Our charitable objects — that is, our charitable purpose — are "to further such charitable purposes and to benefit such charitable institutions as the trustees see fit." We do this primarily through our grant-making, field-building and wider influencing activity.

We work in collaboration with the organisations we support, increasingly awarding long-term and core funding. Our forward-thinking approach, which makes use of data and the thoughtfulness of our staff, trustees and advisors, is designed to maximise the long-term impact of our grants for the benefit of the wider public.

Trustees have considered the Charity Commission's guidance on public benefit and believe that the Foundation's objects and aims are in alignment with the public benefit requirements of the 2011 Charities Act.

Image: In Common — Jojo and drums, Common/Wealth.
Photo credit: Pishdaad Modaressi.

The Trustees' Report demonstrates the activities of the Foundation and how they meet the principles as defined in the Act. In particular, the strategic report outlines the Foundation's spend of £36.1 million on grants in 2025/26. All our grants are assessed to ensure they deliver public benefit and charitable purpose.

Image: Luton Henge Festival, Revoluton Arts. Photo credit: Sidney Sambu.

Funding priorities

Our funding priorities remain consistent with our current strategy, written in 2020, and our commitment to social justice underpins all of them. These priorities are:

- Arts
- Migration
- Investing in young people
- Education and learning through the arts
- Nurturing ideas and people
- Creating opportunities for people and communities in India

Grant-making policy

The Foundation will consider all applications that fall within our funding priorities and meet our funding criteria, and where our due diligence process has not identified any unacceptable issues. We only fund work that is charitable, as defined by the Charity Commission for England and Wales.

In addition to accepting applications from organisations and individuals to our open funds (these can be found on our website), we have a number of funds which are invitation-only and are awarded through consideration of insight and advice related to our areas of interest.

Details of all the grants made for the year ended 31 March 2026 can be found on our website at phf.org.uk/news-and-publications/grantsawarded-2025-26.

Our vision

A just society in which everyone, especially young people, can realise their full potential and enjoy fulfilling and creative lives.

Our mission

To be an effective and independent funder, using all our resources to create opportunities and support social change. We partner with inspiring organisations and individuals to make sure that people facing disadvantage are at the heart of leading change and designing solutions to overcome inequality.

The year in numbers

Number of grants awarded

419

We approved a total of 419 grants from 2,150 decisions

Value of our grant-making

£36.1m

We awarded grants totalling £36.1 million over the 2025/26 financial year

Endowment value at 31 March 2026

£997m

Applications

9.4%

The approval rate for our open funds in the UK is 9.4%

UK funds

1,725 applications requesting a total of

£120.7m

India funds

230 applications requesting a total of

£2.5m

Total

1,955 applications requesting a total of

£123.2m

Funding racial equity

As a funder committed to anti-racism, we review how much of our UK funding to organisations addresses racial inequity.

Of the 293 grants we've analysed:

27%

To organisations **led by** people from communities experiencing racial inequity

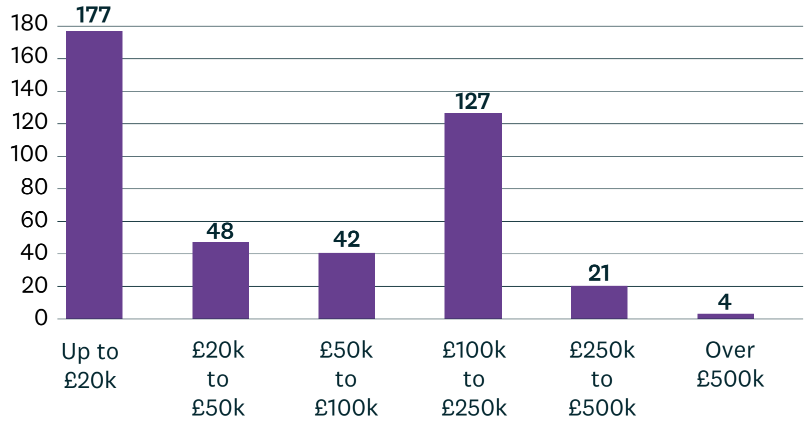
26%

For work specifically addressing racial inequity

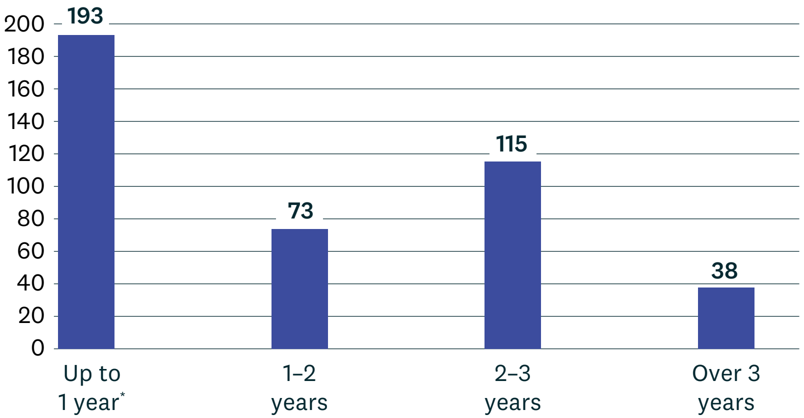
15%

For work addressing racial inequity which is also carried out by organisations led by people from communities experiencing racial inequity

Number of grants awarded by grant value

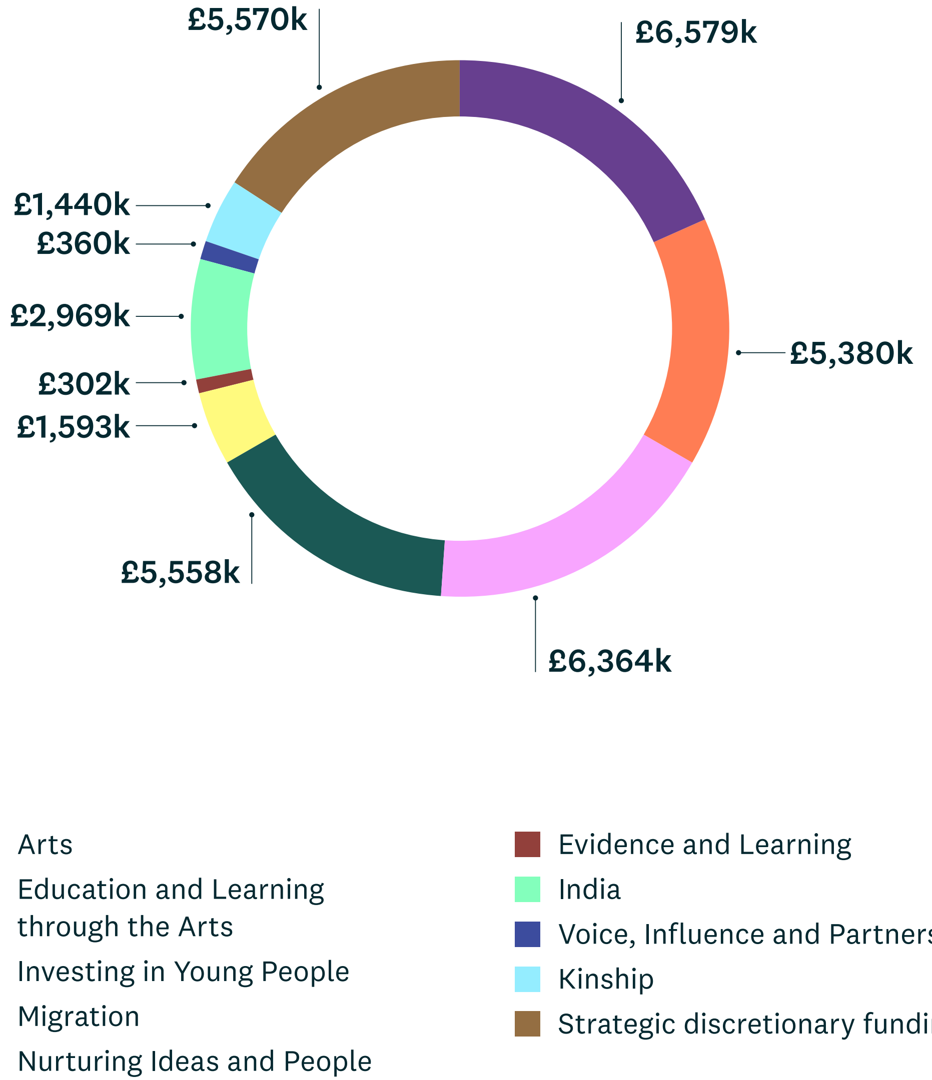


Number of grants awarded by length in time



* We made 89 grants of up to 1 year to support organisations to respond to immediate challenges

Grants awarded per programme area



Grants by region

Many of our grants support work in multiple regions or countries. These grants are additional to those indicated on the map.

