

Paul Hamlyn Foundation

Trustees' Report and
Financial Statements 2017/18



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Paul Hamlyn Foundation Trustees' and Directors' Report

for the year ended 31 March 2018

Chair's statement

It is thirty years since my father set up Paul Hamlyn Foundation with a clear mission – to offer people in often difficult circumstances a life-changing opportunity. The Foundation remains true to this mission. Our focus in the UK on increasing access to the arts, supporting cultural education, exploring how best to support migration, and enabling young people to have a voice seems as relevant today as it was then, as does the work of our team in India, working with an extraordinary range of local NGOs to improve the lives of people experiencing disadvantage there.

The potential of outstanding and inspirational people to change lives continues to inform everything we do, and we remain one of the few organisations that is willing to invest in individuals, as well as organisations, for that reason. Funding in this way may appear more risky, but it can unleash power and promise from corners of society that may otherwise remain hidden. Whether it is artists with a valuable gift to share, individuals that bring healthy challenge to what we mean by culture or pioneering individuals with lived experience of the challenges they want to address and the ideas to make change happen, I know that this is a resource that is needed and difficult to come by. As trustees, we are often amazed and humbled by the incredible people we meet when we visit the projects that we fund.

We continue to question ourselves about the value that we add to all those we fund. The balance of being effective and efficient whilst being nimble and agile, ready to react to good ideas as they emerge, is something we continue to be alert to. It has been a period of sustained growth for the Foundation, and this has enabled us to address that balance and to increase our grant making at a time of acute need. We are involved in about 550 grants at any given moment, and I thank everyone at the Foundation for their hard work in supporting the many grantees in our portfolio to fulfil their ambition for positive social change.

In particular, I want to thank my fellow trustees who provide a wealth of experience and skill to the Foundation, asking powerful and searching questions of us that go to the heart of the big issues we all face. With them by my side, I feel confident in looking to the next thirty years, building on what has been achieved to date and playing our part in improving lives and helping people to achieve their full potential.

Jane Hamlyn CBE

Chair

Chief Executive's statement

As we enter our fourth decade, we are exploring what it means to be an effective foundation in the 21st century. Our strategy sets the framework to use all our resources well, calling for a balance between grant making, the creation of useful evidence and learning, and the development of a meaningful advocacy and communication function. We want those resources to have the greatest possible impact in furtherance of our mission to help people overcome disadvantage and lack of opportunity, so that they can realise their potential and enjoy fulfilling and creative lives. In the last three years, I have become more convinced than ever that, to do so, we need to hear and learn directly from those in the fields in which we operate, and from the organisations we fund, if we are to fully understand the complex issues that they face and crucially how we should respond.

So Paul Hamlyn Foundation aspires to be more than simply a distributor of funds, and we have changed not only the language around what we do, but the expectations we have of ourselves. We place a high value on listening, on giving voice to those accessing services, on bringing people together, and on finding the right platforms to share our and our grantees' learning.

We are increasingly convinced of the strategic importance of building capacity in the sector. The direction, first articulated in 2015, feels right here – long term, multi-year support for organisations, demonstrating trust in them and their leadership and providing a sustaining basis for them to do what they do best. The launch of our Backbone Fund this year is a good example of this approach, as is the increased commitment to the Tech for Good space, and the move from pilot to fully worked-up programme for our Teacher Development Fund.

The opportunities and choices that a growing endowment presents were a feature of discussions with our trustees at their awayday in July. We have reflected on the different ways in which we can deploy our resources, needing to balance our own administrative capacity to manage the grant making, with a recognition that the short-term needs we are trying to address may require swift action, and the long-term issues we may see on the horizon need careful consideration. We will pilot some approaches in the next year to see how best to square that circle.

Finally, I want to acknowledge how pleased all at the Foundation have been to see our Chair recognised for her contribution to the arts and to philanthropy in the New Year's Honours list 2018. I look forward to continuing to work with Jane, our committed Board of Trustees and our energetic and dedicated staff team in 2019.

Moira Sinclair
Chief Executive

Trustees' and Directors' Report

Objectives and activities

Paul Hamlyn Foundation (PHF) was established for general charitable purposes in 1987 by Paul Hamlyn, an entrepreneurial publisher and philanthropist, committed to offering new opportunities and experiences for less-fortunate members of society. During his lifetime, and because of his experiences, he had a particular interest in social justice, challenging prejudice and opening up the arts and education to everyone, but particularly to young people.

Paul died in August 2001, however his bequest enables us to be independent and bold in honouring his beliefs and aims. The Foundation, in its current form, was incorporated in February 2004 and the Objects of the Charity are to further such charitable purposes and to benefit such institutions as the trustees think fit. We do this through grant-making, by supporting research and related charitable activities, and increasingly by using all of our resources to help release the most public benefit from the organisations that we fund. We employ 38 staff in London, and have a second office in Delhi with two staff, all of whom bring a mix of grant-making, investment, finance, communications, data analysis and management expertise to the Foundation. Our total grant and related expenditure in furtherance of our charitable purpose in 2017/18 was £25.5 million and there were around 550 live grants in our portfolio, 268 of which we made in this year.

Trustees have considered the Charity Commission's guidance on public benefit and confirm their view that the Foundation's objects and aims, as set out here, are in alignment with the public benefit requirements of the 2011 Charities Act. The Trustees' Report demonstrates the activities of the Foundation and how they meet the principles as defined in the Act.

The mission of Paul Hamlyn Foundation is to help people overcome disadvantage and lack of opportunity, so that they can realise their potential and enjoy fulfilling and creative lives. We have a particular interest in supporting young people and a strong belief in the importance of the arts.

Our enduring values draw on the beliefs and instincts of Paul Hamlyn, and social justice is the golden thread that links all our work. We hope, therefore, that our work will help particularly to improve and enrich the lives of those who are experiencing disadvantage or who are in some way excluded. We seek to reflect these values throughout the areas of activity we support, in the grants we make which focus on need and in all the ways in which we work.

Strategic priorities

The six strategic priorities set out in our current strategy continue to guide our approach to delivering our mission. These were identified to respond to challenge in the external environment and continue to be relevant in 2017/18.

Our strategic priorities are to:

1. Support imaginative people to nurture exciting ideas

We invest in the potential of people and organisations, valuing their capacity to see the world differently and make change happen.

Paul Hamlyn was committed to offering new opportunities to individuals. Today the Foundation offers financial support to individuals with bold ideas for social change. Often these are individuals whose ideas are in the early stages of development and so need support to investigate new approaches. We also support individuals with promise and potential who need financial and non-monetary assistance to explore their talent and creativity.

Although this work concentrates heavily on supporting individuals or small organisations at the start of their journey, we are mindful of the need to attend to the principles of charitable purpose and public benefit required of us as a charitable foundation. Unusual amongst our peers, we hope that this approach allows others to understand the role of individuals in achieving social change.

2. Widen access and participation in the arts

We believe in the enduring power of the arts as a force for change, enriching people's lives and communities.

Our objective is to support organisations that have ambitious plans to widen access to and deepen participation in the arts. It will not be enough simply to increase numbers: our emphasis is on addressing inequalities of opportunity.

This broad portfolio offers many opportunities to shape practice, because our funding aims to reach organisations as diverse as the communities and individuals they serve. Some grantees are using digital technology to appeal to new audiences, others are thinking about touring in locations that do not have access to the provision found in metropolitan cities, and some are adapting practice to meet the needs of people with disabilities or mental-health issues. All of them form a rich cultural offer that helps to widen and deepen access to the arts for groups that otherwise may not benefit from such opportunities.

3. Improve people's education and learning through the arts

We value the important role that the arts play in young people's learning and educational experiences.

Learning through the arts can engage and inspire young people, support key educational outcomes and develop skills that prepare young people for life beyond school. For many young people, particularly those experiencing the most disadvantage, the only opportunity to gain access to arts education is at school.

We are responding to teachers' interests in increased opportunities to develop their skills and professional practice in arts teaching. We are building on our experience of supporting work to address different educational issues affecting young people. Our funding supports the arts in educational settings to enhance the lives and achievements of young people.

4. Show that the arts make a difference to people's lives

We are committed to gathering evidence, learning from it and sharing our findings to further understanding amongst others.

We have a firm belief that the experiences the arts provide can be a force for change in individuals, encouraging creativity, reducing exclusion and assisting social and personal development. We want to help to build the evidence base so that others, including government, can understand the difference they make to people's lives and communities.

Our work under this strategic priority includes: supporting grantees to capture and use better evidence; filling some evidence gaps and collating existing evidence in areas where we think we can most add value; and disseminating evidence that helps people to understand the value of the arts.

Learning from this theme is informing our wider approach to the use of evidence and evaluation across our strategic priorities.

5. Support and strengthen the work of organisations working with young people experiencing disadvantage

We want to support the development of organisations investing in young people to achieve positive change.

Much of our work aims to benefit young people, but it is those who work directly with them who often make a difference to their lives, especially if they are vulnerable or face complex transitions to adulthood. We want to help organisations at different stages of development to improve, consolidate and spread those good practices that endeavour to make young lives better.

We champion organisations with youth voice, agency and leadership at their core and prioritise work with young people who are socially excluded or marginalised and whose voices are not usually heard. Our aim is to improve the quality and quantity of support available to them, by sustaining, replicating or growing practice.

6. Improve support for young people who migrate and strengthen integration so that communities can live well together

We celebrate the opportunities for social, economic and cultural enrichment generated through migration.

Migration is a global phenomenon, generating opportunities for social, economic and cultural enrichment. It also creates challenges for those who have moved or been displaced, and those experiencing changes in their communities. We have a long track record of grant-making, research and collaborations in this field – mainly focused on help for young people for whom migration has brought vulnerability and hardship.

Our view is that societies are more likely to live well together if exclusion is addressed and connections deepened. We want to use our funding to help build ‘shared ground’ with the aim of a more socially equal society.

7. Create opportunities for people and communities in India

We support local agencies to improve the lives of the most vulnerable people and communities in India.

PHF has been funding development work in India since 1992. It is the only country we work in outside the UK and we seek to be a small, but significant donor organisation there.

Our mission in India is closely aligned to the Foundation’s overarching strategy and is to improve the lives of the poorest and most vulnerable communities in that country in a manner that assists them to make efforts to improve their own conditions, ensuring that they have access to their entitlements, creating and providing appropriate opportunities and also by helping influence change in the context within which they live.

We give grants to local NGOs for health, education, support for people with disabilities, shelter and other social development activities. Grant assessments and relationships are managed by a small and expert team based in India, and trustees visit annually alongside a small number of UK staff to meet advisors and see the work being supported.

Trustees' and Directors' Report

Strategic Report

Responding to the challenges of a changing external environment

It has been a productive and busy year for the Foundation. The organisational changes of the last two years have paid dividends and we are now fully operational, able to hit our expenditure targets and to pull out learning from our grant-making, with mechanisms in place to share that learning and the infrastructure to communicate it more effectively.

The environment for our grantees and the wider sectors in which we have an interest has been very challenging, with a snap general election, a series of attacks in Manchester and London, the fire at Grenfell Tower, Brexit and a continuing austerity agenda all having an impact. Creating the time for all of us to think about the wider strategy, to develop partnerships and to scan the horizon for what might come next has felt increasingly important. Our trustees took time out in July 2017 to be part of this, with presentations about the digital agenda, community fragmentation and disenfranchisement and the place of young people helping to frame their considerations.

One of the ways in which we have been able to respond is to make sure that we spend the money allocated for grant making efficiently and this year the value of our grant making went from £20.5 million to £24.8 million. With the growth in the endowment and trustees' understanding of the need that is being addressed, we anticipate that our expenditure will continue to grow in the next three years.

We also took the decision to provide some support for those 'second tier' organisations that do not provide frontline services, but instead are there to enable and sustain the sectors that we care about. We created the Backbone Fund, providing committed funding of up to five years to seven organisations that we believe play a vital role in civil society. The response from the charitable sector has been very positive to this innovation, and we will identify another cohort to join this portfolio as a result.