UK Wide

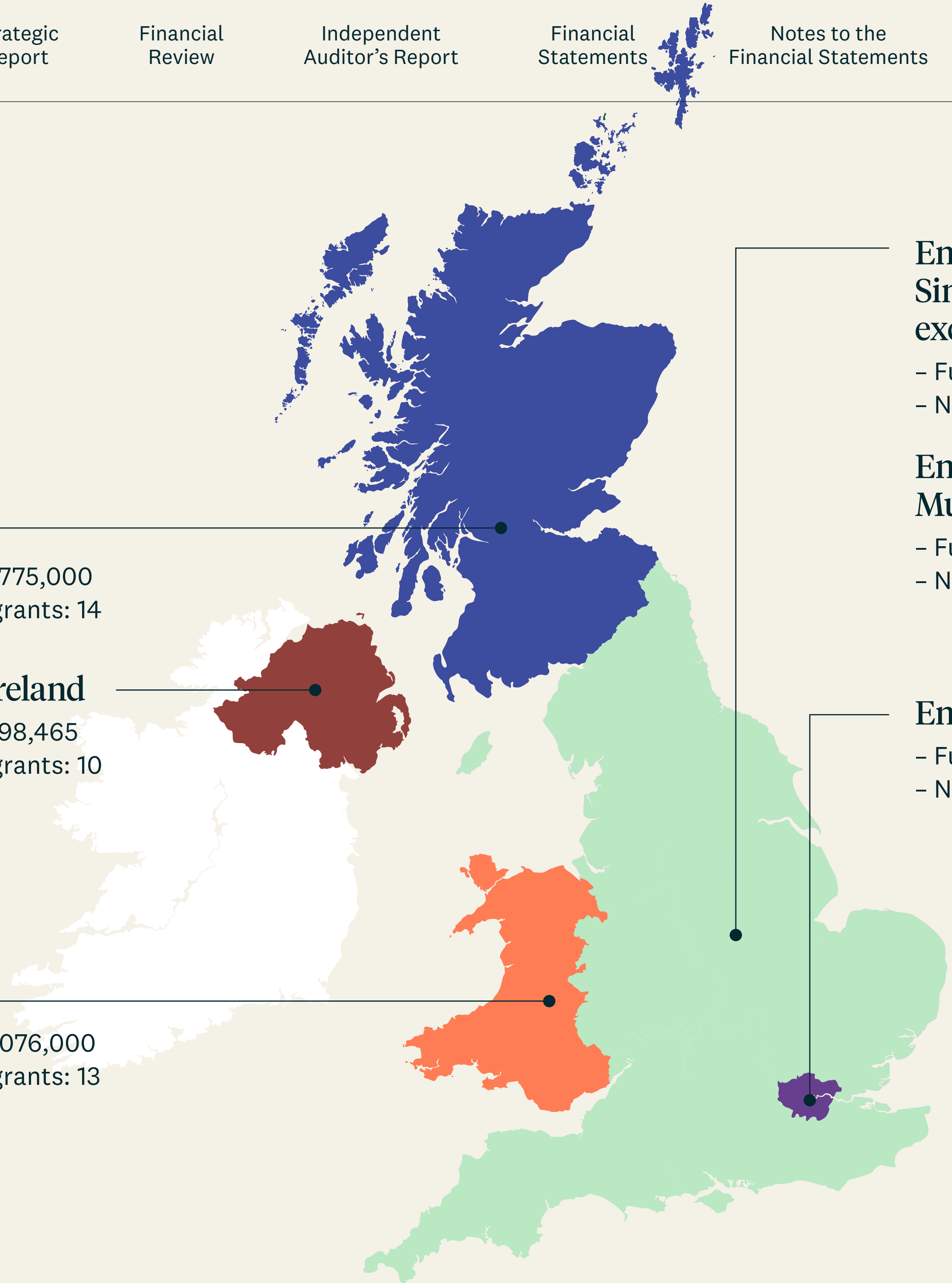
- Funding: £12,184,990
- Number of grants: 91

Multi-country

- Funding: £1,416,010
- Number of grants: 36

India

- Funding: £2,969,988
- Number of grants: 45



Scotland

- Funding: £1,775,000
- Number of grants: 14

Northern Ireland

- Funding: £898,465
- Number of grants: 10

Wales

- Funding: £1,076,000
- Number of grants: 13

England – Single region, excluding London

- Funding: £7,516,500
- Number of grants: 99

England – Multi-region

- Funding: £3,488,000
- Number of grants: 51

England – London

- Funding: £4,791,000
- Number of grants: 60

Strategic Report

Our external context has continued to be characterised by volatility and compounding challenges.

Escalating geopolitical conflict has brought renewed challenges to stability and security, as well as immediate economic pressure. Rising fuel and food costs, trade disruption, and stretched public services have all contributed to an increasing cost base and rising demand for the work of many organisations we support.

This ongoing demand was reflected in our grant making this year. We received 1,955 applications this year, similar to the 1,996 the previous year. We also spent £36.1 million in grants this year, up slightly from £35.9 million the previous year.

We have made grants at a comparable level to previous years in terms of both the number of grants and their monetary value. This is particularly notable in our Arts Fund, where we did not receive new applications but awarded approximately the same amount in grants to our existing grant holders and applicants to our previous funding round which included organisations we'd not previously funded, all of whom are working at the intersection of art and social change.

Outside of our grant-making, we saw a transition in governance. Our Chair, Jane Hamlyn, stepped down after 23 years, as did our Vice Chair, Tom Wylie. Existing trustees James Lingwood and Akeela Ahmed have become Chair and Vice Chair respectively, while Jane Hamlyn remains as a trustee.

All of these changes will help the board guide us through the coming years as we continue our grant-making while reflecting on how we use our resources in the future.

Photo credit: Youth Focus North East.

Image: EAF x Rhubaba 2025, Edinburgh Arts Festival. Photo credit: Ellie Morag, in partnership with JACK ARTS Festival City Stories 2025.

Progress on last year's plans for the future

In this report, we'll share more about the work we are doing now to be fit for the future (p17), as well as how we are investing for the long term (p13) and fostering togetherness (p21). Firstly, we will report on progress towards our objectives for 2025/26 as set out in last year's Annual Report:

- **Preparing for a new strategy.** We have started our preparation by evaluating our current strategic approach, looking back over the last five years of our 2020 strategy and considering how the current external environment will impact on our future plans. This ongoing work is discussed more in our plans for the future (p25).
- **Develop our work environment.** Over the last year, we have developed our plans for improving our office space. We have submitted a pre-planning application to redevelop parts of our office, creating additional meeting and collaborative spaces; this is discussed further in our plans for the future (p25).
- **Strengthen ways of working.** We instituted our first all-staff engagement survey, to understand how our staff experience working at the Foundation. To develop the connections between staff and the work we fund, all staff members were also invited to grant holder visits, where staff and the people we fund got to meet and share more about their work with one another.

We'll share more detail on these objectives throughout the report, and how our work this year is informing our plans for next year.

Strategic Report

Investing for the long term

Committing to the people and the work we believe in for years to come.

Image: The Line. Photo credit: Alaa Satir.

Investing for the long term

As an independent funder, we have the privilege of being able to take a long-term view of how best to invest our resources to create social change.

As challenges in the here and now require support, we also remain committed to the long-term backing of work that we believe can create deeper, systemic change. A key example of this longer-term funding approach is our **Youth Strategic Investment Fund, which reached its ten-year anniversary this year.** Started in 2016, the Fund was created to provide significant support for organisations that demonstrated a deep commitment to, and track record of, working with young people to make change.

Four organisations are now coming to the end of ten years of funding and support from Paul Hamlyn Foundation, and we are proud to have been part of building their impact and reach: Children's Law Centre Northern Ireland, Empire Fighting Chance, Football Beyond Borders, and Gloucestershire Young Carers.

As well as continuing our commitment to the youth sector, we have also looked to **strengthen our commitment to place-based funding.** We are supporting organisations with deep roots in their communities to create meaningful local change, including Camden Giving, Islington Giving, and Young Camden Foundation in our Neighbourhood Fund. Through partnering with these organisations, we've been able to support a broader network of grassroots and resident-led organisations than before. We have also made a grant to the Community Foundation for Northern Ireland through our Strategic Interventions Fund, supporting their community resilience programme in response to the changing nature and sharp rise of racist violence in Northern Ireland. These partnerships have allowed us to support causes that align strongly with our mission and vision through organisations who have a long-term commitment to change in their place.

As well as place, we have a long history of investing deeply into organisations we feel occupy unique and impactful places in their respective fields of practice. One such organisation is **Civic Power Fund, who we supported with a £400,000** grant this year. Civic Power Fund provide grants for grassroots community organising, as well as supporting cross-sector initiatives like the Movement Solidarity Fund, created by Migration Exchange, aimed at protecting frontline groups working in social justice. As one of the initial funders of Civic Power Fund, we have been able to support their growth into the first fund dedicated to community organising, injecting support and resources into vital, underserved work.

> “We have a long history of investing deeply into organisations we feel occupy unique and impactful places in their respective fields of practice.”

Who we've funded

We Belong

£550,000 grant over 5 years

"Our work ensures that young people navigating the UK's immigration system are not held back from building secure, fulfilling futures. We provide one-to-one casework, specialist legal support and leadership development to help them access education, secure their status and strengthen their sense of belonging. This work is especially critical now, as changing immigration rules and pressures on public services create new risks and deepen inequalities. Alongside immediate support, we build young people's power by nurturing leadership and strengthening relationships with communities and decision-makers, ensuring they can shape the policies and systems that affect their lives."

We Belong

Image: Migrant Moods Podcast.
Photo credit: We Belong.

Who we've funded

Muskaan

£61,332 grant over 2 years

"As Pardhi children and young people examine and heal from their individual traumas, and the collective traumas of the community, they try to connect with their real selves.

Many have opted to pursue the academic route and have explored studies in films and writing. Others have opted for supporting their people through legal practice and mental health work. The leadership of young people carries on this very necessary intergenerational work."

Savita Sohit
Mental Health Program Lead, Muskaan

Image: Muskaan.
Photo credit: Nikita Chatterjee.

Who we've funded

My Life My Say

£550,000 grant over 5 years

"Funding from PHF, including through the Youth Strategic Investment Fund, has helped us grow our work supporting young people from under-represented communities to challenge exclusion and claim their place in democracy.

Through initiatives like our Democracy Cafés, Next Gen Conference and Squad leadership programme, young people come together to debate the issues shaping their lives, build confidence in their voices, and organise for change in their communities. These spaces nurture a new generation of bold democratic leaders and support young people to act as citizens who are shaping the future now, not waiting for it."

Dan Lawes and Melisha John
Co-CEOs, My Life My Say

Image: My Life My Say.
Photo credit: Francesco Zinno.

Strategic Report

Fit for the future

Laying the groundwork now to contribute to a more just future.