We regularly ask ourselves whether we are doing enough to listen to those that we seek to support, and how we provide the right balance of opportunity for grantees to influence our approach in a way that is proportionate and tailored to the spirit of different grants. It cannot be a one-size-fits-all approach, and we are working on the best way to ensure we understand the key challenges and opportunities in the social policy fields in which we operate. In autumn 2017, we commissioned the Center for Effective Philanthropy (CEP) to carry out a grantee survey and a survey of unsuccessful applicants, with findings available for analysis in March 2018, which we will report on in 2018/19. And we have started to develop key lines of inquiry to help us to ask the right questions, as we reflect on the impact of our funding. As we learn, we are not only able to improve our own work, but also to share our knowledge with others, for example responding to government inquiries in our key areas of interest such as the DCMS inquiry into the social impact of participation in culture and sport in February 2017.

In June 2017, we published our first Review of Grant-Making, which provided a snapshot of our approaches and learning, and provided a clear indication of the areas we were paying attention to and the way in which we might respond. Described as an 'honest, insightful and ambitious look at what their grant-making is achieving' (Gareth Price, Head of Development, London Youth), it is our intention to make this part of our annual reporting cycle.

We value the chance to meet and talk to those that are in the best position to tell us about the societal issues we seek to address. Amongst the many visitors to our building this year, as part of the Children's Commissioners Youth Takeover Day in November 2017, we were delighted to welcome a small group of young people from the organisations that we fund to talk to us about their experiences. Their voices, alongside others we hear from visits out in the field and through our evaluations continue to inform our work.

Support costs for us are those that enable our staff and trustees to take forward charitable activities, such as grant-making, managing evaluation and the gathering of field intelligence. Their expertise and willingness to engage in continuing professional development is critical to our success. Over the last year, staff have taken part in cross-organisational training programmes focusing on charity law, contract management, safeguarding, new requirements under the general data protection guidelines and unconscious bias. This is helping to improve our work and practice, ensuring that we are aware of best practice and shifts in regulation.

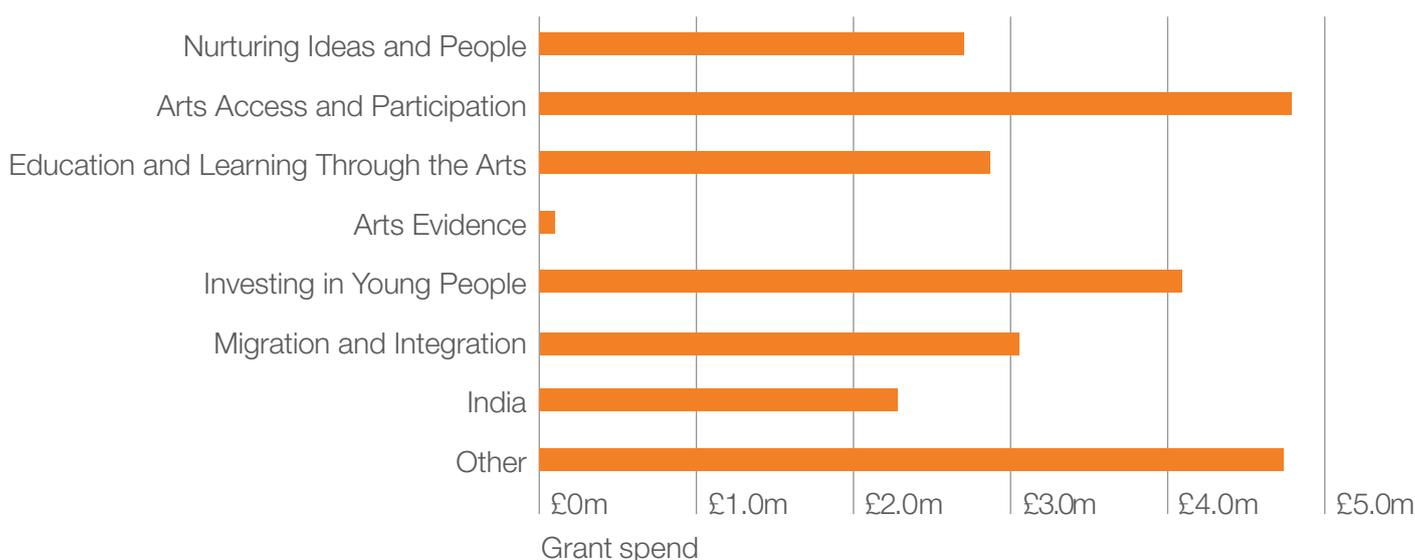
In order to maintain a quality service to our grantees, we have thought hard about our recognition strategies and terms of employment. Recognising the cost of living for our staff and the grantees that we work with, we moved from being a Living Wage Employer to being a Living Wage Friendly Funder, making a commitment to consider requests for posts to be funded at the Living Wage as part of our application processes.

Grant-making 2017/18

In total, we received 1,122 applications for grants compared with 1,169 applications in the previous year. The total amount requested by applicants was £76 million over the last year, nearly £9 million more than in the previous year. We believe this is partly as a response to a rise in inflation, and may also reflect our increasing significance as a funder in some of the fields we support. We regularly review our criteria for funding and the information available for potential applicants to enable prospective grantees to assess eligibility for funding early in the process, and therefore avoid making applications to us if we are not a suitable funder for their work.

During the year, we took final decisions on 1,106 applications resulting in either a grant award or a declination. Of these final decisions, 268 resulted in a grant award, equivalent to an approval rate of 24%. The equivalent figure for 2016/17 was an approval rate of 19%, with 242 grants awarded from 1,273 final

Total of grants awarded by strategic priority 2017/18



decisions. The improved approval rate in 2017/18 is a result of both fewer applications being received and processed, and slightly more grants being awarded. Supporting grantees to understand our criteria so that applications are more relevant, contributing to a higher approval rate for applicants, is something we continue to work towards. We continue to reflect on how we can best communicate what we are looking for to ensure the effort from those applying to us is well deployed.

In 2017/18, 268 grants were approved totaling £24.8 million and the chart below shows how the amounts awarded were split between our different strategic priorities. The full list of grants is detailed on pages 26–37.

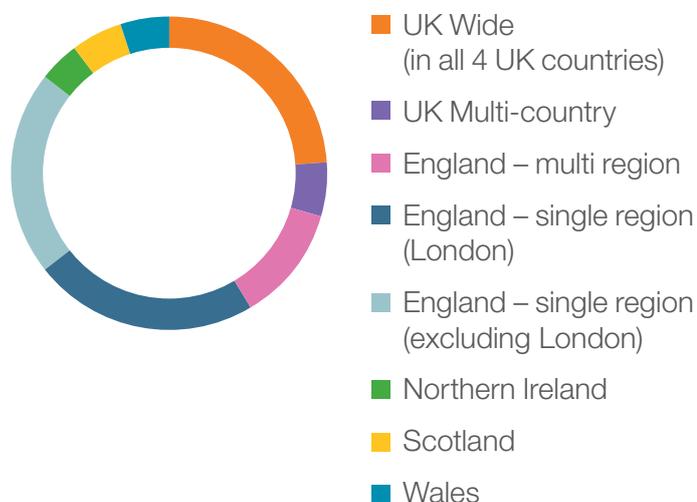
Grants awarded by strategic priority 2017/18

‘Other’ in the chart above includes grants listed under our Evidence and Learning; Voice, Influence and Partnership; Emergency; the Backbone Fund; Development and Strategic Intervention funds, as well as grants to the Helen Hamlyn Trust and to Comic Relief for our co-funded Tech for Good programme.

UK Grants 2017/18 – Geographical area

UK grants awarded 2017/18

(by geographical area served)



Geographical spread

A good spread of grants across the UK continues to be important to us in addressing our mission to help people overcome disadvantage and lack of opportunity. We have made a concerted effort to visit and to encourage applications to us from areas outside of London over the last two years and continue to strive for what we would see as a reasonable spread that is targeted to need. This is something we will continue to review and work on.

We maintained the slight shift from 2015/16 to 2016/17. The proportion of grantees working solely in Northern Ireland remained at 4% in 2017/18. We have seen a steady increase in the proportion of grantees working solely in Wales from 2% in 2015/16 to 4% in 2016/17 to now 5% in the last financial year of 2017/18. As percentages of our grant making, these figures are in line with the UK population. We increased the proportion of grantees working in Scotland from 4% in 2016/17 to 6% in 2017/18.

The chart below shows the number of grants that were awarded across 2017/18 in the UK by the geographical area/s that they planned to serve. These figures exclude Awards for Artists and grants made through the Breakthrough Fund, as these are about personal development and support and do not serve a geographic area.

Key learning

Teacher Development Fund: In 2015, we began a pilot programme to see how PHF could directly support the development of primary school teachers to embrace arts-based approaches in their everyday practice. In doing so, we aimed to support a whole-school approach to embedding arts-based learning across the curriculum. Partnering with the Centre for the Use of Research and Evidence in Education (CUREE), we reviewed current thinking about what constitutes high quality and effective Continuing Professional Development and Learning for teachers. Over the last two years, we have worked with organisations – ranging from Into Film to Creative Scotland and the Royal Shakespeare Company – to explore different models.

Our learning from year one of the pilots was presented in a report produced by CUREE in January 2018. The report found that although there has been extensive investment in supporting arts-based learning across the UK in the form of supported partnerships between teachers and artists/arts organisations not enough of this has focused on:

- **Embedding learning through the arts** in order that schools can reach a point where teachers instigate this in their everyday practice.
- **Embedding learning from the practice of professionals** involved across the school, through the active participation of school leaders in modelling and promoting learning through the arts in the curriculum, and in the Continuing Professional Development support they offer to teachers, on an ongoing basis.

In addressing this, we hope that the Teacher Development Fund will help practitioners and pupils to experience the arts as a crucial and enjoyable part of learning.

The report was shared as part of a targeted communications plan to disseminate findings and encourage applications for the next phase of the programme, which was launched successfully in February 2018 with 55 applications to us. We are now reflecting on how we can make the timing of the grants process and evaluation fit better with the school year.

Youth Fund: This fund helps organisations to become better prepared to increase their impact with and for young people by providing funding to cover some core operating costs. This is a direct response to feedback from the voluntary sector – that, in order to achieve the greatest positive impact on the lives of young people, organisations need to achieve a balance of stability, continuity and flexibility. The fund prioritises work that recognises and builds on young people’s strengths, and concentrates on those experiencing the most challenging circumstances.

These grants run for two years and were launched in 2015/16, so this year has seen some coming to an end. Experience is showing that many organisations have needed to use their core funding flexibly in response to internal and external factors. We are working with organisations to understand the changing context within which they are operating as well as to inform future funding criteria, assessment and decision making.

The following highlights some of the key learning points from reports and conversations with the current cohort of organisations supported through the Youth Fund:

- Core investment enables a focus on strategic direction, influencing work and programme development. This is often especially focused on embedding quality and building learning into a continual cycle of improvement.
- The importance of focused support specifically when senior staff change, as this often leads to further strategic and operational change and without proper planning and investment can be destabilising for an organisation.
- Income generation continues to be a challenge for many organisations and requires the need for agility and responsiveness.

Growth Fund: The Growth Fund provides multi-year support for up to five years, mixing financial investment of up to £500,000 and non-financial support to help organisations working with young people to identify and implement practical steps to growth. Offering a flexible package of support tailored to the needs of each organisation, the fund seeks to enable them to build capacity and effectiveness to reach their goals.

Management of the initial round of grants and preparation for the next round has yielded valuable learning which has informed our processes. Improvements in our practice included ensuring that trustees and panel members were more involved at an earlier stage to support their decision making. We maintained an investment approach which aligns with the Fund’s intention to support growth, providing funding for those who demonstrated readiness to benefit from a full package of support. We also offered a reduced level of funding for those who showed that they needed support to develop further.

From a group of 10 organisations invited to apply, we awarded three full Growth Fund grants of £500,000 to YoungMinds, Mancroft Advice Project and StreetDoctors. We made five smaller grants of between £30,000 and £50,000 to Clan Childlaw, Youth Focus: North East, Cypher App, Redthread and Key Fund. Trustees are giving careful consideration to how the process might continue to be improved to support organisations when they demonstrate a readiness for growth.

Ideas and Pioneers Fund: This provides support for ideas that have the potential to contribute to our mission for social change. The fund prioritises ideas at the earliest stages of development. Many of the pioneers that we fund are new to fundraising and starting their journey to deliver ideas with the potential for real public benefit.

Thirty-seven grants were made in the 2017/18 financial year, a total of £471,017. This was the fund's second year of full operation.

We provide a mix of monetary and non-monetary support through this fund, for example offering strategic planning days and residential retreats for grantees to learn from experts in a range of fields. We have also offered the opportunity to attend training events, such as the Social Media Exchange or Being the Story, both of which help grantees to think about how to share their stories of social change with others.

Over the year, we noted that, whilst we want to support a younger age group with innovative and pioneering ideas to apply to the fund, our applications from this demographic remain less than we would like to see. We have recently adapted our communications approach to streamline information and make clearer what a young person might experience as a grantee through an online video, sharing the journey of a small selection of existing pioneers. Alongside this support, we have plans for a roadshow to reach out to young people in four cities in 2018/19 and continue to think about the kind of tailored non-monetary support that younger applicants might need alongside the grant, such as guidance around finance, governance and other requirements for managing a grant.

Evidence and learning: Many of our events with grantees and others are concerned, entirely or partly, with how to improve our evaluation approaches and with sharing what different organisations are learning. Examples this year included two collaborative events with grantees on approaches to evaluation and learning. The first, with Tate, focused on the evolving approach to the evaluation of Tate Exchange and marked the launch of the publication *Experiments in Practice: Learning from the Evaluation of Tate Exchange Year One*. It was an opportunity for some grantees and evaluators to come together to focus on innovative approaches to evaluating participants' experience of participatory and creative experiences. Such was the level of interest that a further event was organised with more grantee presentations.

The second event, with the Centre for Youth Impact, was unusual in bringing together grantees, a number of funders and evaluators and the Chair of our Evidence and Learning Advisory Group, Tom Wylie, to share the different perspectives they bring to their relationships with evaluation. Assumptions were challenged as we discussed questions such as: 'What would it take for delivery organisations to feel a greater sense of ownership over evaluation, and to feel more skillful and confident?' and 'If there was candid, transparent knowledge exchange between funders and grantees, what would this change?' We shared insights from both the Director of the Centre for Youth Impact and PHF's Director, Evidence and Learning through engaging blogs to take the conversation to external audiences. We also started to look at ways of testing some of the ideas in practice.

India: Our team in India was delighted to welcome six members of the Trustee Board as part of our annual visit to learn from a selection of grantees. Trustees visited ASHA (a project working to protect young women and girls from being trafficked, using football as an empowerment method). The group also visited Anjali, a project using the arts and therapy inside a mental-health institution to promote a different approach to mental-health management, and YUVA, an initiative using education and youth work to encourage children out of the coal mines.

The context for work in India remains complex and we continue to respond to the changing environment for the local agencies that we support. We are increasing our focus on mental health as a cross-cutting theme that has impact on wider social outcomes for the areas in which we fund. Other notable themes for our funding over the last year include conservation of the environment, and work focused on disabilities and livelihoods.

Trustees took a decision this year to increase our funding in India by 10% to £2.2 million to ensure that the value of our giving there is in line with rates of in-country inflation. This will enable staff in India and those that work alongside them to ensure that resources go as far as they can in alleviating the acute issues faced by those they seek to help. We value the diligence of the process in awarding grants and the depth of knowledge that our colleagues in India are able to bring to the grant-making process. This continues to be founded upon strong relationships between the India team and potential grantees, combined with the opportunities afforded by an open grants programme that welcomes new organisations.

Circuit: Launched in December 2013, this was a four year national programme led by Tate and funded by Paul Hamlyn Foundation with £5 million of investment as part of our 25th anniversary gifts series. The programme set out to create better access to the arts for 15-25 year olds, giving young people the chance to influence arts organisations in a tangible way.

The network of galleries involved in the programme spanned Cambridgeshire (Wysing Arts Centre and Kettle's Yard), Colchester (Firstsite), Liverpool (Tate Liverpool), Llandudno (MOSTYN), London (Tate Britain and Tate Modern), Manchester (Whitworth Art Gallery), Nottingham (Nottingham Contemporary) and St Ives (Tate St Ives).

Galleries explored approaches to 'peer-led' working, giving young people the space and skills to bring their own cultures and voices into galleries, to share with the public. The programme exceeded its original target of reaching 80,000 young people, reaching more than 175,000 through events and projects over four years. It demonstrated that art can have a

significant impact in building young people's confidence, practical skills and their social and personal development. The galleries looked closely at their local communities, and established partnerships with youth organisations. The experience of participants highlighted the importance of collaboration and equitable partnerships with the youth sector to create opportunities for a more diverse range of young people to engage with art in galleries.

The launch of the report *Test, Risk, Change. Young People, Youth Organisations and Galleries: Working as Allies to Spark Change* marked the dissemination phase for the programme in November 2017. The report brings together challenges and barriers, and ideas and solutions relating to three key themes that emerged from Circuit:

- Galleries and the youth sector building partnerships.
- Motivation for diversity and change.
- Young people and cultural production.

The programme invited readers to use the report to provoke conversation, collaboration and action – encouraging cultural and youth-sector colleagues to reflect on Circuit findings to inform positive shifts within their organisations and to identify practical and strategic methods for change.

Our Museum: Communities and Museums as Active Partners: This initiative worked with seven institutions across the UK between 2012 and 2016 to support them through a process of organisational change in order to embed community engagement and participatory ways of working into the core of their work.

PHF commissioned an independent evaluation team to work alongside Our Museum throughout the programme and measure each organisation's journey of change, examining what worked well and why, and why other things proved less successful. The evaluation report, *Our Museum Special Initiative: An Evaluation*, published in 2016, shared the findings of this work. A report entitled *No longer us and them: How to change into a participatory museum and gallery* was also published. This provides practical guidance, based on the experiences of the seven organisations

involved in the programme. The two key messages of the report were that small changes add up and take time, and that participation is everyone's job. Since then, we have been working to influence participatory practice across the UK museums and galleries sector. Much of this has been in tandem with the Museums Association, as a deliberate strategy of handing over the learning from the programme to the sector.

Women's Centres in Scotland: A £100,000 grant to The Robertson Trust to support the development of Women's Centres in Scotland came to an end in May 2017. This grant has now completed, with 50% of the funds invested in developing a Women's Centre in Cumnock and 50% into a Renfrewshire Women's Centre. The Cumnock 'Heart and Soul' centre officially opened its doors in June 2017, with an open-access cafe (social enterprise led by local women) among a variety of services on offer, with further services to be developed in response to demand from women and girls in the community. The centre in Renfrewshire will build on learning from the Cumnock experience, whilst continuing to align with the needs and insights of women and girls in the local community. There has been widespread interest in the model and The Robertson Trust continues to gather and share learning and remains committed to ensuring the initiatives are sustainable.

Hull City of Culture 2017: Paul Hamlyn Foundation awarded a grant of £350,000 in April 2016 to support this initiative, recognising that a year long, city-wide celebration of culture could address a number of our strategic priorities and provide a template for how others might think about the value of access and participation to their communities. The programme more than met our expectations, reflected in the evaluation, which we also supported, that was published in March 2018. The impact that this investment had was significant and will guide our approach to other place-based initiatives and the potential for arts and culture to be a catalyst for regeneration.

Cultural Learning Fund: We are continuing to contribute to a programme led by the Royal Society of Arts and the Education Endowment Foundation to evaluate the impact of four different arts/cultural interventions in schools. Our grant of £250,000 was awarded in January 2017, helping the two-year

programme to test the hypothesis that cultural learning can reduce barriers to attainment for students experiencing disadvantage. Using randomised control trials, the programme offers the potential to make a significant contribution to our strategic aims for arts evidence and education and learning through the arts.

The programme formally launched in October 2017 with a Programme Prospectus giving full details of the five organisations selected to undertake randomised control trials. These are Arvon with University of Exeter and The Open University; Centre for Literacy in Primary Education, London Bubble Theatre Company, Tees Valley Music Service and Paradigm Arts. Underpinning these trials is a programme of sector engagement, exploring issues around evaluation and self-improvement.

Non-monetary support

In addition to our grant making, we provide offer a comprehensive suite of non-monetary support, to provide additional value to the organisations and individuals that we fund. We do this because we think a holistic approach to grant making that takes account of all needs, not just those serviced by financial resources, makes us the most effective grant-maker that we can be.

This approach includes use of our building in London. This tangible support can alleviate the financial and administrative burden of seeking out space to meet and connect, and we continue to monitor and learn how the building is being used. A total of 1,471 people visited events at our offices in 2017/18, up from 1,383 the previous year. Grantees led events to share practice, facilitate training sessions for staff and bring people together to develop strategic development plans for their organisations.

We also value the opportunity to bring grantees together with others working in their fields of interest outside of London. A notable example of this in the last year was a three-day residential held in Leamington Spa for grantees working in the areas of migration and integration. The event, held in February 2018 in partnership with Unbound Philanthropy, brought together over 100 individuals to hear from a range of external speakers, take part in policy discussions, attend workshops and plan shared responses to key

issues. The residential was a real success, maximising the skills, expertise, networks and reach of both Paul Hamlyn Foundation and Unbound Philanthropy. Participants commented that they found the experience both enjoyable and informative and that it was extremely valuable to have an opportunity to focus on the bigger picture together.

In our efforts to play our part in pioneering philanthropy, we bring people together to share approaches to cross-cutting issues. In October 2017, *Alliance* magazine hosted a breakfast meeting at the Foundation which brought together views from experts working to tackle racial inequality and promote a more racially diverse philanthropic sector. Contributions were made by Trust for London, Barrow Cadbury Trust and Qattan Foundation, amongst others. Thirty people attended the event and digital communications helped to take the conversation to a much wider audience.

We continued to sharpen our focus in digital communications, reflecting on the balance of information that we share through our social-media channels. We recognise this form of communication is widely accessed by external stakeholders. Our reflections led to a decision to actively reduce the number of outputs we publish, focusing on quality and selecting information that we feel is most relevant to our audiences. We reduced the number of tweets by 57% and our Facebook posts by 78%. Yet we have seen an increase in Twitter followers of 21% compared to the previous financial year, and had around 14,500 of them at the end of March 2018. Our Facebook posts continue to regularly reach over 1,000 people, with an increase of 55% in those that 'like' our page. Our website receives an average of 16,000 visits per month. We are continuing to focus on improvements to our website to support a better online experience for our audiences, taking a bespoke approach to communications for each fund.

This year we launched an electronic newsletter reaching over 2,500 on a monthly basis. This has outperformed industry averages for 'open rates' for newsletters in the 'not-for-profit' sector each month since its launch. We produced over 20 blogs, representing a 100% increase on the previous year, with around half of these produced by staff and half by

those that we fund. We are enthused that these appear to be widely read and are informing thinking, for example one blog exploring '*What does it mean to be resilient in the arts?*' was viewed over 1,200 times.

Grant-making highlights 2017/18

All of our grant-making is made in furtherance of our strategic priorities and charitable objectives, but some are more substantial, or are made in partnership, or feel more significant because of the time in which they were made. The following are highlights from our grant-making this year.

Strategic priority: Support imaginative people to nurture exciting ideas

Breakthrough Fund: The Breakthrough Fund gives responsive and flexible support to talented and visionary individuals to develop their personal vision and drive, giving them the chance to make their mark as part of a vibrant arts ecology. Now in its fifth round, the Breakthrough Fund supports an exciting mix of individuals across art forms and genres. Taking a distinctive, deliberately responsive approach, the fund aims to offer transformational support. Tailored support of this kind is increasingly scarce in the wider funding landscape. In March 2018, the Breakthrough Fund made six grants to eight exceptional individuals totaling £1,628,000.

Awards for Artists: This unique scheme was launched 23 years ago to provide individuals with financial assistance at a timely moment in their careers. In that time, the fund has made awards to more than 150 artists, with funding of over £6 million, reflecting the Foundation's strong belief in the value of artists to society. In the last year, we increased the number of awards for composers from three to five, bringing them in line with the number of awards offered to visual artists through the scheme. This comes in response to feedback on the initiative as part of a five-year review. The amount for each award was also increased from £50,000 to £60,000. A total of five visual artists and five composers received awards in the last year. We were delighted that Jarvis Cocker was able to join us to recognise their contribution and to offer his perspective on PHF's work to make high-quality books, music and art more accessible.

Museum of Homelessness: This was originally developed with the support of our Ideas and Pioneers Fund in 2015/16 and was awarded a further grant of £59,000 in 2017/18 through the Arts, Access and Participation Fund. It will support the organisation to explore and test a delivery model where people with lived experience of homelessness will be trained and supported to be creative facilitators; develop an evaluation framework; and collect evidence of the impact of this approach. This will inform its developing practice and strengthen its ability to influence the wider heritage sector.