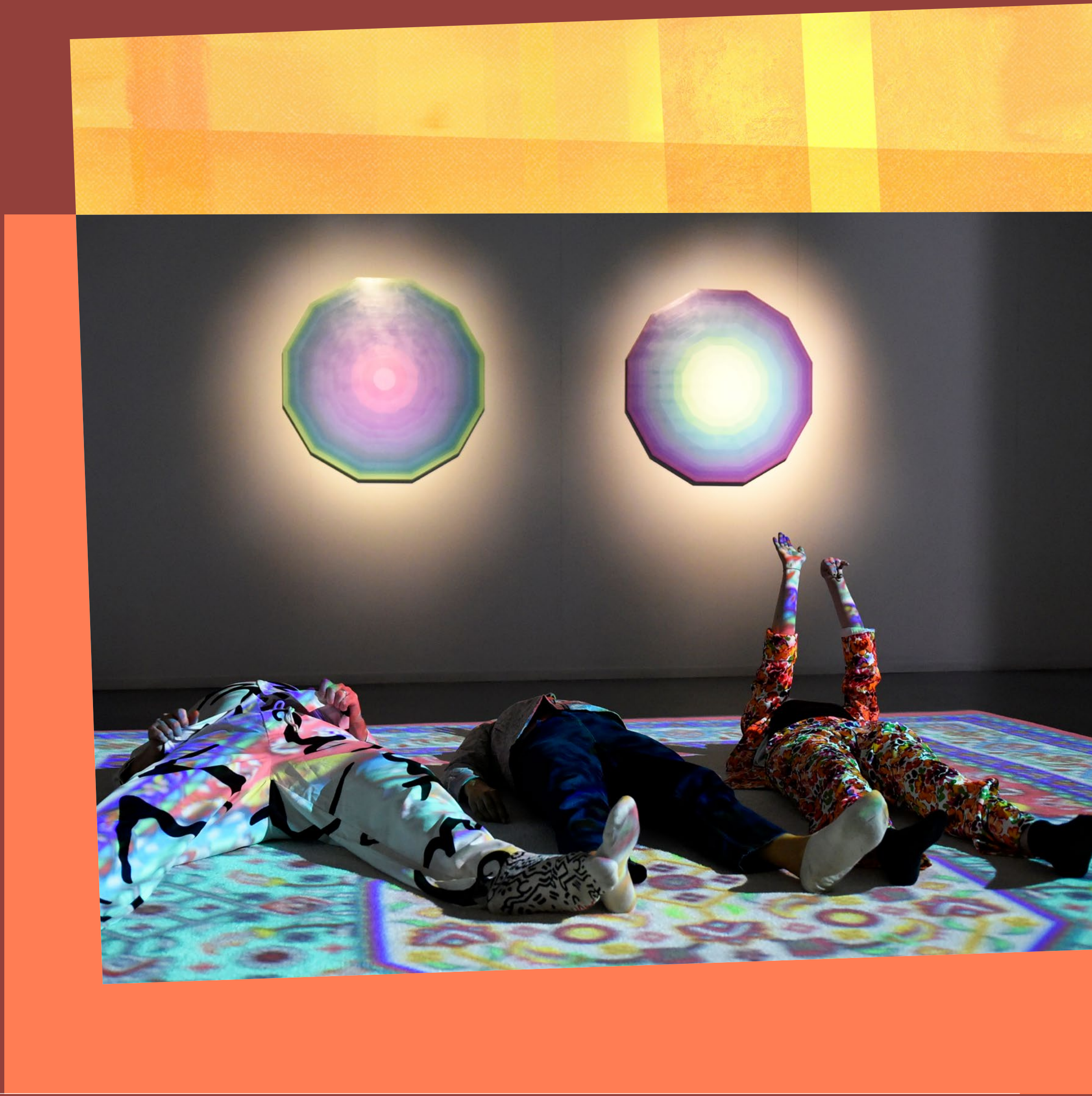


Photo credit: The Art House, Wakefield.

Fit for the future

As we contemplate a new strategic period, we are mindful of what steps we can take now to be a resilient and effective funder for the future. This has involved taking stock of how our current ways of working are serving us and the people we support.

One area we examined was our Arts Fund, which culminated in the decision to suspend new applications to our Arts Fund. Since refreshing the fund in 2024, we received grant applications totalling £166 million against our annual budget of £6.5 million. In practice, this meant only 7% of applications were successful. Such a competitive process meant strong applications went unfunded and the majority of organisations were investing time and energy into applying without a strong chance of success. We've given out the same amount in grants this year to amazing organisations at the nexus of art and social change, bringing imagination and creativity to the challenge of creating a more just society, including many we have not funded before.

Across our work, we also **reflected on the toll that social justice work can take.** Change takes time, and supporting the wellbeing and longevity of the movements fighting for that change is paramount. With Trust for London, we gave funding to Lumos Transforms to develop a programme supporting organisations working in the migration sector. The programme builds on Lumos Transforms' Resilience Toolkit, which identifies ways to build individual and collective resilience, and reduce the impact of stress and trauma. While we find ways to build resilience for the future, we also know organisations need support now to address immediate harms. As a result, we made 59 additional grants to organisations in the migration sector who had experienced significant challenges as a result of an increasingly hostile context for their work.

Image: Discover Children's Story Centre. Photo credit: Sylvie Pope.

Internally, we also looked to **bolster our commitment to, and understanding of, anti-racism.** At the beginning of the year, we held an all staff away day focused on anti-racism. We followed this up by exploring how our commitment to anti-racism shows up in our work and how our practice has evolved. We have also piloted reflective spaces, facilitated by the Social Justice Collective, where all staff were invited to reflect, share, listen and support one another in navigating aspects of the external environment that impact them and their work. These initiatives are part of our ongoing work to support the wellbeing and resilience of staff and to centre care in our work.

> "While we find ways to build resilience for the future, we also know organisations need support now to address immediate harms."

Who we've funded

TACO!

£144,000 grant over 3 years

"TACO! is conceived as an ongoing enquiry where artistic practices are tested in an exchange between artists, communities, groups, children, families, and young people. What does it mean to make art here? What can art do? Who can art do it for? What is our role? What are our responsibilities? Through artist projects, collaborative art making, reflective exchange, and moments of ambitious publicness, we dream of alternative futures and radical new ways to build a vibrant civic society."

TACO!

Image: The Hundred Club, TACO!
Photo credit: TACO!

Who we've funded

Motionhouse

£251,000 grant over 3 years

"We're delivering our Wider World Project in four local primary schools, breaking down barriers by giving children who might not usually have access to dance and creative activities the chance to learn, explore, and grow through the arts. The project celebrates difference and identity, linking to citizenship on the curriculum, and uses the power of dance to invite participants to express themselves through movement. The impact so far has been significant, with children gaining skills in teamwork, cooperation, empathy and confidence, and even those who find it hard to engage in school life taking part and flourishing."

Hannah Lockyer
Head of Creative Learning, Motionhouse

Image: The Wider World Project, Motionhouse. Photo credit: Blair Moore.

Who we've funded

Development Education Centre South Yorkshire

£162,000 grant for 2 years

"This project will be a tremendous opportunity for our partner schools to work with two theatre companies, Growtheatre and Voz Theatre and Philosophy for Children experts to engage children in Climate Change Education. It will build teacher confidence in incorporating drama approaches such as Mantle of the Expert, Theatre of the Oppressed and Creative Outdoor Learning across the curriculum whilst critically and creatively exploring the complex environmental, political and social dimensions of the climate emergency."

Development Education Centre South Yorkshire

Image: Development Education Centre South Yorkshire. Photo credit: Rob Unwin.

Strategic Report

Togetherness

Working in collaboration and solidarity to tackle shared challenges.

Image: Autograph ABP.
Photo credit: Sylvie Pope.

Togetherness

Image: Stand and Be Counted Theatre.
Photo credit: Smart Jervas Banda.

We are fortunate to have significant resources to tackle injustice — and yet we know these resources can be quickly eclipsed by the scale of the challenges we are trying to address. By working with others who share our vision, we are able to have a greater impact.

For young people, problems like isolation, feeling unsafe, and lack of opportunity are not easily solved. Rather than fatalism, however, we know that these issues can be tackled — with young people taking the lead. This year, along with eight other funders including BBC Children in Need and The National Lottery Community Fund, we established **Lead the Change, a new funder collaboration supporting young people.** The fund will aim to address the urgent need for investment in youth spaces, trusted facilitation, and genuine youth participation to grow young people's confidence and leadership.

As well as collaborating with other funders, we have also found moments to **bring the people we fund together** this year. For the first time, our Ideas and Pioneers Fund hosted a 'Celebrate and Connect' event, bringing together 40 people who are exploring ideas for social change, the majority of whom have never received grant funding before. We also continued our annual tradition of holding a 'TeachMeet', bringing together teachers from our Teacher Development Fund to talk about what they've learned from the programme. The event helped bring practice to life and shared the joy and difference the programme makes to school communities. Centred around the question of 'what makes a movement for migrant justice?', our annual Migration Residential also welcomed more than 130 people working in this space to come together and reflect on the challenges, tensions and differences present in the migrant justice movement, and the opportunities, risks and responsibilities that come with them. Being together to reflect, strategise, and support one another continues to be necessary for building resilient organisations and sectors.

As well as these moments of connection, we wanted to bring our staff closer to the work that we are supporting. In June, **all our staff visited organisations we fund** to find out more about their work and their context. Across the twenty site visits, we learnt more about the organisations we fund, and this has allowed us to gain a deeper appreciation for both the work they do and support they need.

Who we've funded

360Giving

£200,000 grant over 5 years

"PHF generously provides 360Giving with an unrestricted grant. This is really important to us as it provides flexibility when unexpected issues arise. For example, this year, a key challenge for us has been maintaining the stability of our platforms as we have been targeted by aggressive AI bots scraping our tools. We have needed to put in place additional measures and unplanned technical solutions to make sure the data is freely available to the people who need it, but this resulted in an extra cost to us. Having this flexible funding allows us to prioritise what's important and maximise our impact."

Tania Cohen
360Giving

Who we've funded

Disabled Students UK

£19,200 grant over 1 year

"We've recently piloted the Representative Empowerment Project. Through this programme, disabled student activists at universities across the UK have received co-produced, tailored training on how to work effectively within student union structures, communicating with senior university staff, managing burnout, and other topics. Disabled student activists have been really grateful to be supported by our staff who have also been disabled student activists, and to meet other student activists in similar roles. The REP Project is the only programme like this in the country currently, and we're proud to support students in this way."

Disabled Students UK

Who we've funded

Institute for Voluntary Action Research (IVAR)

£150,00 grant over 3 years

"Paul Hamlyn Foundation's support has come at a moment when the sector needs space to think, change and imagine something better. They have made possible work that has helped keep trust, openness and better relationships on the agenda — not as ideals, but as practical necessities. Their backing has supported not just research, but a wider sense across the sector that change is both needed and possible, including in the relationship between funders and charities themselves."

Ben Cairns
Director, IVAR

Managing risk

In line with statutory requirements, trustees regularly review and assess all risks faced by the Foundation and plan for the management of those risks.