Strategic priority: Widen access and participation in the arts

National Theatre Wales TEAM programme (£400,000): We awarded National Theatre Wales TEAM programme a grant to support their work in Pembrokeshire and Wrexham over the next four years. The grant will engage both communities in a bespoke programme of empowerment, leadership, creative activism and intensive long-term engagement that will enable communities to decide on their own course of action. The programme will close with each area hosting a theatre production in 2020 and 2021, created in collaboration with the community.

Slung Low (£236,000): We awarded a grant to support Slung Low theatre company to establish a Cultural Community College at the HUB in Holbeck, Leeds. Over the next four years, the college will offer a regular programme of free cultural participation made up of workshops and courses in a wide range of cultural activity led by artists and increasingly curated by local participants.

In Between Time (£160,000): This year-round participatory programme will introduce socially engaged artists to resident-led forums and support the delivery of collaborative projects in three Bristol neighbourhoods and as part of In Between Time Festival 2019 and 2021. The organisation will also undertake a longitudinal evaluation of the social impact of live art.

Strategic priority: Improve people's education and learning through the arts

Royal Shakespeare Company (RSC) (£360,000): We awarded a grant to support the expansion of the RSC's Associate Schools Programme to help create a national partnership programme with local partnerships of schools and regional theatres across England, making children's first encounters with Shakespeare vivid and accessible.

Amber Film & Photography Collective (£219,000): Working with 12 primary schools in the North East, Amber will develop a programme of creative engagement in documentary photography and filmmaking. The project aims to increase children's (and teachers') digital media/technology and creative skills, relevant to humanities and STEM areas of the curriculum; to enable pupils to explore digital storytelling; to address intergenerational relationships and community cohesion; and to provide continuing professional development for teachers.

Let's Play (£150,000): We awarded a grant to the National Theatre to commission and develop original plays and music for primary-school drama. The grant is being used to commission and develop seven original plays and music from leading writers and composers, to deliver continuous professional development and learning for teachers and to support an independent evaluation to help share this approach with others.

Strategic priority: Show that the arts make a difference to people's lives

Arts & Health South West (£31,725): The All-Party Parliamentary Group on Arts, Health and Wellbeing launched an inquiry in 2016 to develop policy recommendations and inform a vision for future leadership in the field of arts, health and wellbeing, supported by PHF, the Wellcome Trust and the Arts and Humanities Research Council. The subsequent report Creative Health, published in July 2017, set out findings and recommendations from the two-year inquiry and offered a set of proposals to maximise the potential for the arts to enhance health and wellbeing outcomes. Key findings pointed to the positive impact that access to and participation in the arts can have on helping people to overcome disadvantage and enjoy healthier

lives. We continue to be interested in the potential for arts and culture to improve health and wellbeing outcomes and awarded a grant of £31,725 in March 2018 to Arts & Health South West to promote take-up of the 10 recommendations set out in Creative Health.

Cambridgeshire Culture Foundation (£25,000): We are contributing to the feasibility phase of the development of a Culture Card to provide children and young people with a way to interact with organisations providing cultural opportunities, track their participation and attendance and link this to data held by partners. The initiative has the potential to provide arts evidence that can be aligned with detailed socio-economic data, helping providers to target activity in a way that responds to individual needs.

Strategic priority: Support and strengthen the work of organisations working with young people experiencing disadvantage

Who Cares? Scotland (£60,000): Who Cares? Scotland supports the voice of care experienced people across Scotland through individual advocacy support, group participation activities and campaigning. This grant is supporting their new Director of Operations to enhance the capacity of the senior leadership team, allowing the organisation to effectively manage the 1000 Voices campaign and influence the 'Root and Branch' review of the care system in Scotland.

Children's Law Centre (£60,000): Based in Belfast, this organisation empowers young people to advocate for their rights and protects these through free legal services, training and policy work. This grant will contribute to the salary of the Director who will focus on diversifying funding and on developing the Centre's building as an income-generating asset and support the development of online services to engage more young people seeking advice and advocacy.

StreetDoctors (£500,000): A volunteer-led movement of young people tackling youth violence, StreetDoctors aims to reduce the harm caused by this problem by recruiting medical-student volunteers (trainee and junior doctors) to teach targeted groups of young people essential life-saving skills. It educates young people about the risks of violence and how to respond to an incident, to encourage them to make positive

choices. With this four-year grant, the organisation aims to replicate their service, reaching 6,000 young people by 2021 (a more than 100% increase) and targeting areas of greatest need (London, Manchester, Liverpool, Birmingham). They will recruit a more diverse volunteer team, including future nurses and paramedics, building on their current 360 volunteers in 18 teams delivering in 15 cities across the UK. An income-diversification strategy, led by a Business Development Manager, supports this growth, developing an alumni network and volunteer fundraising. Plans to influence national policy and practice focus on its data, evidence and insight into the needs of those affected by youth-on-youth violence, addressing underlying causes and championing a trauma-informed perspective of violence as an emotional and psychological public-health issue, requiring a systemic multi-agency response.

Strategic priority: Improve support for young people who migrate and strengthen integration so that communities can live well together

Praxis Community Projects – Brighter Futures (£156,000): Brighter Futures is an established community of young migrants taking action to make the UK a better place for young people whose immigration status is irregular. Building on mutual support and strong community ties, Brighter Futures will deliver external targeted interventions and encounters that challenge discrimination and influence public debate. The project will provide the necessary infrastructure, resources and partnerships to enable the group to develop their own agenda and have the widest/strongest-possible impact.

Citizenship and Integration Initiative (£100,000): We awarded a grant to fund an independent learning and evaluation partner to support a partnership between Trust for London, Unbound Philanthropy, City Bridge Trust and Pears Foundation in their initiative to ensure that Londoners of all backgrounds have meaningful opportunities to participate in the life of the city and the decisions that affect them. The partnership worked closely with the Mayor of London to advance the shared goals of encouraging active citizenship and participation, celebrating diversity and building inclusive shared identity in London. Four grantees from our migration and integration portfolio were seconded

into the Mayor's team to work with the Social Integration team and inform social integration policy. In March 2018, the Mayor's office released a Social Integration Strategy for London which aligns with the priorities and approaches of our grantees in supporting communities to live well together and to support young people in the city to access opportunities.

Migration Observatory (£165,000): We made a grant to support a significant new initiative to extend the Observatory model to the area of migrant integration. The project will develop a suite of data resources tailored to the needs of policymakers and NGOs as they plan integration interventions and participate in debates about integration. By promoting accurate and nuanced information about integration, the project also seeks to foster more balanced media and political debates in the UK.

Funding innovation

In continuing to respond to the external environment, we have made a number of targeted investments to develop innovation and capabilities across the sectors in which we fund. These grants support our strategic priorities but do not align to any one priority alone; rather they are cross-cutting in their nature and have an impact on the environment in which our grantees operate. They include, for example, grants to foster innovation in technological capability, support to further civil-society capability to have a meaningful voice in important political debates or investments to look at how long-standing policy issues can be addressed with others to unlock solutions.

Tech for Good (£350,000): Our partnership with Comic Relief to support the development of technology with a social purpose continued in 2017/18. The programme gave valuable support to the charitable sector for tech innovation and the partnership provided an appreciated learning experience for our staff. We can already see the benefits when reviewing digital applications in our main funds: we are more confident in how to interrogate these applications now that we are more familiar with key concepts such as agile development and user-centred design.

Trustees recognised the value in building on this learning and, in September 2017, agreed to increase the value of our investment from £220,000 in 2016/17 to £350,000 to allow more projects to be funded through the partnership. In 2017/18, the programme received 119 applications, resulting in a long-list of 50 potential grantees. Of these, 22 were taken forward to interview stage and 13 grants will be recommended for approval for awards to be made in 2018/19. The programme provides non-monetary assistance alongside the grant to help organisations to enhance their work through improved digital capabilities. An external programme evaluation will build on previous work to explore the longer-term impact of the programme for funded projects, and will consider how well the initiative is working, identifying opportunities for improvement.

Social Finance (£300,000): We joined other funders – Big Lottery Fund, Comic Relief, Treebeard Trust, Esmée Fairbairn Foundation and the Tudor Trust – as partners funding the Impact Incubator model, led by Social Finance. Together the partnership committed £3 million of funding in 2017/18 to develop new approaches to difficult social issues in the UK. The Impact Incubator was initially set up in 2014 to find new solutions to entrenched social issues that are beyond any one organisation to solve alone. In the first phase, the Impact Incubator collaborated with expert partners to develop systemic responses tackling domestic abuse, black mental-health inequalities, refugee integration and young people leaving care. After a period of consultation and design, the partnership decided to prioritise efforts in the areas of support for children outside mainstream education, and access to legal advice and representation in this next phase.

Unlock Democracy (£110,000): We joined seven grant-making trusts and foundations to provide funding for an alliance of campaign organisations to ensure that citizens continue to enjoy the protections that are offered under current EU legislation and that these are not unduly compromised as legislation is transposed to the UK. The alliance has supported over 100 members, including a number of broad coalitions and many small organisations across the UK. We have been sharing learning with other funders about the grants that we are making in an effort to ensure a joined-up response.

Plans for the future

We expect to undertake grant and charitable activity spend of £28.3 million next year, up 11% on the figure for 2017/18. This is partly as a result of all the hard work undertaken by staff to build our capacity and operational effectiveness, with trustees comfortable in our ability to make good grants, to spot talent and to build the right partnerships. The additional funds will provide flexibility within funding portfolios to respond to proposals with particular promise, enable the continuation of the new Backbone Fund and help us to step in and respond to emergencies, such as the fire at Grenfell Tower, should we be needed.

We have been investing in our technological capabilities as a result of our recent IT review. This is leading to improved facilities for staff and those who visit and use our building. The next step is to build our understanding of the power of digital capabilities in delivering social change and we expect to develop new partnerships in the next few years in furtherance of this thinking.

Building on what we have learned from Hull City of Culture, our work with the Mayor in developing the London Borough of Culture and what we know from working with organisations to support local communities, we will be exploring the potential for place-based philanthropy and what collaborations might need to be established to deliver a programme with maximum impact.

Partnerships continue to be important in helping us to unlock more resources and the expertise needed to advance our strategic priorities. So we are exploring how we can help to shape social action for young people in a way that helps those experiencing disadvantage to realise their full potential. Working collaboratively, we hope to help share what we know works in supporting young people with others active in this space.

Our Teacher Development Fund will also continue to shape new partnerships with the potential to change the experience of learning for many young people. This, together with the work that will continue through our partnership with the Learning About Culture programme, has the potential to help shift thinking and practice about the importance of cultural education, and we intend to make a submission to the Durham Commission on Creativity and Education to reinforce this point.

In India, we want to continue to build important partnerships with local NGOs, particularly in the Northeast of the country which is a relatively new area for our strategy. We also want to share some of the learning and have commissioned a series of reports which we hope to publish in 2018.

Having been refused permission to convert no.13 Leeke Street, we are looking at other ways to provide the organisations and individuals that we fund the space that they and we need to work together and learn from each other.

Financial Review

Overview

The Foundation's operational model is to use the return from its endowment to support grant-making and 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 on a combined basis and details of movements in funds are provided in note 15.

Investment review

A year when risk was rewarded and a surprising recovery in sterling

The last 12 months have witnessed macro-economic and political uncertainty. But for the most part the world economy has continued to grow at a brisk rate, led by China and the United States. Central banks began to tighten monetary policy, certainly in the US and UK, less so, as yet, in Europe. The new Trump Administration secured passage of a wide ranging tax reform, the effect of which has been to reduce corporate taxes significantly. In the UK, the Brexit preparations continue.

The management, over the long term, of foundations and endowment portfolios rests on balancing carefully the interests of current and future generations. How much to spend now, as opposed to how much to reserve for future spending for the generations to come, is a difficult balance.

So it is for that reason we continued to think hard about how much risk we were prepared to take in the portfolio. This takes various forms: investment risk, liquidity risk, counter-party risk, valuation risk and currency risk. For this reason we have a meeting structure that allows us, in addition to the ongoing monitoring of risk by the investment staff, detailed and considered reflection on the various risks we run, including a formal annual impairment review that is focused on assessing the accuracy of all portfolio valuations utilised.