The Board delegate the detailed consideration of risk to the Finance, Audit and Risk Committee. The Committee have agreed an approach to managing risk. The operational risk register is owned and managed by the Senior Leadership Team and risk is reported and is a discussion item at every Committee meeting. The strategic risk register is owned by the Board, advised by the Finance, Audit and Risk Committee. Should any operational risks move to 'red' in the year, the Senior Leadership Team will report this to the Chair of Finance, Audit and Risk Committee immediately.

In 2025/26, we reported on the perception of increased risk in the following areas:

As in recent years, the external environment remains volatile and means the Foundation continues to operate in a world where there is much challenge and change, and this accentuates a number of the risks identified in the operational risk register — for example, the importance of trustees having sufficient time for debate and decision-making and adapting our grant-making in a complex environment.

The safety and wellbeing of those connected to the Foundation and those we fund is of great importance to the trustees; during the year we spent time and resources considering this in more detail; improvements were made to the physical and online security of the Foundation premises and website and we made 59 grants to organisations we support in our Migration Fund to support their own responses to the often hostile environments they are operating in.

We are conscious that these are particularly challenging times to invest, and this presents risks around returns and spending levels and management of currency. In 2024 we reviewed our current spending levels and considered them appropriate for an organisation who intends to exist in perpetuity; trustees will keep this under review as part of ongoing strategy discussions.

India remains a complex environment in which to operate and we are conscious of the impact this has on our programme and team. We updated our India business continuity plan during the year and will ensure it remains fit for purpose.

We remain conscious of the challenges of the current economic environment to those we work with and fund. We are also very aware of the significantly increasing volume of applications to the Foundation in recent years and the resourcing challenges this creates; we will consider further how to manage this tension as part of our strategy review.

Plans for the future

In the next financial year, our key priorities centre around spending our grants budget well, preparing for a new strategic period, and looking to update our office space and offer to our staff.

While individually these activities are significant, our overall purpose remains the same, to ensure timely and effective grant-making. We will be focused on allocating our c. £37 million grant-making budget to support organisations who share our ambitions for a more just society.

Developing a new strategy. As we referenced in our previous Annual Report, we are preparing to enter a new strategic period. We have started this process by reviewing our current strategy and will complement these insights with further research and engagement.

Image: Ceramics made during QCHA Summer Programme led by Florence Dwyer and Sally Hackett, 2022, Glasgow Sculpture Studios. Photo credit: Morwenna Kearsley.

Conducting a pay and reward review. We will undertake a review of our offer to staff to ensure we remain an attractive and supportive employer. This work will be conducted by external consultants, and we expect it to continue beyond the next financial year.

Improving our work environment. We will progress with plans to update our office space. Working alongside architects, sustainability and accessibility consultants and others, we are hoping to modernise our working space for our staff and visitors for years to come.

Progressing our Kinship Programme. Through our Kinship Programme, we are exploring new ways of supporting young people to shape their futures. Following last year's period of discovery, Kinship has entered a 'test and learn' phase, piloting new approaches to support young people with organisations already working in this space.

S172 statement

Engaging with stakeholders

Background

As a company limited by guarantee, the Foundation is required to report on how trustees have discharged their duty to promote the best interests of the Foundation, while having regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006.

In doing so, regard (among other matters) must be given to:

- the likely long-term consequences of any decision
- the interests of employees
- fostering relationships with key stakeholders
- the impact of operations on our communities and environment
- maintenance of our reputation for the highest standards of conduct
- the need to act fairly as between members of the company

Long-term strategy and decision making

Our strategy, published in September 2020, sets out our vision for society and our mission to be an effective and independent funder, using all our resources to create opportunities and support social change. Its development was informed by external advisers, conversations with grant holders and research and learning from other philanthropic institutions and stakeholders.

Risk appetite and management is considered as part of the long-term strategy and decision making and is as outlined on p24.

The strategy sets the framework in which decision making takes place. It helps ensure trustees are able to consider the long-term consequences of decision making and the balance between the different interests of stakeholders.

Image: LEAP project, BEEE Creative CIO. Photo credit: Simon Richardson.

Our stakeholders

The trustees recognise that the Foundation's relationship with its stakeholders is critical to its success. Our charitable objectives, scale and impact are achieved in large part through relationships and working with others to achieve public benefit. By understanding our stakeholders, trustees are able to consider the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Those we fund and work in partnership with:

The Foundation's values inform its relationships with those we work with. We place particular emphasis on collaboration and connection, trust, openness and thoughtfulness. We believe in the power of working together to achieve greater impact and aim to exploit the synergies between the different areas of our grant-making and build communities of interest in the fields we support. We understand the value in building connections, being aware of the external environment and developing a deep knowledge of the fields in which we operate. As a values-based organisation, the Foundation pays particular attention to how it operates and its relationships with stakeholders, including those we fund. We undertake periodic independent surveys of our applicants and grant holders and the most recent of these was in 2025. We have a complaints policy and respond promptly to feedback and share this learning at our Management Team and Senior Leadership Team meetings.

Staff:

We know how important it is to have skilled and knowledgeable staff and trustees. They are a critical component of our decision making, our efficacy as a grant-maker and our ability to establish quality relationships with those we fund. We are committed to investing in the professional development of our people. We operate a core training and development offer, and each employee also has access to a dedicated professional development budget. We remain committed and supportive of our Justice, Equity, Diversity and Inclusion Collective staff network, the purpose of which is to seed and embed collective culture change.

The local community in which we are placed and broader environment:

The Foundation established Our Neighbourhood Fund in 2018, a programme set up in response to the rising levels of hardship and disadvantage we see on our doorstep. The Fund allocates 1% of the Foundation's annual grant funding to support local people and organisations working in and around our offices. The Foundation is also a participant in other local initiatives including the Knowledge Quarter — a local network of knowledge-based organisations. We have a strong interest in our environmental impact and have factored this into our plans for the redevelopment of our office space. We are participants in the Funder Commitment on Climate Change and consider environmental issues as part of our investment strategy (see p28).

Businesses, investment managers and suppliers:

The Foundation's values also inform its dealing with the businesses we work with. We seek to build constructive partnerships where possible and have long-term relationships with a number of key suppliers who we meet regularly to discuss issues and developments. Paul Hamlyn Foundation's investment advisors and managers are key to the success of our investment activity and the Foundation's Investment Director and Investment Committee meet regularly with Cambridge Associates and Fund Managers (see pages p28–30).

> “We place particular emphasis on collaboration and connection, trust, openness and thoughtfulness.”

Financial Review

Overview

The Foundation's operational model is to use the return from its endowment to support grant-making and other charitable activities.

The Endowment Fund represents the original gifts by Paul Hamlyn, both in his lifetime and under the terms of his will, together with net gains from related investment assets. The trustees have the discretion to make disbursements from the Endowment Fund in circumstances they consider appropriate. The trustees have stated their intention to preserve the real purchasing power of the gifts from Paul Hamlyn's estate.

The Unrestricted Fund is used to finance the Foundation's tangible fixed assets and working capital. It is financed by returns on investments, including investment income and transfers from the Endowment Fund.

The Restricted Fund comprises grant income from partners jointly funding some of the Foundation's initiatives.

The Foundation reports funds on its Statement of Financial Activities (SoFA) on a combined basis and details of movements in funds are provided in note 14.

Investment review

This fiscal year spanned an extraordinary period in markets. It began with the US Administration's imposition of sweeping tariffs on almost all trading partners, which threatened to massively disrupt the global free flow of traded goods. It ended with the third Gulf war when the US and Israel attacked Iran on 28 February 2026. At the time of writing this is ongoing and has resulted in the closing of the Strait of Hormuz. Massive disruption to global trade is now actually under way and looks as if it will continue for quite some time ahead, raising prices, inflation and interest rates.

At Paul Hamlyn Foundation, in terms of our investment portfolio, we had entered this period in a highly defensive position. Cautious of the deteriorating macro-economic backdrop, the capricious policy backdrop in the US coupled with market valuations that were, on any long-term historical analysis, richly valued, meant that we had adopted a 'barbell' strategy.

We constructed the portfolio to benefit both from a significant exposure to listed equities and venture as well as balancing this risk by holding about a third of our portfolio in liquid cash assets and physical gold. This combination has allowed us to capture some upside as markets have advanced, but offer us some protection in the event of significant downturns. Structurally it allows us to redeploy liquid assets into well priced asset classes if and when a downmarket occurs.

Any report of the last twelve months would not be complete without a recognition that it has very much been the year of AI. In the US and China there is a race to develop this fast-evolving capability, and this recent period has seen an acceleration of the 'capex' boom of data-centre construction and semi-conductor manufacturing on an unprecedented scale. The major US based hyper-scalers, the performance of whose shares have for several years led stock market performance, have also been the leaders in the spending on new infrastructure.

Time will tell how profitable this will turn out to be, and also what the real environmental and societal costs may be. We are all learning, too, how best to utilise the information advantages in our own workplaces and families, education, medical, and other areas. Truly it seems a revolution of capability is underway.

This has not been wholly positive in the investment world as many erstwhile leadership companies and software sector leaders have been sharply repriced down as investors perceive the new AI majors will erode their value. Many 'software as a service' companies have been hit hard in the last nine months and navigating these price moves has not been easy. It all adds to our sense of caution on the outlook for returns from many sectors going forward.

The Foundation's stated investment objective is to:

- maintain in the long run the real purchasing power of the Endowment Fund, although the trustees may from time to time choose to accelerate the level of spending, which may impact their ability to maintain the real value of the portfolio over time
- invest in a diverse range of assets which are most likely to give good total returns in the long term, in order to maximise the total real value of the amounts available for grant-making and other work
- manage volatility as far as possible, while accepting that a degree of volatility is concomitant with seeking high returns.

In 2025/26 we exceeded the return from our stated investment objective, with the portfolio returning +12.6% for the 12 months to end March 2026, versus our benchmark comparator of +6.9%, being UK Retail Price Inflation +4%.

Responsible investing and approach to Environmental, Social and Governance (ESG) principle

Our charitable mission is to work to tackle inequality, foster opportunity and pursue social justice so we take the principles of responsible investing seriously. Over the longer term, whilst recognising the necessity to empower our grant-makers with the financial resources to foster change in their areas of focus, we are working to apply the same values and ethics that underpin our grant-making activity to our investment portfolio. We recognise the relative lack of measurement metrics for many social and impact values together with the realisation that markets-based capitalism can frequently be extractive, exploitative and ethically ambivalent.

This is a contested area with few universally accepted measures of success, we continue to use what we consider to be the leading frameworks for analysing our portfolio and guiding our decisions. Mindful of our responsibilities as thoughtful investors we continue to focus on working only with asset managers who bind-in ESG considerations to their work.

We grant-fund organisations that are helping to reshape capitalism. We believe that only with the adoption of carbon pricing can the real cost of industry and personal consumption be paid by society. Carbon transition is a massive, necessary, global investment that is starting to reshape the financial landscape. The adjustments at a personal, corporate and governmental level are under appreciated by public and policy-makers alike. Engagement and collective work by investment institutions to turn brown companies green remains a focus of much of what we do.

We believe we can be most effective in this fight through supporting initiatives which are lobbying in this direction (particularly direct share-holder activity) and through using our investment levers to push for change. We have been a signatory of the United Nations Principles of Responsible Investment since 2015 and are part of the Carbon Disclosure Project (http://www.cdp.net). We participate in the Charities Responsible Investment Network, administered by ShareAction with whom we work closely and support with regular grants.

SoFA and Balance Sheet changes in the year

Income increased slightly by 3% from last year, as investment income rose from £9.4 million to £9.8 million; this was largely driven by higher levels of cash-like investments leading to more interest income.

Grant and other charitable expenditure increased by 3% (£1.1 million) as the budget rose to reflect recent inflation. The increase in support costs was a little lower at 2%, as in the prior year there were more changes in staffing that led to slightly increased expenditure, that was not repeated in 2025/26.

Investment management costs increased more markedly by 9% to £10.2 million (2024/25: £9.3m), driven by the higher returns of over 12% in the value of the associated investment assets.

Fundraising activities

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

Financial risk management

The principal financial risks facing the Foundation relate to our investment portfolio and are in line with similar long-term endowment funds in the sector. Overall investment risk management is predicated on running a diversified portfolio of high-quality assets across a wide variety of asset classes and markets.

The Investment Committee sets the longer-term strategic asset mix, with input from Cambridge Associates and others. Individual investment mandates are awarded to specialist managers after scrutiny by the Investment Committee with input from various sources. Impairment and liquidity risk are considered by the investment team and the Investment Committee as described above. The trustees consider the Foundation's risk profile on a regular basis.

Reserves policy

Paul Hamlyn left a legacy to Paul Hamlyn Foundation with the intention that it would create an endowment to support the Foundation's work into the future. The trustees invest the endowment to generate returns and set annual budgets to maximise charitable expenditure whilst maintaining the real value of the endowment in the longer term. The value of the endowment shown [right] is disclosed in the Balance Sheet on p40 as "Endowment and unrestricted fund". The whole amount is unrestricted so can be used for any of the Foundation's activities.

The Investment Committee manage investments in such a way as to balance financial return and liquidity to support the Foundation's activities.

The Finance, Audit and Risk Committee has agreed to manage liquidity by ensuring a sum equivalent to at least six months of working-capital commitments (including grant commitments) is invested in readily accessible liquid assets.

At 31 March 2026:

	£ million
Net assets	**950.84**
Less:	
Tangible fixed assets	(5.87)
Illiquid fixed asset investments	(527.10)
Total available reserves	**417.87**
Six months' working capital commitments	**40.67**

As the value of the endowment remains significantly higher than the value of existing commitments and planned spending over the coming year, trustees are satisfied that there are no material uncertainties surrounding the ability of the Foundation to continue as a going concern.

Streamlined Energy and Carbon Reporting

The Foundation's UK operations consumed approximately 88,438 kWh of energy in 2025/26 (2024/25: 90,388 kWh) and its CO_2 emissions are estimated at 71.02 total tonnes (2024/25: 53.39 tonnes). This equates to approximately 0.0956 CO_2e emissions per square metre (2024/25: 0.0721 CO_2e emissions per square metre) of our office at Leeke Street.

	2025/26	2024/25	2023/24
Energy consumption (kWh)	88,438	90,388	105,924
CO_2 emissions (tonnes)	71.02	53.39	90.13
CO_2 emissions per square metre (tonnes)	0.0959	0.0721	0.1216
CO_2 emissions per FTE employee	1.4346	0.9852	1.8777

This figure is calculated by drawing on data from our gas and electricity suppliers on energy consumption and square metres of our office as measured by our surveyors. The Foundation staff and trustees travel by air, public transport, or in rare cases, taxi. Where these are booked through our travel agent the CO_2 emissions have been included. Also included in 2025/26 are the emissions relating to the Foundation's Microsoft 365 cloud usage.

In 2025/26 more long haul flights were undertaken in the course of the Foundation's work than in the previous year. This includes reciprocal visits connecting our London and Delhi teams, and limited staff attendance at overseas conferences.

We have not calculated the energy consumption of staff working from home.

We are signatories to the Funder Commitment on Climate Change and report annually on our progress. Our plans for redeveloping our office space include environmental upgrades to reduce our energy consumption and have also considered the carbon intensity of the proposed building methods.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Strategic Report, the 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 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 affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting 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
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee has taken reasonable steps to ensure that so far as they are aware:

- there is no relevant audit information of which the auditors are unaware; and
- they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Structure, governance and management

The Foundation's governing documents are its Memorandum and Articles of Association.

The Board of Trustees comprises not less than three and not more than 11 members. The Board meets at least four times a year and agrees the Foundation's broad strategy and areas of activity and considers policy and performance around grant-making and other charitable activity, investment, reserves and risk management. The Board also considers significant or strategic grant applications.

The Board keeps the skills requirements for trustees under review and this informs trustee recruitment. Trustees are appointed by the Appointer as set out in the Articles of Association (currently the Chair of the Foundation). Trustees serve for a term of three years except in the case of family trustees (Jane Hamlyn and Michael Hamlyn) who have no maximum term. Renewals of appointments for additional three-year terms are usually considered at AGMs and voted on by all trustees acting as members of the company.

A comprehensive induction is designed for each new trustee and include at a minimum:

- briefing on Charity Commission and Companies House guidance and requirements
- meetings with fellow trustees and senior staff to discuss strategy, key policies and procedures, and current priorities
- a comprehensive briefing pack including relevant information such as Memorandum and Articles of Association, strategy documents and financial statements.

The Foundation applies and follows the Charity Governance Code (for large charities).

The principal committees of the Foundation are:

- **Arts and Education Panel,** comprising up to four trustees, up to four advisors and one member of the Senior Leadership Team. Meets five times per year.
- **Migration and Youth Panel,** comprising up to four trustees, up to four advisors and one member of the Senior Leadership Team. Meets five times per year.
- **Ideas and Pioneers Panel,** comprising up to three trustees, one advisor and up to three members of staff. Meets around four times per year.
- **India Programme Committee,** comprising up to three trustees, up to four advisory members and two members of the Senior Leadership Team. Meets three times per year.
- **Finance, Audit and Risk Committee,** comprising of a minimum of three and a maximum of five trustees. Meets three times a year.

- **Investment Committee,** comprising up to five trustees, three members of Senior Leadership Team and advisors as considered appropriate. Meets up to six times a year to consider investment strategy, manager appointments and performance.
- **People and Culture Committee,** comprising a member of the Finance, Audit and Risk Committee, the Chair of the Foundation and at least one other trustee. Meets three times per year.
- **Strategic Learning, Insight and Influence advisory group,** comprising three trustees. Meets three times a year.

The trustees delegate responsibility for operational management of the Foundation to the Chief Executive, who leads the Senior Leadership Team which in turn support the Management Team. Together these teams develop the Foundation's plans, policies and processes, following the Board's advice and approval.

Key management personnel and remuneration arrangements

The Foundation defines its key management personnel as the trustees and the Senior Leadership Team. The following post-holders were in place as members of the Senior Leadership Team during 2025/26:

Chief Executive
Halima Khan

Chief Operating Officer
Elizabeth Winder

Investment Director
Richard Robinson

Director, Grants and Programmes
Abdou Sidibe

Director, Strategic Learning, Insight and Influence
Holly Donagh

Director, People and Culture
Paula Gay

Remuneration arrangements for all staff, including key management personnel, are decided by the Foundation's People and Culture Committee, which is a sub-committee of the Board of Trustees.

The People and Culture Committee considers performance, benchmarks with comparator organisations, inflation levels and changes in responsibility levels, as well as affordability of any pay awards to the Foundation. Any annual pay awards are at the discretion of the People and Culture Committee and usually apply with effect from 1 April each year. The Foundation is a London Living Wage Employer.

The Foundation draws on expert advice to supplement the expertise held by staff and trustees. In 2025/26, independent advisers were used to provide support to the main committees and panels of the Foundation. In addition, the Foundation has called on professional advice from lawyers, its auditors and investment consultants, the details of which are provided on p34.

Image: Include Youth.
Photo credit: Darren Kidd.

Reference and administrative details

Paul Hamlyn Foundation is a charitable company limited by guarantee and does not have share capital. The company was formed on 12 February 2004 – company number 5042279 (registered in England and Wales) and registered charity number 1102927. The principal office of the Foundation is 5-11 Leeke Street, London WC1X 9HY, which is also the registered office of the company.

The trustees of the Foundation are as follows:

James Lingwood MBE
(Chair from 12 December 2026)

Jane Hamlyn CBE
(Chair until 11 December 2025)

Akeela Ahmed MBE
(Vice Chair from 1 January 2026)

Silaja Birks

Bernard Dallé

Marcus Davey CBE

Jennifer Forster

Michael Hamlyn

Martha Mackenzie

Tom Palakudiyil

Tom Wylie MBE
(Vice Chair, resigned 31 December 2025)

Independent auditors

Crowe UK LLP, 2nd Floor,
55 Ludgate Hill, London EC4M 7JW

Solicitors

Withers LLP, 20 Old Bailey,
London EC4M 7AN

Farrer & Co, 66 Lincoln's Inn Fields,
London WC2A 3LH

Bankers

NatWest PLC, 1st Floor, 440 Strand,
London WC2R 0QS

C Hoare and Company,
37 Fleet Street,
London EC4P 4DQ

Investment advisers

Cambridge Associates LLC,
80 Victoria Street, 4th Floor
Cardinal Place,
London SW1E 5JL

The Trustees' Report and the Strategic Report were approved on 7 July 2026 by:

....