It would have to be said, looking at how strong markets have been in the last 12 months, that our move two years ago to somewhat moderate the nature of the portfolio and put it onto a more conservative footing looks premature.

Because we are a UK-based endowment, denominated in sterling and invest largely overseas, a period such as we have just endured, when sterling recovers unexpectedly from its post-Brexit falls, can be painful. We took several steps to augment our sterling and euro exposure at the expense of the US dollar, but in comparison to some peer-group funds we have more non-sterling assets than many and this has not been helpful this year.

In summary in a volatile year for markets and this year a period of pretty persistent UK pound strength, the total value of the PHF endowment fund at 31 March 2018 stood at £772 million. For the financial year ending 31st March 2018, the Foundation made gains of £8.2 million from the portfolio.

The Foundation has wide investment powers which are specified in its Memorandum of Association, and it regularly updates its Investment Policy Statement which lays out the guidelines employed, as recommended by the Charity Commission in its useful circular, CC14. All trustees are involved in setting investment policy, but authority to decide strategy is delegated to the Investment Committee. The Finance and Investment Committees, with input from senior staff, consultants and Paul Hamlyn Foundation's own Investment Director Richard Robinson, sets asset allocation and engages professional managers running its multi-asset, multi-manager portfolio. Most of the managers have discretionary mandates, although use of advisory and passive strategies is made for reasons of efficiency and cost saving.

Review and scrutiny of the governance of the operation of the investment function, both within and outside of Paul Hamlyn Foundation, is ongoing. Annually, at the September Board of Trustees meeting, both governance and performance are formally reviewed.

The Foundation's stated investment objective is to:

- Maintain in the long run the real purchasing power of the Endowment Fund.
- 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.

After considerable review and research in 2011, trustees accepted the recommendation of the Investment Committee, that real spending at 4% per annum would be reasonable in the medium term. Our returns since then, on average, have considerably exceeded this, although we keep this under review.

In terms of overall portfolio shape, the Investment Committee continues to run a highly diversified portfolio with significant equity orientation. Over the medium and long term, sharing in the returns from business by owning equity in well-managed global companies has been a reliable way of maintaining the real value of any portfolio. But at Paul Hamlyn Foundation, we also focus on absolute return funds for periods when market returns are low or negative, as well as structuring the portfolio in a way that takes into account that there are periods of both inflation and deflation. The intention is to attempt to build a conservative asset mix, not overly dependent on any single economic scenario or asset class.

Furthermore, we recognise the growing importance and prominence of environmental, social and corporate governance issues in the selection and management of investments within our portfolio. In June 2015, we became signatories to the United Nations Principles of Responsible Investment as well as the Carbon Disclosure Project. In November 2015, we signed up with the organisation ShareAction, specifically the Charities Responsible Investment Network that lends weight and energy to certain of the campaigns to reach the Sustainable Development Goals as laid out in the Sustainable Development Summit in New York in September 2015, and we are working increasingly closely with this group.

The modified guidance from the Charity Commission for England and Wales, our regulator, in circular CC14 is helpful in assisting in the decision-making for what are termed ‘mixed motive’ investments. As yet, the Foundation has, in the main, kept grants and investments separate and we have not developed a specific ‘social investment’ programme.

As we have written before, it is axiomatic to state that over time good investment is, as often as not, about resisting the temptation to meddle with a well-constructed portfolio. During the 12 months under review, we have made few changes:

- We have maintained our overall bias towards the largest capitalisation companies, but have looked to add more value-oriented managers as the year has progressed.
- We have maintained both the alternative and macro investment funds that historically have profited during periods of market reverse. In general, these have done well for us.
- We continued to fund our long-term commitment to private equity and particularly venture. We have been successful at getting access to some of the best managers. Returns are impressive, although valuation levels a little extended.
- In property our core holding in the sector remains the specialist Charities Property Fund, which has had another solid year.
- The Foundation continued to build out its exposure to hedge funds.
- We run our currency exposures on a 50% sterling/50% non-sterling neutral position and can move to 70/30 or 30/70 when felt appropriate. This year, as mentioned above, in a year when sterling recovered consistently, we had too little.

In terms of asset allocation, the Endowment Fund was positioned as follows during the year:

- Overall exposure to listed equities was 43%. This includes shares listed on stock exchanges both in the developed and emerging markets. We regard this equity-focused part of the portfolio as the major return driver for the Foundation over the long term.
- Alternative investments now also stand at around 43% of the portfolio. This figure has continued to grow and includes both hedge funds, some private equity and a number of venture funds. The Foundation receives expert guidance on these asset classes from Cambridge Associates as it continues to build out its long-term programme of diversification.
- Because we fear inflation and the ravages of its effects on the real value of our portfolio, we have about 8% of the portfolio in investments which are usually good performers in such times, i.e. property and index-linked bonds.
- Conventional bond exposure is low at 4% and with cash at 2% totals 6% in the most defensive investments.

The Foundation’s Endowment investment portfolio rose by +3.7% for the financial year to 31 March 2018, making an overall cumulative advance, over the last three years, of approximately 25.4%. At the end of the year, the value of the Endowment was usefully in advance of the trustees’ target of preserving the real value of its purchasing power. This calculation is made by adjusting Paul Hamlyn’s bequests over time for RPI, net of grants.

Grant-making and other expenditure

At £25.5 million, grant-making and direct charitable expenditure has increased by 19% compared to 2016/17. This reflects the trustees’ aspirations and is in line with our budget for the year.

Support costs have increased by 11% year-on-year and were £2.97 million for 2017/18. We have increased our staff numbers slightly to enable us to deliver the enhanced grant-making programme and invested in activities to ensure we are well positioned to support our grantees, including upgrading some IT platforms and communications channels.

Income

Income increased by 73% compared to last year. This is partly a reflection of increased investment income as we reach a different stage in the maturity of our alternatives portfolio and see higher returns, but in 2017/18 we also received a substantial one-off donation of £9.6 million following the closure of the 1987 Foundation.

Fundraising activities

Although we do not undertake fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in our accounts as voluntary income and include legacies and grants from others.

In relation to the above, we confirm that any fundraising is managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, which is accountable to the trustees.

The Foundation is not bound by any regulatory scheme in relation to fundraising and we do not consider it necessary to comply with any voluntary code of practice due to the limited scope of our fundraising operation.

We have received no complaints in relation to fundraising activities.

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 longer-term strategic asset mix is set by the Investment Committee, 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.

The primary strategic risks facing the Foundation are: that we do not fulfil our mission; that of poor governance; and reputational risk. The introduction of a revised strategy in 2015/16 that clarifies objectives and focuses on measuring impact is the principal approach to ensuring we fulfil our mission, although trustees recognise that, as the Foundation is in the early days of implementing the strategy, some degree of residual risk in this area remains. New governance arrangements brought in to support the new strategy are working well and trustees consider risk levels in this area to be low. Given the recent scrutiny of charities, trustees have also considered reputational risk in depth and have been reassured by the clear framework for assessment and decision-making on grant applications and programme work, which seeks to identify risk areas, internal policies (particularly on areas such as conflict of interest or anti-bribery) being in place, and the development of an advocacy and communications strategy that was agreed in 2017. However, it is recognised that the external environment is changing and uncertain and inevitably this exposes the Foundation to a degree of residual risk.

The trustees consider strategic risk at least annually and delegate detailed consideration of the risk register to the Finance Committee. The Senior Leadership Team is responsible for reviewing the operational risk register on a regular basis and ensuring the approaches identified to manage risk are effectively implemented.

Reserves policy

The Foundation funds are held as an expendable endowment and, as such, the risk associated with not having adequate reserve balances is judged to be low. The implementation of both short term and long-term financial objectives is managed through the grant-making and investment policies.

Within this context, the Finance Committee has agreed to manage its reserves by ensuring a sum equivalent to at least six months of working capital commitments (including grant commitments) is held in readily accessible liquid assets. This is reviewed annually.

At the end of 2017/18, total funds held amounted to £755.09 million. Of these, £0.08 million is restricted and not available for general purposes of the Foundation at the end of the reporting period. No designated funds are held by the Foundation and no material amounts have been committed at the end of the reporting period.

Amounts that can only be realised by the disposing of tangible fixed assets or illiquid fixed assets investments total £464.01 million. In keeping with its asset-allocation policy outlined above, the Foundation holds a diverse range of investment holdings and of these liquid holdings/excluding cash were approximately £273 million and cash £18 million. Six months of commitments are estimated at approximately £19.4 million.

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 have 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.

Reference and administrative details

PHF 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.

At 31 March 2018, the trustees of the Foundation were:

Jane Hamlyn (Chair)

Michael Hamlyn

Tim Bunting

Tony Hall

Charles Leadbeater

James Lingwood

Jan McKenley-Simpson

Anthony Salz

Claire Whitaker

Tom Wylie

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 broad strategy and areas of activity of the Foundation and considers policy and performance around grant-making and other charitable activity, investment, reserves and risk management. In 2017/18, the Board also considered significant (above £400,000) or strategic grant applications.

The Board keeps the skills requirements for trustees under review and this informs trustee recruitment. Trustees are appointed initially by the Appointer as set out in the Articles of Association (currently the Chair of the Foundation). The appointment is subject to a resolution at the next Annual General Meeting (AGM) of the Foundation. The maximum term of office for a trustee is three years except in the case of family trustees (Jane Hamlyn and Michael Hamlyn) who have no maximum term. Renewals of appointments are considered at AGMs and voted on by all trustees acting as members of the company. A comprehensive induction is designed for each new trustee by the Chair and Chief Executive – the contents depend on the trustee's skills, experience and background, but will include at a minimum:

- Briefing on Charity Commission and Companies House guidance and requirements.
- Meetings with fellow trustees and senior staff to discuss strategy, 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.

A new governance structure for grant-making was agreed at a full Board meeting in March 2016 and was introduced in the 2016/17 financial year. Trustees review its operation at regular intervals and in 2017/18 also considered the Charity Governance Code. It was agreed to dispense with the Explore and Test Grants Panel and absorb the work into the Arts and Education, and Migration and Youth panels.

The principal committees of the Foundation are:

- Arts and Education Grants Panel, comprising three trustees, up to three advisers and one member of the Senior Leadership Team. Meets five times per year.
- Migration and Youth Grants Panel, comprising three trustees, up to three advisers and one member of the Senior Leadership Team. Meets five times per year.
- Ideas and Pioneers Grants Panel: comprising two trustees, one adviser and two members of staff. Meets eight times per year.
- India Programme Committee, comprising three trustees and up to four external advisory members. Meets twice per year.
- Finance Committee, comprising between three and five trustees. Meets three times a year to consider financial and resource management issues.
- Investment Committee, comprising between two and five trustees and advisers as considered appropriate. Meets up to five times a year to consider investment strategy, manager appointments and performance.
- HR Committee, comprising the Chair, the Chair of the Finance Committee and at least one other trustee. Meets at least once per year.

In addition, the Evidence and Learning Advisory Panel, comprising two trustees and a number of advisers, meets as required.

The day-to-day management of the Foundation is delegated by the Board of Trustees to the Chief Executive, who works with the Senior Leadership Team comprising the Director, Finance and Resources; Director, Grants and Programmes; Director, Evidence and Learning; Director, Policy and Communications and the Investments Director. The organisational structure of the Foundation is that each Director leads a team focusing on the relevant functional area. The Grants and Programme team is organised to reflect the strategic priority areas of the Foundation.

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 2017/18:

Chief Executive – Moira Sinclair

Director, Finance and Resources – Lucy Palfreyman

Investments Director – Richard Robinson

Director, Evidence and Learning – Jane Steele

Director, Grants and Programmes – Régis Cochefert

Director, Policy and Communication – Faiza Khan

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

The HR Committee meets on an annual basis. It 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 HR Committee and usually apply with effect from 1 April each year. The award of an increase in one year does not create an entitlement in any subsequent years. The Foundation is a London Living Wage Employer.

The Foundation draws on expert advice to supplement the expertise held by staff and trustees. In 2017/18, 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 below.