James Lingwood

....

Bernard Dallé

Independent Auditor's Report

to the Members of Paul Hamlyn Foundation

Opinion

We have audited the financial statements of Paul Hamlyn Foundation ('the charitable company') for the year ended 31 March 2026 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2026 and of its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006,
Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tina Allison
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP,
Statutory Auditor

London

Date: 8 July 2026

Crowe U.K. LLP is a limited liability partnership registered in England and Wales (with registered number OC307043).]

Statement of Financial Activities (SoFA) for the year ended 31 March 2026

	Notes	2026 Total funds (i) £m	2025 Total Funds (i) £m
Income and endowments from:			
Donations	2	0.02	0.02
Investments	3	9.75	9.44
Other	4	-	0.01
Total		**9.77**	**9.47**
Expenditure on:			
Investment management costs	5	10.18	9.31
Charitable activities	6	42.52	41.38
Total		**52.70**	**50.69**
Net (expenditure) before investment gains		(42.93)	(41.22)
Net gains on investments	9	113.36	60.49
Net income		**70.43**	**19.27**
Net movements in funds		**70.43**	**19.27**
Reconciliation of funds:			
Total funds brought forward	14	880.41	861.14
Total funds carried forward		**950.84**	**880.41**

(i) All Restricted, Unrestricted and Endowment Funds. In line with the Charities SORP, paragraph 4.11, Paul Hamlyn Foundation has adopted a single combined funds column.
A summary of funds movements is included in note 14 (b).

SoFA includes the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses.

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the SoFA.

There are no material differences between the net income for the year and their historical cost equivalents.

The notes on pages 42 to 57 form part of these financial statements.

Balance Sheet as at 31 March 2026

	Notes	2026 Total funds (i) £m	2025 Total funds (i) £m
Fixed assets:			
Tangible assets	8	5.87	5.86
Investments	9	996.36	929.27
Total fixed assets		**1,002.23**	**935.13**
Current assets:			
Debtors	10	0.59	0.90
Cash at bank and in hand		0.90	0.52
Total current assets		**1.49**	**1.42**
Liabilities:			
Creditors: Amount falling due within one year	11	(31.39)	(31.62)
Net current liabilities		**(29.90)**	**(30.20)**
Total assets less current liabilities		**972.33**	**904.93**
Creditors: Amount falling due after more than one year	11	(21.49)	(24.52)
Total net assets		**950.84**	**880.41**
The funds of the charity:	13		
Represented by:			
Restricted income funds		-	0.02
Endowment and unrestricted fund			
– Investment revaluation reserve		323.58	401.30
– Other endowment funds		627.26	479.09
Total charity funds		**950.84**	**880.41**

(i) All Restricted, Unrestricted and Endowment Funds.

The notes on pages 42 to 57 form part of these financial statements.

The financial statements on pages 39 to 57 were approved and authorised for issue by the trustees on 7 July 2026 and were signed on their behalf by:

James Lingwood
Trustee

Bernard Dallé
Trustee

Paul Hamlyn Foundation. A company limited by guarantee registered in England and Wales — number 5042279.

Statement of Cash Flows for the year ended 31 March 2026

	2026 Total Funds (i) £m	2025 Total Funds (i) £m
Cash from operating activities:		
Net cash provided by/(used in) operating activities	**(45.62)**	**(49.60)**
Cash flows from investing activities:		
Investment income received	10.00	9.50
Purchase of tangible fixed assets	(0.20)	(0.10)
Purchase of fixed asset and other investments	(438.93)	(98.66)
Sale of fixed asset and other investments	485.20	146.29
Investment management charges paid	(10.07)	(9.37)
Net cash provided by investing activities	**46.00**	**47.66**
Change in cash and cash equivalents in the year	0.38	(1.94)
Cash and cash equivalents at the beginning of the year	0.52	2.46
Cash and cash equivalents at the end of the year	**0.90**	**0.52**

	2026 Total Funds (i) £m	2025 Total Funds (i) £m
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income for the reporting period (as per the SoFA)	**70.43**	**19.27**
Adjustments for:		
Depreciation charges	0.18	0.17
(Gains) on investments	(113.36)	(60.49)
Investment income	(9.75)	(9.44)
Decrease/(increase) in debtors	0.06	(0.13)
(Decrease) in creditors	(3.36)	(8.29)
Investment management costs	10.18	9.31
Net cash (used in) operating activities	**(45.62)**	**(49.60)**
Analysis of cash and cash equivalents:		
Cash in hand	0.90	0.52
Total cash and cash equivalents	**0.90**	**0.52**

(i) All restricted, unrestricted and endowment funds

Analysis of changes in net debt

	As at 1 April 2025 £m	Cash flows	As at 31 March 2026 £m
Cash	0.52	0.38	0.90
Net cash	**0.52**	**0.38**	**0.90**

Notes to the Financial Statements

For the year ended 31 March 2026

1. Principal accounting policies

Basis of preparation

The Foundation is incorporated in England & Wales as a company limited by guarantee, not having share capital. The financial statements are prepared on a going-concern basis under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable accounting standards in the United Kingdom, including the Charities SORP FRS 102 (second edition 2019) and in accordance with the Companies Act 2006 and the Charities Act 2011, using consistently applied accounting policies.

There are no material uncertainties about the charity's ability to continue and the financial statements are prepared on a going-concern basis.

The charity meets the definition of a public-benefit entity under FRS102.

Under the terms of Paul Hamlyn's will, the endowment of the Foundation is expendable, although the current policy of the trustees is, where possible, to invest the assets of the Foundation to retain the real value of the endowment while also generating sufficient return to fund grant-making and other charitable activities.

i. Income

All income is included in the SoFA when the Foundation becomes entitled to the receipt, it is probable that the economic benefit associated with the transaction will come to the Foundation and the amount can be measured reliably.

ii. Donation and grant income

Donations are recognised when the Foundation has been notified in writing of both the amount and the settlement date. If a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Foundation, and it is probable that those conditions will be fulfilled in the accounting period.

iii. Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation. This is normally upon notification of the interest paid or payable by the bank.

Distributions from private equity funds are accounted for in line with information provided by the general partners, and assumed to be return of capital where information is not provided.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

iv. Expenditure

All expenditure including charitable activities, cost of raising funds, governance costs and termination payments relating to former employees, is accounted for on an accruals basis and has been classified under relevant headings in the SoFA.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, when it is probable that the settlement will be required and when the amount of the obligation can be measured reliably.

Support costs reflect the management structure of the organisation. Payroll and related costs include the cost of temporary staff and recruitment. Where possible, support costs are directly attributed to the activity they support.

v. Expenditure on raising funds

Investment management fees, including fees to consultants, and internal investment management costs, including staff costs, are the only costs of raising funds and are recognised on an accruals basis.

With respect to hedge funds and some private equity funds, the management agreements of the underlying funds provide for compensation to the respective managers in the form of management and performance fees determined as a percentage of net assets. Fees in these cases are deducted from the funds' assets and are reflected in the net asset values reported.

vi. Charitable expenditure

The Foundation's charitable expenditure comprises grant-making and direct charitable activities. Grants are recognised at their full value at the point at which the Foundation has a clear obligation to make a payment to a third party and the recipient has been informed. Where the payment is planned to be more than 12 months after the reporting date of the Foundation's accounts, the Foundation reviews the present value of future payments.

Grants are classified as grants to individuals when they are made for the direct benefit of the individual grant recipient. All other grants are classified as institutional grants.

vii. Allocation of support costs

Where possible, support costs are attributed directly to the activity, or activities, to which they relate. These include support costs that relate to grant-making activities and include assessment and monitoring costs.

However, some support costs — such as governance, personnel costs, finance department costs, and property-related expenditure — support more than one area of activity. These costs are apportioned across the activities they support based on the proportion of full-time equivalent staff working directly on these activities.

viii. Tangible fixed assets

All tangible fixed assets are held for charitable use.

The cost of tangible fixed assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use.

The Foundation has adopted the cost model as defined in FRS 102, whereby the value of fixed assets is measured as the original cost less any accumulated depreciation and accumulated impairment losses. Impairment reviews take place on an annual basis. Only tangible fixed assets, or interrelated groups of tangible fixed assets, with a cost exceeding £1,000, are capitalised.

Depreciation is calculated to recognise the cost of the tangible fixed asset on a straight-line basis over the expected useful economic life of the assets concerned. The economic life for tangible fixed assets shown in these financial statements is as follows:

	No. of years
Furniture and fittings	4
Computer equipment	4
Freehold building	50

Land is not depreciated but is subject to an impairment review.

ix. Intangible fixed assets

Occasionally, the Foundation holds intangible fixed assets. These are defined as non-monetary assets without physical substance, where the costs associated with the asset can be measured reliably and the Foundation can expect to receive future economic benefits from the asset.

The cost of intangible fixed assets is identified as their purchase cost including any taxes and any directly attributable costs of preparing the asset for its use. The Foundation has adopted the cost model as defined in FRS 102, whereby the value of intangible fixed assets is measured as the original cost less any accumulated depreciation and accumulated impairment. Depreciation is calculated to write off the cost of the intangible fixed asset on a straight-line basis over its useful economic life which the Foundation's policy is to take as four years.

x. Fixed-asset investments

a) Investments valuations

The Foundation's policy is to value its investment assets on a fair-value basis following FRS 102. The Foundation's approach is as follows:

Quoted investments

- If an active market exists for the asset, the Foundation will recognise the asset at the quoted price, which is usually the current bid price.

Unquoted investments

- Where funds are managed by investment specialists on a pooled basis but the pooled funds are not listed assets themselves, the Foundation reviews the basis of valuation used by the fund as at the balance sheet date and confirms it is based on GAAP (Generally Accepted Accounting Principles) fair-value methodology, incorporating market values where possible.
- Where the Foundation is a partner in a limited partnership as part of a private equity or venture capital investment, no readily identifiable market price will be available because the investments held have not yet been publicly listed. The Foundation relies on the most recent valuations from the respective manager provided in valuation reports or financial statements, but reviews the basis of valuation to ensure it is compliant with industry-standard methodology. The valuations are adjusted for cash flows if the valuation is not available at the balance sheet date.