Independent auditors

BDO LLP, 55 Baker Street, London W1U 7EU

Solicitors

Withers LLP, 16 Old Bailey, London EC4M 7EG

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

Bankers

NatWest PLC, 3rd Floor, Cavell House, 2a Charing Cross Road, London WC2H 0NN

Investment advisers

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

Grants awarded and direct charitable expenditure in 2017/18

Nurturing Ideas and People Open Grants

Ideas and Pioneers Fund

Advantages of Age To develop and pilot a programme to train and empower mature entrepreneurs.	£10,575	Frances Weetman – The Germinal To scope and develop a non-partisan, digital resource to engage, educate and inform young people about democracy and social policy.	£4,325
Alice Sachrajda To share local people's stories in London, celebrating diversity and creating a welcoming environment, starting with an exhibition in Oval tube station.	£10,150	Gini Simpson with Christian Alhert and Rick Crust To test and evaluate a programme fostering new micro-businesses through intergenerational activities and mentoring.	£10,725
Amahra Spence Funding for a feasibility study for a hotel in Birmingham, designed and managed by artists as a social enterprise and creative community hub.	£5,200	Hannah Ross To pilot a new approach to working with chronically ill patients to deliver accessible arts workshops.	£10,200
Anisa Haghdadi To scope and test a creative approach to analysing and sharing data that aims to inspire people to find better solutions to social issues.	£5,575	HostNation To set up a digital befriending scheme to connect refugees, asylum seekers and people who migrate to the UK with citizens who would like to offer their support.	£15,075
Areeq Chowdhury To develop a framework to analyse and compare existing online voting systems to inform debate around voting reform.	£15,075	Jake Slater To develop a training and mentoring programme to help young people who are not in education, employment or training to develop their own street-food businesses.	£14,775
AzuKo To use predictive data analytics to understand the types of individuals at risk of tenancy failure and strengthen service design to prevent homelessness.	£13,887	James Tattersfield To research and prototype Clarity Impact, a mobile app and online platform that helps social organisations to map their day-to-day impact.	£8,075
Burnage Community Association To create a programme to inspire, engage and develop the technological skills of the local community.	£9,350	Jason Jones-Hall and Samara Jones-Hall To scope the development of a secure digital platform that children in care can use to store and access their life stories, enhancing identity and sense of self.	£10,320
Careviz To develop a social-health app to improve the lives of cancer patients by making it easier to connect with family and friends, monitor symptoms and access wellbeing products.	£12,150	Legacy International Group Limited To pilot an entrepreneurship programme for disabled individuals interested in running their own businesses.	£10,125
Carl Towler To pilot a programme giving Key Stage 3 readers the experience of managing ambiguity in real-life settings such as workplaces, through engaging with an interactive, digital, fictional book.	£11,800	Liberty Consortium To train learning-disabled individuals to teach percussion, singing and dance to young children and higher-need learners.	£33,375
Chris Taylor To scope the development of an eco-village in a community experiencing disadvantage in Middlesbrough.	£14,225	Making Herstory To scope a partnership between landlords, student housing and Airbnb clients to provide safe, temporary accommodation to women fleeing abuse and seeking a formal place in a shelter.	£11,675
Dr Amy Pollard Support to develop a resource which helps young people to use humour to protect themselves against threats to their mental health.	£12,075	Nicolas Hatton To support The3Million, which represents the interests of European Union (EU) citizens living in the UK following the EU membership referendum, to become a national grassroots organisation.	£15,700
Emma Back To design and develop an accessible, online care-management platform matching care givers and service users.	£15,900	Northern Independent Living CIC To undertake consultation events ahead of the launch of the My Life My Choice project, which aims to inform and empower individuals requiring health/social care.	£10,800
		Offpoy C.I.C To develop a definitive guide to mentoring people with criminal convictions whilst in employment.	£15,200

Paul Cotterill	
To prototype a scheme whereby councils and pension funds support Lifetime Savings Account investments for people on low incomes, on the basis of a later 'profit share'.	£15,700
PERKY	
To develop a programme of workshops and events for learning- disabled women exploring womanhood, the body and sexuality.	£10,600
Rebecca Atkinson	
To prototype assistive devices to fit mainstream dolls that create positive representations of disability for children.	£14,200
Sandy Webb	
To co-design and trial a mentoring programme with young people who have experienced difficult life circumstances, as an early or post-crisis intervention at community level.	£15,325
Sheena Leaf	
Support for a personal and business-development programme delivered in prisons by members of the local community.	£10,350
Silke Grygier	
To set up a programme to reach out to and empower university students who have experienced childhood sexual abuse.	£15,575
Solidarity with Refugees	
To connect grassroots refugee organisations with mainstream cultural organisations to communicate the stories and experiences of refugees and people who migrate to the UK.	£15,075
Stephanie Leonard	
To develop free online training and a support network for activists.	£15,575
Supporters Direct Scotland	
Researching the feasibility of a new fund to support conversion of privately owned sports clubs to community-owned social enterprises that can better support local needs.	£9,825
SUSSD LTD	
Support to develop and test an app that allows people to comment on issues scheduled for political debate in their local areas.	£15,325
The Social Change Agency	
To build an affordable online platform to share campaigning, fundraising and advocacy methods with change makers at grassroots levels.	£12,100
TrustYouth	
To develop a campaign to create opportunities for young people to harness their experiences to shape services that work for them.	£15,035
Direct charitable expenditure	£98,866
	£569,883

Awards for Artists

Ten awards to individual artists of £60,000 payable over three years.	
Composers: John Burton, Laurence Crane, Mary Hampton, Serafina Steer, Byron Wallen	£300,000
Visual arts: Steven Claydon, Peter Kennard, Charlotte Prodger, Linder Sterling, Rehana Zaman	£300,000
Direct charitable expenditure	£77,193
	£677,193

Breakthrough Fund

Common Wealth Theatre Ltd	
Rhiannon White and Evie Manning created Common Wealth in 2008 in response to the ever-widening gulf between working-class communities and the arts. They make experimental theatre with, by and for people new to the arts that is rooted in their socialist politics and working-class backgrounds. Their Breakthrough grant will build on Arts Council England National Portfolio Organisation funding offered from 2018 to allow them to build staff, evaluation and digital capacity and to support the company's producing budget.	£315,000
Magdalena Schamberger	
Additional funding to support Magdalena, 2014 Breakthrough Fund grantee, as she steps down from Hearts & Minds to begin a new phase as an independent arts practitioner and social-change agent. Magdalena seeks to change perceptions about the creative potential of people living with dementia and to work with them as co-creators. This grant will allow her to develop and deliver performances and training sessions for arts practitioners piloted through the Breakthrough Fund, to develop new projects and build funding relationships.	£32,000
Outburst Queer Arts Festival	
Ruth McCarthy is the driving force behind Outburst, a pioneering LGBTQ+ arts festival in Belfast. Under her leadership, Outburst supports the development of queer arts, showcases ambitious queer work, advocates for both social and legislative change and serves as a platform for artistic exchange and international discourse. Ruth's Breakthrough grant will support her vision to realise Outburst's potential as a leader in queer-arts development, both in Northern Ireland and internationally.	£303,000

Scottee & Friends Ltd
 Scottee describes himself as an artist, activist and troublemaker. His work across theatre, live art and radio comes from his experience as a 'fat, working-class, queer outcast' with no formal qualifications or training. He uses this status to out injustices of those misrepresented and uses art to help make sense of them. Through the company's artistic work, he aims to help the underrepresented, underprivileged and marginalised to find a voice and platform. Breakthrough support will allow him and producer Molly Nicholson to build their own and the company's capacity to push forward with Scottee's vision. £304,000

Touretteshero CIC
 Jessica Thom and Matthew Pountney co-founded Touretteshero in 2010 to share the humour and creativity of Tourettes and to campaign for a more inclusive society. Their Breakthrough grant will allow them to collaborate with disabled and non-disabled people and partner organisations across the UK, and across art forms, in order to create flagship artistic projects, establish a children and young people's programme, and build a better understanding of how creativity can improve individual and community wellbeing and ignite social change. £326,000

the vacuum cleaner
 the vacuum cleaner describes himself as an art and activism collective of one. His work exploring his own and others' experiences of mental health is proving influential – challenging both artistic form and the UK mental-health system. This grant will allow him to develop Madlove (the area of his work concerned with experiences of mental distress) as a long-term national project and his wider practice in a safe and sustainable way. His work strives to impact both models of socially engaged practice and care provision. £348,000

Direct charitable expenditure £45,917

£1,673,917

Nurturing Ideas and People total £2,920,993

Arts Access and Participation Open Grants

Explore and Test

Arcola Theatre
 To create a robust evidence base for the impact of its community theatre group and to develop a framework to support current groups to establish independent practice. £60,000

Ballet Cymru
 To evaluate the impact of the DUETS programme in addressing inequality in access to and participation in dance in South East Wales and analyse its potential to become a national model. £35,000

Cast (Doncaster Performance Venue Ltd)
 To work in partnership with local community groups to better understand the barriers preventing access to Cast's arts programme for those experiencing disadvantage, and test ways to overcome them. £60,000

Dance Umbrella
 To test ways to overcome identified barriers to dance attendance by children and young people. £60,000

Fallen Angels Dance Theatre (FADT)
 To explore a new approach to dance-theatre production supporting individuals recovering from addiction to participate in the entire creation and performance process. £34,000

Heads Together Productions Limited
 To pilot a Community Arts Academy for young local artists and ensure the retention of underrepresented groups in the sector, building on the legacy of ArtWorks. £60,000

Hijinx Theatre
 To broaden the reach of their online directory of learning-disabled actors to increase opportunities for performers and raise the profile of inclusivity. £60,000

Museum of Homelessness
 To explore and test a delivery model where people with lived experience of homelessness are trained and supported to be creative facilitators, develop an evaluation framework and collect evidence of the impact of this approach. £59,000

Project Ability
 To pilot and evaluate satellite versions of its studio which runs artist-led activities with disabled individuals and those experiencing mental-health problems. £59,000

Red Ladder Theatre Company
 To develop the skills of community programmers based in local, non-traditional theatre venues to improve local audience engagement and to overcome barriers to participation. £36,000

The Black Box Trust
 To pilot the creation of an accessible, public space in Belfast city centre offering daily creative programmes for learning-disabled individuals across all age groups. £60,000

The Creative Foundation
 To establish an evaluation framework and test new ways of reaching local communities. £44,000

The Touring Network
 To explore current practices within rural touring and develop a scalable model relevant to local audiences. £60,000

The Warren of Hull Ltd To support a programme linking young people's writing about their mental health to artists who then set their words to music and perform them.	£60,000
The Welcoming To test approaches to embed arts within its core programme supporting refugees and people who have migrated to Scotland.	£60,000
	£807,000
More and Better	
Arts at the Old Fire Station To increase the amount and quality of support offered to people experiencing homelessness, and to build a better evidence base through improved evaluation methods.	£210,000
Cardboard Citizens To develop its wraparound model of support to meet members' needs, improving recruitment, progression routes and impact evaluation.	£240,000
Create London To establish the White House on Becontree Estate in Dagenham as a permanent space for artist-led social practice in partnership with local communities.	£168,000
Dance Base To deliver a Scotland-wide Dance for Parkinson's programme by creating hubs across the nation, in partnership with Scottish Ballet.	£295,000
Gloucester City Council Partnership between the City of Gloucester and the Roundhouse to develop creative talent to help transform Gloucester's cultural offering alongside the ongoing regeneration of the city centre.	£200,000
Heart n Soul To create more progression routes and visibility for learning-disabled participants and artists, and deliver immersive placements to improve sector practice.	£198,000
In Between Time To support a year-round programme of creative events in three Bristol neighbourhoods co-developed with local residents and as part of In Between Time Festival 2019 and 2021.	£160,000
Mind the Gap Support for a three-year programme delivered with seven theatres to increase arts engagement by learning-disabled people as participants, artists and audiences.	£247,000
MK Gallery To develop the capacity and confidence of the learning team and associate artists to deliver a programme of art explorations to engage families and carers who support children with physical or learning disabilities.	£128,000
Music in Detention To support strategic development of the organisation with a focus on artistic development, as well as building financial stability and reach.	£180,000
National Criminal Justice Arts Alliance To deliver a three-year research project to create better evidence of the long-term impact of arts interventions in criminal-justice settings.	£270,000