Hedge funds

- Hedge funds are valued by reference to the fair value of their underlying securities. These valuations are provided by their third-party hedge-fund administrators. To verify the manager's valuations, the Foundation will review the funds' audited financial statements to confirm that the fund manager/partner is using an appropriate fair-value approach in line with GAAP standards.

In reviewing valuations for appropriateness, the Foundation also considers the audit arrangements in place, examines recent audit reports, and undertakes an impairment review at least annually.

b) Forward currency contracts

Gains or losses on forward currency contracts are reported in the SoFA and the carrying value of cash balances adjusted for any gain or loss. No forward currency contracts were in place at 31 March 2026 (2025: nil).

xi. Debtors

Debtors include: amounts owed to the Foundation for goods or services for which the Foundation has paid in advance; and other amounts owed to the Foundation at the balance sheet date, including accrued investment income and external funding to which the Foundation is entitled. Amounts expected to be recovered within a year are shown at their anticipated receipt value. Any material amounts expected to be recovered after more than a year are shown at the present value at the balance-sheet date and adjustment made for the time value of money.

xii. Current asset investments and cash

Current asset investments comprise of cash or cash equivalents held for a short time (up to three months) in order to provide readily accessible funding for ongoing operations while maintaining an investment return if possible. Cash at bank and in hand comprises cash held in the bank and also all cash equivalents held in the form of short-term highly liquid investments (usually less than three months). These are measured at carrying value in the most recent bank or valuation statements.

xiii. Foreign currencies

Income in foreign currencies is recorded at the rate of exchange ruling on the date of receipt. Foreign-currency investments and liabilities are valued at their year-end market value translated into sterling at the year-end exchange rate or at the contract rate where foreign-currency investments are subject to an underlying hedge. All gains or losses on translation are taken to the SoFA in the year in which they occur.

xiv. Pension costs

The Foundation makes payments to the defined contribution personal pension plans of all its employees. The payments are based on a salary percentage and are charged to the SoFA in the period to which they relate.

xv. Taxation

Irrecoverable VAT is included as part of the expenditure to which it relates. The Foundation is a registered charity, and, as such, is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

xvi. Financial instruments

With the exception of investments of £996 million held at fair value, the Foundation's basic financial instruments are measured at amortised cost. All financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

xvii. Judgements, estimates and assumptions

In the preparation of the accounts the trustees are required to make judgements, estimates and assumptions. Other than investments and related income, the valuation of which has been discussed in detail within note x, the trustees do not consider there to be any other significant judgements or estimates within the financial statements.

xviii. Going concern

In considering whether the Foundation is a going concern, the trustees review commitments, of which the largest element is normally grant creditors, any contingent liabilities, and costs of ongoing operation. The value of the assets of the Foundation, any impairment to these and liquidity and valuation risks are also reviewed. Based on this review the trustees then consider if the Foundation should be reported as a going concern. In 2025/26 this review concluded that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going-concern basis of accounting in preparing the annual financial statements.

2. Donations

	2026 £m	2025 £m
Grant funding	0.02	0.02
Total	**0.02**	**0.02**

Donations include £0.02 million of restricted grant funding from partners in collaborative projects (2024/25: £0.02 million).

3. Investment income

	2026 £m	2025 £m
UK equities	-	0.88
Overseas equities	2.56	2.38
Investment property	0.71	0.99
Gold	0.03	0.01
Alternative securities	0.37	-
Cash deposits	5.71	5.13
Unlisted investments	0.37	0.05
Total	**9.75**	**9.44**

4. Other income

	2026 £m	2025 £m
Miscellaneous income	**-**	**0.01**

5. Investment management costs

	2026 £m	2025 £m
Investment management fees and consultancy	9.43	8.58
Internal direct investment management costs	0.42	0.41
Allocation of support costs	0.33	0.32
Total	**10.18**	**9.31**

Support costs are allocated based on the proportion of full-time equivalent staff directly engaged in each charitable activity and investment management.

6. Charitable activities

For the year ended 31 March 2026

During the year ended 31 March 2026, the following grants were awarded by the Foundation and charitable activities undertaken:

	Grants awarded £m	Direct charitable activity £m	Direct staff and other costs £m	Allocation of support staff costs £m	Allocation of other support costs £m	Total costs £m
Arts	6.59	-	0.30	0.25	0.23	7.37
Education and Learning through the Arts	5.38	0.13	0.32	0.27	0.25	6.35
Investing in Young People	6.36	0.14	0.29	0.23	0.21	7.23
Migration	5.56	0.25	0.31	0.26	0.24	6.62
Nurturing Ideas and People	1.59	0.22	0.27	0.27	0.25	2.60
Evidence and Learning	0.30	0.50	0.18	0.14	0.13	1.25
India	2.97	-	0.32	0.06	0.05	3.40
Voice, Influence and Partnership	0.36	0.03	0.01	-	-	0.40
Kinship	1.44	0.12	0.07	0.06	0.06	1.75
Strategic discretionary funding	5.57	0.01	0.04	0.03	0.02	5.67
Subtotal	**36.12**	**1.40**	**2.11**	**1.57**	**1.44**	**42.64**
Returned grants/adjustments	(0.23)	-	-	-	-	(0.23)
Cost of inflation-linked grant payments	0.23	-	-	-	-	0.23
Discounting of grant creditors	0.24	-	-	-	-	0.24
Exchange rate adjustments	(0.36)	-	-	-	-	(0.36)
Total	**36.00**	**1.40**	**2.11**	**1.57**	**1.44**	**42.52**

Numbers of grants awarded

Total	**419**
Includes grants to individuals	10 grants totalling £0.75 million

Included in Nurturing Ideas and People grants for 2025/26 are £750,000 of grants awarded to individuals. A schedule of the grants awarded in each programme area is available on our website at www.phf.org.uk.

Included in support costs are governance costs of £79,373 (2024/25: £96,528) which include amounts charged by the auditor Crowe UK LLP, being costs of the audit of £46,797 excluding VAT (2024/25: £44,940 excluding VAT). Other amounts paid to Crowe UK LLP are costs of providing payroll services £7,203 excluding VAT (2024/25: £7,937 excluding VAT).

6. Charitable activities (continued)

For the year ended 31 March 2025

During the year ended 31 March 2025, the following grants were awarded by the Foundation and charitable activities undertaken:

	Grants awarded £m	Direct charitable activity £m	Direct staff and other costs £m	Allocation of support staff costs £m	Allocation of other support costs £m	Total costs £m
Arts	6.52	-	0.31	0.30	0.24	7.37
Education and Learning through the Arts	5.83	0.12	0.28	0.28	0.24	6.75
Investing in Young People	7.64	0.14	0.26	0.25	0.21	8.50
Migration	5.54	0.16	0.27	0.30	0.25	6.52
Nurturing Ideas and People	1.34	0.19	0.20	0.17	0.14	2.04
Evidence and Learning	0.78	0.49	0.16	0.15	0.12	1.70
India	3.21	-	0.27	0.06	0.05	3.59
Voice, Influence and Partnership	0.20	0.02	0.01	0.01	-	0.24
Kinship	-	0.08	0.16	0.14	0.12	0.50
Strategic discretionary funding	4.84	-	0.03	0.02	0.02	4.91
Subtotal	**35.90**	**1.20**	**1.95**	**1.68**	**1.39**	**42.12**
Returned grants/adjustments	(0.78)	-	-	-	-	(0.78)
Accruals for future inflation-linked grant payments	(0.04)	-	-	-	-	(0.04)
Discounting of grant creditors	0.26	-	-	-	-	0.26
Exchange rate adjustments	(0.18)	-	-	-	-	(0.18)
Total	**35.16**	**1.20**	**1.95**	**1.68**	**1.39**	**41.38**

Numbers of grants awarded

Total	**291 grants totalling £35.9 million (2024: 265 grants totalling £57.5 million)**
Includes grants to individuals	10 grants totalling £0.75 million (2024: 11 grants totalling £0.6 million)

7. Staff costs and trustee expenses

Trustee expenses

No trustee has been paid any remuneration in 2025/26 (2024/25: £nil).

Expenses of £37,692 were reimbursed to five trustees or made directly to third parties on their behalf for travel and accommodation costs relating to attendance at meetings and visits to the Foundation's grant-holders (2024/25: £12,671 to five trustees).

Staff costs

	2026 £m	2025 £m
Wages and salaries	2.77	2.93
Social security costs	0.36	0.33
Employer's pension contribution to defined contribution schemes	0.54	0.40
Other benefit schemes	0.13	0.14
Total	**3.80**	**3.80**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the year were as follows:

	2026	2025
£60,000 to £70,000	3	5
£70,001 to £80,000	-	1
£90,000 to £100,000	2	2
£110,001 to £120,000	1	-
£120,001 to £130,000	-	1
£130,000 to £140,000	-	1
£140,000 to £150,000	1	-
£210,000 to £220,000	-	1
£220,000 to £230,000	1	-

The Foundation considers its key management personnel to comprise the trustees and the Senior Leadership Team. The trustees are unpaid.

Total employee benefits (including employer pension contributions and employer national insurance contributions) of £973,903 (2024/25: £1,037,473) were paid to six (2024/25: seven) staff representing the Senior Leadership Team of the Foundation.

Staff numbers

During 2025/26, the average headcount of the Foundation was 53, split between full-time (39) and part-time staff (14). The average full-time equivalent number of staff employed was 49.5 (2024/25: the average headcount was 57 and average full-time equivalent number of staff was 54.2).

The trustees are the directors of the Company. During the year and up to the date of approval of the financial statements, there was a qualifying third-party indemnity in place for directors as allowed by Section 234 of the Companies Act 2006.

8. Fixed assets

	Freehold buildings and land £m	Furniture and fittings £m	Computer equipment £m	Total £m
Cost				
As at 1 April 2025	6.95	0.25	0.43	7.63
Acquisitions	0.16	0.01	0.03	0.20
Disposals	-	(0.01)	(0.06)	(0.07)
As at 31 March 2026	**7.11**	**0.25**	**0.40**	**7.76**
Depreciation				
As at 1 April 2025	1.28	0.23	0.26	1.77
Charge for the period	0.10	0.01	0.07	0.18
Adjustment on disposal	-	(0.01)	(0.05)	(0.06)
As at 31 March 2026	**1.38**	**0.23**	**0.28**	**1.89**
Net book value				
Net book value as at 31 March 2026	**5.73**	**0.02**	**0.12**	**5.87**
Net book value as at 1 April 2025	5.67	0.02	0.17	5.86

Freehold buildings and land

Land with a value of £1,666,000 (2024: £1,666,000) is included within freehold buildings and land and is not depreciated.

Intangible fixed assets

Included within the computer equipment are intangible fixed assets of £71,520 at 31 March 2026 (2024/25: £105,077) relating to the development costs for the Foundation's website.

9. Investments

	2026 £m	2025 £m
Market value at 1 April 2025	929.27	916.41
Purchases	438.93	98.66
Sales	(485.20)	(146.29)
Net realised and unrealised gains	113.36	60.49
Market value at 31 March 2026	**996.36**	**929.27**

Investments at market value comprised:

	2026 £m	2025 £m
UK equities	-	42.25
Overseas equities	265.41	292.63
Investment property	-	20.25
Gold	105.63	135.21
Alternative securities	167.66	97.84
Cash deposits	202.77	96.59
Unlisted investments	254.89	244.50
Total (including cash held by investment managers)	**996.36**	**929.27**

Trustees consider that any incidental cash balance held by an investment manager is an integral part of its asset allocation and have included it in the appropriate asset class. The trustees believe that the carrying value of the investments is supported by their underlying net assets.

The historical cost of the above assets is £672.8 million (31 March 2025: £526.9 million).

The Foundation has committed, where contractual terms are made, to undertake a further £72,074,953 of fixed asset investment acquisitions in private equity funds in future years (2024/25: £70,014,402).

10. Debtors

	2026 £m	2025 £m
Prepayments	0.58	0.65
Accrued investment income	-	0.25
Other accrued income	0.01	-
Total	**0.59**	**0.90**

11. Creditors

Falling due within one year:

	2026 £m	2025 £m
Grants payable	30.11	30.50
Trade creditors	0.48	0.45
Accruals	0.72	0.55
Taxation and social security	0.08	0.08
Other creditors	-	0.04
Total falling due within one year	**31.39**	**31.62**

Falling due between one and five years:

Grants payable	21.49	24.06

Falling due after five years:

Grants payable	-	0.46
Total falling due after one year	**21.49**	**24.52**

12. Grants payable

	2026 £m	2025 £m
Grants payable at the start of the year	55.02	63.37
Grants approved	36.12	35.90
Grants cancelled	(0.23)	(0.78)
Grant payments	(39.42)	(43.53)
Grants returned	-	0.02
Cost of inflation-linked grant payments	0.23	(0.04)
Foreign exchange adjustment	(0.36)	(0.18)
Year-end discounting	0.24	0.26
Grants payable at the end of the year	**51.60**	**55.02**

13. Analysis of net assets by fund

At 31 March 2026

	Restricted Funds £m	Investment revaluation reserve £m	Other endowment fund £m	Total £m
Fixed asset investments	-	323.58	672.78	996.36
Other fixed assets	-	-	5.87	5.87
Net current assets/(liabilities)	-	-	(29.90)	(29.90)
Liabilities falling due after more than one year	-	-	(21.49)	(21.49)
Net assets	**-**	**323.58**	**627.26**	**950.84**

At 31 March 2025

	Restricted Funds £m	Investment revaluation reserve £m	Other endowment fund £m	Total £m
Fixed asset investments	-	401.30	527.97	929.27
Other fixed assets	-	-	5.86	5.86
Net current assets/(liabilities)	0.02	-	(30.22)	(30.20)
Liabilities falling due after more than one year	-	-	(24.52)	(24.52)
Net assets	**0.02**	**401.30**	**479.09**	**880.41**

14. Funds of the Charity

a) Description of funds

The funds of the charity comprise the Endowment Fund, the Unrestricted Fund, and a small element of Restricted Funds.

The Endowment Fund represents the original and subsequent gifts of Paul Hamlyn to the Foundation. The trustees manage the Endowment Fund to maximise returns and also have the discretion to make disbursements from the Endowment Fund if they consider the circumstances appropriate. It is used to finance all the Foundation's major activities including grant-making.

The Unrestricted Fund comprises accumulated income, income generated in year and transfers from the Endowment Fund. It is used to finance the Foundation's working capital requirements.

Restricted Funds have restrictions imposed by donors and can only be applied for the particular purposes specified by donors.

The majority of restricted funds received by the Foundation relate to projects operated in partnership with other funders where the Foundation holds the financial lead.

The Foundation does not consider the Endowment, Unrestricted and Restricted funds as independently material and reports on a combined funds basis in its main financial statements.

Restricted Funds summary

Funder	Purpose	Balances brought forward £m	Income £m	Expenditure £m	Balances carried forward £m
AB Charitable Trust, Barrow Cadbury Trust, Disrupt Foundation, POMOC & Network of European Foundations	Narrative Power Summit	0.01	0.02	(0.03)	-
Greater London Authority	Justice Collaboration	0.01	-	(0.01)	-
Total Restricted Funds		**0.02**	**0.02**	**(0.04)**	**-**

b) Summary of fund movements

For the year ended 31 March 2026

	Balance brought forward £m	Income £m	Expenditure £m	Transfers £m	Net gains and losses £m	Balance carried forward £m
Unrestricted Fund	-	9.75	(52.66)	42.91	-	-
Restricted Fund	0.02	0.02	(0.04)	-	-	-
Investment revaluation reserve	401.30	-	-	-	(77.72)	323.58
Endowment Fund	479.09	-	-	(42.91)	191.08	627.26
Total funds	**880.41**	**9.77**	**(52.70)**	**-**	**113.36**	**950.84**

For the year ended 31 March 2025

	Balance brought forward £m	Income £m	Expenditure £m	Transfers £m	Net gains and losses £m	Balance carried forward £m
Unrestricted Fund	-	9.46	(50.68)	41.22	-	-
Restricted Fund	0.02	0.01	(0.01)	-	-	0.02
Investment revaluation reserve	353.18	-	-	-	48.12	401.30
Endowment Fund	507.94	-	-	(41.22)	12.37	479.09
Total funds	**861.14**	**9.47**	**(50.69)**	**-**	**60.49**	**880.41**

c) Transfer from Endowment Fund to Unrestricted Fund

There was a transfer of £42.91 million from the Endowment Fund to the Unrestricted Fund in the year (2024/25: £41.22 million) to cover in year net expenditure.

d) Investment revaluation reserve

The investment revaluation reserve is calculated as the difference between the market valuation and the historic cost of the Foundation's investments.
In 2025/26 this was calculated as £323.58 million (2024/25: £401.30 million).

15. Contingent liabilities

Paul Hamlyn Foundation makes an annual donation to the Helen Hamlyn Trust of £2 million. During 2025/26 the agreement with the Helen Hamlyn Trust was revisited and it was agreed that Paul Hamlyn Foundation would increase the annual donation from 2026/27 to £3.2 million and would continue to make such an annual donation for the lifetime of Lady Helen Hamlyn. After this point an annual donation of £2 million will be paid for a further three years or until the executors have satisfied the legacy from Lady Hamlyn's estate to the Helen Hamlyn Trust, whichever is sooner.

At 31 March 2026 Paul Hamlyn Foundation is not able to quantify the value of this commitment, and the annual donation will continue for the foreseeable future.

There were no other contingent liabilities in 2025/26 (2024/25: none).

16. Related parties

The following key personnel and trustees have a controlling involvement or significant influence with the organisations listed below, to which the Foundation has awarded funding in the year or made payments following awards in earlier years. In all cases the individuals were not involved in decisions to make the award or in the direct management of the award.

Trustees

Michael Hamlyn is a trustee of the Nerve Centre which was awarded a grant of £2 million in December 2019 and paid £200,000 of this plus £57,520 inflationary increase in 2025/26 (2024/25: awarded inflationary uplift of £49,053, paid £249,053). The Nerve Centre was also awarded a further grant of £160,000 in 2025/26 which will be paid over 2026/27 and 2027/28.

Martha Mackenzie joined the Paul Hamlyn Foundation Board in October 2024 and is Executive Director of Civic Power Fund. At the time she joined the Board, Paul Hamlyn Foundation was already in discussion with Civic Power Fund regarding a grant for £1 million, which was subsequently awarded later in 2024/25. They received the first instalment of £333,333 relating to this grant in 2025/26. Civic Power Fund was also awarded two further grants in 2025/26 totalling £417,500 (2024/25: two further grants awarded totalling £120,000). Payments relating to these grants in 2025/26 were £47,500 (2024/25: £65,000).

The Foundation made a £2 million grant and a payment of this amount to the Helen Hamlyn Trust in 2025/26 (2024/25: Grant awarded and paid £2 million). Helen Hamlyn is the widow of Paul Hamlyn, the father of Jane and Michael Hamlyn.

In 2012/13 the Foundation gave a £5 million endowment to the Roundhouse Trust. Marcus Davey, who was appointed as a trustee of the Foundation in October 2024, was CEO of the Roundhouse Trust until 1 June 2026, which meets annually with staff of the Foundation to review planned spending from the endowment.

Tom Wylie stood down as trustee in 2025/26 after serving for sixteen years. In recognition of his service, he was invited to nominate two charities to receive discretionary grants. YouthAction Northern Ireland was awarded £55,000; The Scout Association, Northern Ireland Scout Council was awarded £95,000. Both balances were outstanding at the end of the year.

Senior Leadership Team

Sachin Sachdeva is a Member of Gramin Shiksha Kendra, which in 2024/25 was awarded a grant of £79,308 and paid £38,189 in 2025/26 (2024/25: paid £21,461 relating to a previous grant).

Abdou Sidibe is a panel member for Islington Giving, a restricted fund of the Cripplegate Foundation, which was awarded a grant of £100,000 in 2025/26 and paid £100,000 relating to a previously awarded grant (2024/25: awarded £100,000). Islington Giving is a fund contributed to by multiple local Foundations, and each funder is represented on the panel.

Paul Hamlyn Foundation

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