National Theatre Wales To address inequalities of opportunity to access and participate in the arts in two communities through a bespoke programme of empowerment, leadership, creative activism and peer learning.	£400,000
Philharmonia Limited To increase and diversify audiences engaging with orchestral music in four existing residencies through a series of digital installations, virtual-reality experiences and live performances.	£235,000
Project Art Works Support for a programme of rights-based collaborations with visual- arts organisations and people with complex needs, leading to a dedicated space to showcase work by neurodiverse artists.	£175,000
Replay Theatre Company To further develop and evaluate their programme of inclusive performance for young people with profound and multiple learning disabilities across Northern Ireland.	£163,000
Slung Low Four years of support to deliver a permanent programme of free cultural activities at the HUB in Leeds, led by artists and increasingly curated by local participants.	£236,000
The Hepworth Wakefield To develop the museum's youth programme, which targets 11- to 25- year-olds who are not in education, employment or training or at risk of becoming so.	£215,000
Wales Millennium Centre To consolidate a creative partnership with community-development charity Valleys Kids to engage young people in Rhondda Cynon Taf in the arts.	£200,000
	£3,920,000

ArtWorks: Developing Practice in Participatory Settings

Direct charitable expenditure	£7,750
	£7,750

Our Museum: Communities and Museums and Active Partners

Museums Galleries Scotland To support the development of a continuous-improvement self-assessment framework for community participation in museums, as part of the Our Museum legacy.	£60,000
Direct charitable expenditure	£40,721
	£100,721

Paul Hamlyn Clubs

Direct charitable expenditure	£19,733
	£19,733

Arts Access and Participation total	£4,855,204
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Education and Learning Through the Arts Open Grants

Explore and Test

Act On It To support teachers to use drama-based techniques to boost literacy and communication skills and to embed arts within the primary-school curriculum.	£30,614
Artsplay Highland To test the impact of music and arts-based approaches to literacy for children in Primary One classes, in areas experiencing economic disadvantage in the Scottish Highlands.	£54,500
Berwick Visual Arts To develop the skills and confidence of teachers in four North Northumberland schools to lead whole-school cultural- education projects.	£40,000
Diverse Voices Entertainment C.I.C To develop its Theatre in Education approach to enable pupils aged 9-11 and teachers in 10 primary schools to engage with issues regarding online safety and harmful sexual behaviour.	£53,000
Ilkley Literature Festival To explore how combining creative writing, visual arts and digital technology can enhance engagement with language for newly arrived secondary-school pupils, new to English.	£26,000
Kazzum To test and evaluate their established participatory theatre-based approach in a new context, supporting young people with behavioural and emotional needs to engage in education and the arts.	£60,000
MakeBelieve Arts To explore the impact on children's creative, communication and literacy skills by saturating a community in Kent experiencing extreme disadvantage with storytelling opportunities.	£60,000
Manchester Camerata Limited To explore and test how songwriting can support engagement across the primary-school curriculum.	£56,000
Orchestras for All To explore whether Conductors for Change, which trains teachers to set up and lead inclusive ensembles in secondary schools, can be adapted into a blended model to broaden its reach.	£58,000
Spiltmilk Dance To explore a dance and movement-based approach to teaching maths to children aged 4-7 in Rotherham primary schools.	£55,500

The Egg To test whether School Without Walls' enquiry-based model of experiential and creative learning can be used to achieve specific school-improvement objectives.	£60,000
The National Holocaust Centre and Museum To test two versions of a creative-writing programme for primary- school children that draws on refugees' stories and survivors' testimony.	£59,000
The Theatre Company Blah Blah Blah To test an integrated model using participatory theatre and digital learning to support social, moral, spiritual and cultural learning in six Leeds primary schools.	£50,000
Whitstable Biennale To explore a cross-curricular approach to learning, encompassing ethics, art, dance and sound in collaboration with two secondary schools in Northfleet, Kent.	£60,000
	£722,614

More and Better

Amber Film & Photography Collective To develop a documentary photography and filmmaking programme with 12 primary schools to increase teachers' and pupils' digital and creative skills and to explore local community heritage.	£219,000
Bow Arts Trust To expand their school consortium model, combining needs-led arts interventions in schools with continuous professional development for teachers.	£238,000
Chol Theatre To extend the reach of Imaginary Communities, the theatre's drama-based approach to learning, to schools across the North of England.	£180,000
Creative Futures (UK) Limited To support a music-based programme aimed at improving the speech, language and communication skills of children aged 3 to 5, especially those experiencing disadvantage.	£250,000
National Theatre To commission and develop original plays and music for primary- school drama productions and to support teachers through continuous professional development to produce them.	£150,000
NYMAZ To scale up and embed a model of music education, combining instrument tuition, live performances, digital streaming and teacher continuing professional development and learning.	£273,000
Royal Shakespeare Company To expand a national partnership programme with schools and regional theatres across England, making children's first encounters with Shakespeare vivid and accessible.	£360,000
	£1,670,000
	£2,392,614

Teacher Development

Creative Scotland Continued support for training to develop teachers' skills and confidence in using arts-based approaches in teaching and learning.	£75,000
Film Nation UK To build teachers' skills and confidence in using film to raise attainment in literacy and numeracy.	£75,000
Hotspur Primary School To continue to support 16 schools to develop teachers' skills and confidence in leading singing in their schools.	£80,000
IVE Continued support for teachers in the use of rehearsal-room pedagogy, both in the teaching of Shakespeare and across the wider primary-school curriculum.	£80,000
Royal Society of Arts To continue collaborations between artist practitioners, teachers and senior leaders to co-design drama-based interventions to improve pupils' writing.	£75,000
British Council Continued training for teachers in using music to teach modern foreign languages in the primary-school classroom.	£80,000
Direct charitable expenditure	£117,012
	£582,012
Education and Learning through the Arts total	£2,974,626

Arts Evidence Open Grants

Arts & Health South West Funding to progress the take-up of the 10 recommendations set out in Creative Health, which was published by the All-Party Parliamentary Group on Arts, Health and Wellbeing in 2017, with a particular emphasis on influencing the health sector.	£31,725
Cambridgeshire Culture Foundation Contribution to the feasibility phase of the Cambridgeshire Culture Card, which will provide children and young people with a mechanism to access cultural opportunities, track their participation and monitor outcomes.	£25,000
Tate To gather evidence and evaluate participants' experience of year two of Tate Exchange.	£39,700
Direct charitable expenditure	£2,695
Arts Evidence total	£99,120

Investing in Young People Open Grants Youth Fund

Abianda Funding for a Training and Participation Officer to grow their income-generating training programme for professionals supporting gang-affected young women.	£60,000
Become To pilot and evaluate a life-coaching programme over three years with 190 care-experienced young people in London, and to develop an income-diversification strategy.	£60,000
Children's Law Centre CLC To contribute to the salary of the Director to focus on diversifying funding and income streams, and to develop online services for young people seeking advice.	£60,000
Circle Community Support for the salary of a new Director of Operations and Programmes, allowing the CEO to focus on strategic planning.	£60,000
Council for Wales of Voluntary Youth Services Support for the CEO and Regional Coordinators, to grow membership and contribute to sustainability.	£60,000
Ditch the Label To part-fund the salary of the CEO to focus on growing the organisation's influence on policy and practice to combat bullying and to strengthen internal systems.	£60,000
Gaslight Media Trust To facilitate the roll-out of the JustUs education programme addressing identity issues affecting young people in Northern Ireland.	£60,000
Gendered Intelligence To contribute to the salaries of the CEO and two facilitators to strengthen internal processes and ensure quality assurance across its three locations.	£60,000
Generation Change To launch Generation Change's Impact Accelerator, a pathway for delivery organisations to join Generation Change by completing a rigorous evaluation and improvement scheme.	£60,000
Gloucestershire Young Carers Funding for training sessions designed and led by young carers affected by parental substance misuse or mental-health problems, to influence systemic change.	£58,000
Heart and Sound To develop a new youth work hub in Dunfermline offering a range of creative and sporting opportunities.	£50,000
Integrate To expand its programme of youth-led sessions promoting equality and integration in Wales and the West Midlands and to invest in infrastructure.	£60,000

Khulisa Support for the salaries of a Development Director, Monitoring and Evaluation Manager and facilitator to scale and deepen impact, strengthen its evidence base and increase influence in the education and criminal-justice sectors.	£60,000	The Advocacy Academy Funding to employ a new Development Director to focus on income generation and sustainable-growth plans, enabling the CEO to concentrate on future organisational strategy and partnership building.	£60,000
Leaders Unlocked Contribution to key staff and for work focused on organisational strategy, impact measurement and programme development.	£60,000	Tros Gynnal To contribute to the salary of the CEO to broaden access to its services across Wales and to speak on behalf of the organisation and the advocacy sector.	£55,000
London Youth To expand their communities-of-practice model and test new approaches to share the learning from this initiative across its network.	£60,000	UK Youth To revamp its youth-voice function through a new peer-led model and online platform offering participation and leadership opportunities.	£60,000
Mermaids UK To expand its volunteer team, enhance its profile and extend delivery to empower and support more transgender and gender variant young people.	£60,000	Voice of Young People in Care VOYPIC To pilot a new practice methodology designed to enhance care- experienced young people's voice and leadership.	£60,000
National Working Group To expand its Youth Advisory Board to comprise three regional boards, enhancing youth advocacy within the child sexual- exploitation sector and informing their research and campaigns.	£58,000	Voices From Care To contribute to the salary of the CEO, who will focus on organisational strategy and programme development, and to support the development of youth-led training.	£50,000
Noise Solution To fund three Senior Tutors to increase and embed its programme using music technology and social media to engage young people facing challenging circumstances, whilst testing a model of growth.	£60,000	Who Cares? Scotland Salary support for a new Director of Operations allowing the senior leadership team to manage the 1000 Voices campaign and influence the upcoming 'Root and Branch' review of the care system in Scotland.	£60,000
Peace First Support to scope the Peace First Challenge in the UK, engaging young people in creating transformative social-action projects.	£50,000	YMCA Derbyshire Funding to roll-out and evaluate its asset-based iMatter framework across eight housing services, and to share learning with commissioners and other practitioners.	£60,000
Peace First Support to scope the Peace First Challenge in the UK, engaging young people in creating transformative social-action projects.	£20,000	Young Futures CIC To pilot two services promoting new ways of working with young people with experience of care.	£60,000
Peace First Support to pilot a nationwide Peace First Challenge, engaging UK youth in creating transformative social-action projects.	£60,000	Young Women's Trust Capacity building to support expansion of its coaching service for young women in England and Wales who are unemployed or in low- paid work.	£60,000
Promo Cymru To research, develop and share a comprehensive model for digital youth work across its networks in Wales.	£60,000	Youth Access To test new methods of engagement with its members and young people and to strengthen core functions.	£60,000
Refugee Youth To pilot and evaluate a new Youth Leadership Programme that builds on and codifies its approach to youth participation.	£60,000		£2,078,575
Safer London To contribute to the salaries of the Director of Operations, Director of Development and the Chief Executive to grow unrestricted income and build a base for future growth.	£60,000	Growth Fund	
Space Unlimited To improve digital resources and contribute to core salaries to diversify its income and deepen impact.	£57,575	Clan Childlaw To support core operational capacity and maximise the opportunity of recent investment by developing strategic and growth ambitions.	£50,000
TADS (Therapies for Anxiety, Depression and Stress) Funding to rent a larger building, allowing TADS to extend provision, generate income and support local voluntary sector organisations.	£60,000	Cypher App To invest in organisational and business development, including working in partnership with Mind and maximising additional funding streams.	£50,000
		Just for Kids Law Towards organisational growth and development as part of Growth Fund annual package of support.	£40,000
		Keyfund To build readiness for achieving longer-term sustainability and growth.	£100,000
		Leap Confronting Conflict Towards organisational growth and development as part of Growth Fund annual package of support.	£36,000

MAP (Mancroft Advice Project) Core funding alongside an annual package of support towards organisational innovation, development and growth. Investment will achieve youth driven and led growth in service delivery and influence.	£500,000
RECLAIM Exceptional grant to support leadership transition, and contribute to continued core delivery, organisational stability and sustainability.	£150,000
Redthread Youth Limited To create capacity for development, explore potential as a change agent and build readiness for investment.	£50,000
StreetDoctors Core funding alongside an annual package of support towards organisational development and growth plans. Investment will achieve a transformational change to scale-up work and achieve sustainable growth.	£500,000
YoungMinds Core funding alongside an annual package of support towards organisational infrastructure and development. Investment will achieve an organisational step change to achieve sustainable growth.	£500,000
Youth Focus: North East To explore options for working differently to provide robust regional infrastructure and support investment in youth services in the North East.	£30,000
Direct charitable expenditure	£10,272
	£2,016,272
Investing in Young People total	£4,094,847

Migration and Integration Open Grants

Shared Ground Explore and Test Grants

Action Foundation To equip churches and community groups to provide English- language support for people who have migrated to the UK and are unable to access mainstream provision.	£60,000
Ashley Community Housing To explore a collective impact approach to helping refugees integrate into the labour market in Bristol, in partnership with the Mayor's office, local authority, employers and local refugee community organisations.	£60,000
Bevan Foundation To inform debate, service delivery and policymaking related to integration and migration in Wales.	£60,000
Bristol Early Years Teaching Consortium To support parents from families that have newly migrated to volunteer in local children's centres and schools, strengthening community integration.	£60,000
CAST (Centre for Acceleration of Social Technology) To develop a digital service providing scalable and transparent immigration advice, in partnership with the Cardinal Hume Centre.	£50,000

Good Faith Partnership To fund a secondment from Good Faith Partnership into the office of the Mayor of Bristol.	£70,000
My Life My Say To represent the voices and priorities of young European Union (EU) citizens during the process of Britain's exit from the EU.	£35,000
National Institute of Economic and Social Research To engage schools and education and integration stakeholders to identify good practice in promoting the successful integration of migrant children and their families across all areas of school life.	£60,000
New Horizons in British Islam Support for an arts mentoring project to nurture the voices and confidence of emerging talents to tell authentic stories about being British and Muslim.	£45,000
On Road Media To develop and pilot a programme to inform and improve media coverage relating to young people who migrate, by connecting young activists with lived experience with high-level media contacts.	£50,000
PositiveNegatives To support Why Comics? and Kids in Need of Defence UK to create a bespoke educational comic addressing issues faced by young people without permanent status by raising awareness around legal status and legal aid.	£45,000
Refugee Council To boost the role of experts by experience in Detention Forum.	£40,000
RightsInfo To test and evaluate digital engagement and messaging on migrants' rights.	£60,000
The Mix To explore and develop an understanding of the issues, opinions and awareness of children and young people around the effects of Brexit on EU citizens living in the UK.	£10,000
	£705,000

Shared Ground More and Better Grants

Campaign Bootcamp Support to make migration a core theme of campaign training programmes.	£180,000
Detention Action To develop and share learning from the Community Support Project which provides an alternative to detention for people who have migrated to the UK and have experience of the criminal-justice system, enabling them to reintegrate into the community.	£142,000
Global Dialogue To support Migration Exchange, a network of independent funders that aims to inform, connect and strengthen work in support of a fair and welcoming immigration system in the UK.	£30,000
Global Dialogue Funding for IMIX to support strategic communications on migrant, refugee and integration issues.	£150,000

Immigration Law Practitioners' Association To host the Strategic Legal Fund for Vulnerable Young Migrants, a small grants programme supporting voluntary sector organisations and legal agencies to take strategic legal action.	£150,000
Independent Workers Union of Great Britain To support low-paid workers who have migrated to the UK to claim their rights and to empower them to become leaders in their workplaces and communities.	£107,000
JUSTICE To set up a working party on immigration and asylum to make recommendations to government.	£100,000
Migrants Resource Centre To support civic participation by people who migrate to London and to increase citizenship registration by undocumented young people.	£266,000
NACCOM To support their transition to becoming a strategic national charity promoting an end to destitution amongst people who migrate to the UK.	£150,000
New Philanthropy Capital To run a pooled fund making grants to civil-society organisations to help secure the rights of European Economic Area nationals to stay in the UK.	£200,000
Praxis Community Projects To support Brighter Futures to deliver targeted interventions that challenge discrimination and influence public debate around migration.	£156,000
The Migration Observatory at the University of Oxford To develop a suite of data resources on integration tailored to the needs of policymakers and NGOs to inform planning and debate.	£165,000
Runnymede Trust Core funding to cover the Director's salary and to provide evidence-based policy interventions on race equality.	£150,000
Trust for London To engage an independent learning and evaluation partner to support the Citizenship and Integration Initiative in London, and to share learning with other cities and wider civil society.	£100,000
Women for Refugee Women In partnership with Women Asylum Seekers Together, to empower and build the campaigning capacity of refugee women in London, Manchester, Liverpool, Birmingham and Coventry.	£150,000
	£2,196,000
	£2,901,000

Supported Options Fund

Coram Children's Legal Centre Ltd To support policy and core work on the regularisation of children who have migrated to the UK.	£150,000
Supported Options Initiative and Unbound Philanthropy Direct charitable expenditure	£42,198
	£192,198
Migration and Integration total	£3,093,198

India Open Grants

Aamhi Aamachya Arogya Sathi To strengthen an ongoing training and job-placement programme for disabled people in Vidharbha.	£115,195
Bapu Trust for Research on Mind & Discourse To scale a programme creating inclusive environments for disabled people and those experiencing mentalhealth problems in two cities.	£47,536
Chitrika To expand their work in Telangana state helping local clusters of weavers to collectivise and form producer companies.	£58,743
DiYA Foundation To build the confidence and capacity of women in rural areas to rear livestock, enhancing the financial resilience of households experiencing economic disadvantage.	£59,229
Ekta Parishad Trust To fund phase three of a project to empower women in the Sabar tribal community to access their rights and entitlements, participate in governance, access education and build sustainable livelihoods.	£117,666
Grameen And Samajik Vikas Sanstha To fund phase two of a project to improve working conditions and access to government entitlements for mine and construction workers in Central Rajasthan.	£76,808
Holistic Action Research and Development To fund phase three of a project promoting livelihood support through community organisation.	£87,441
Jai Bharati Shiksha Kendra Support for phase three of a project to foster community-based management and development of land by tribal communities in Madhya Pradesh.	£38,148
Jan Daksha Trust Support for phase two of a project organising women workers who have migrated to the city of Udaipur to help them access services and legal support, and to improve livelihoods.	£50,252
Kotra Adivasi Sansthan To continue to strengthen labour and trade collectives and improve working conditions in industrial towns in western Rajasthan.	£72,815
MAHAN Trust, Melghat To improve and raise local awareness of a programme providing eyecare services and treatment to tribal communities in Melghat and Madhya Pradesh.	£64,332

Mahila Shakti Kendra To improve the livelihoods of people living in the Balipara Reserve Forest by introducing natural resource-management models and by helping individuals to access rights and entitlements.	£60,665	Sense International (India) To strengthen and expand services for individuals with combined sight and hearing loss in five states and to develop the capacity of partner organisations.	£163,462
Manas Foundation To establish a community-based mental-health delivery system to augment the District Mental Health Programme in Dausa.	£74,388	SATHEE (Society for Advancement in Tribes, Health, Education and Environment) (SATHEE) To address malnutrition in tribal communities by improving agricultural practice and access to food entitlements.	£53,984
Mitra Technology Foundation To support a fellowship programme where participants work alongside communities to develop bespoke, sustainable solutions to longstanding social issues.	£18,918	South Orissa Voluntary Action (SOVA) To support communities displaced following the construction of the Upper Kolab Dam to resettle and integrate with host communities.	£144,026
Muskaan To develop and deliver an adult-education offer for people experiencing disadvantage in Bhopal that questions marginalisation and builds confidence.	£63,261	Spandan Samaj Seva Samiti Support for phase three of a project to address structural causes that lead to malnutrition in Korku tribal communities.	£85,639
National Association of Street Vendors of India (NASVI) registered as New Association of Street Vendors of India To create a supportive environment and secure livelihoods for street vendors in Indian cities through policy interventions, legal-aid provision and capacity building.	£83,363	Stree Mukti Sanghatana To work with women engaged in waste picking to build sustainable models of waste management and to improve livelihoods and working conditions.	£64,854
New Alipore Praajak Development Society Support for research to understand why children run away from home and the options available to them and how they exercise their agency on railway platforms.	£31,498	Vidarbha Nature Conservation Society To build community infrastructure for 10 villages, supporting residents to access rights, improve governance, secure livelihoods and protect and conserve the environment.	£88,482
Nivedita Foundation To support a leadership programme for young people in communities experiencing disadvantage in Janjgir-Champa.	£44,972	Vikash Funding for the final phase of a project to improve the quality of life for disabled children by increasing access to inclusive education and government entitlements and by creating a network of parent support groups.	£32,709
Pararth Samiti Second phase of support for a network of women's collectives, focusing on improving nutrition, forest conservation and access to entitlements in tribal communities.	£72,046	Vishakha Mahila Shiksha Evam Shoudh Samiti To provide mental-health support to young people who attend coaching institutes in Kota.	£48,282
Paryavaran Evam Prodyogiki Utthan Samiti (PEPUS) To support brick kiln workers to access rights, entitlements and legal services, and to build the capacity of the project team.	£19,877	Youth4Jobs Foundation To enhance staff capacity to deliver a training and job-placement service for disabled young people.	£48,668
Pravah To strengthen youth-centred civil-society organisations in India.	£63,498	£2,286,214	
Prayas To improve working and living conditions and job security for people who migrate for seasonal work in the construction industry.	£105,762	Exchange rate differences	£256,680
Promotion and Advancement of Justice Harmony and Rights of Adivasis (PAJHRA) A leadership development programme for young people to build agency to drive positive social change.	£31,035	India total	£2,542,894
Sahyogi To build on a programme to reduce gender-based violence in suburban and rural Patna by raising community awareness and providing support for survivors.	£45,442		
Samarth Foundation To work with communities in 15 villages to develop a drought- resilience system.	£53,219		
		Evidence and Learning	
		Grandparents Plus To contribute to research on the role of grandparents with responsibility for the care of their grandchildren, and to support the dissemination of findings.	£7,300
		Just for Kids Law To commission a case study of a key legal challenge on student finance for young people whose immigration status meant they were unable to access student loans.	£5,000
		The Centre for Youth Impact Support to build shared understanding of impact and evaluation between funders and youth organisations and to create meaningful opportunities for funders to shape the Centre's work.	£40,000
		Direct charitable expenditure	£149,016
		Evidence and Learning total	£201,316

Voice, Influence and Partnership

British Future To support research into attitudes on key immigration and integration questions following the 2017 General Election to shape public policy and media debates.	£8,500
Centre for London To produce a research paper exploring the concept of London identities with a view to forging stronger, shared civic identities.	£4,000
Just for Kids Law Funding to create three films to demonstrate how the law can be used as a tool for social justice.	£10,500
Runnymede Trust To produce a brief policy-focused review on integration.	£5,000
Unlock Democracy To continue to coordinate civil-society response to the EU Withdrawal Bill until the end of the bill process.	£4,460
Direct charitable expenditure	£50,674
Voice, Influence and Partnership total	£83,134

Other and Legacy grants Backbone Fund

Clinks Core funding to represent and support the voluntary sector working with people in or at risk of entering the criminal-justice system.	£250,000
Clore Social Leadership Core support to develop and increase reach of leadership programme offer which promotes solidarity, builds agility in organisations and enables them to adapt and change with the times.	£200,000
Cultural Learning Alliance Core funding to support the Cultural Learning Alliance of individuals and organisations working across the cultural and education sectors to advocate for the value of cultural learning. NB GRANT PAID TO CLORE DUFFIELD FOUNDATION	£150,000
Liberty Core funding to support their work campaigning for civil liberties and human rights in the UK.	£250,000
NEON (New Economy Organisers Network) Core support for their work to build the strength of movements for social and economic justice.	£250,000
Sadler's Wells, applying on behalf of What Next? Core funding for a movement bringing together arts and cultural organisations across the UK, to articulate, champion and strengthen the role of culture in our society.	£150,000
The Centre for Youth Impact Core support to invest in the development of evidence-based practice and learning, building a community of interest for organisations focused on young people.	£250,000
	£1,500,000

Development Fund

ACEVO (Association of Chief Executives of Voluntary Organisations) Core funding to support the organisation's commitment to its members.	£20,000
Charity Tax Group To commission an economic research project to inform the debate around charity taxation in the context of Brexit.	£20,000
Fixers To support sustainability planning.	£10,000
The Institute for Youth Work Support to develop organisational strategy.	£13,150
The London Emergencies Trust To increase temporarily administrative and casework capacity to address the scale and complexity of work in response to the Grenfell Tower fire.	£20,000
Muslim Youthwork Foundation To support a series of activities and develop resources to mark the 20th anniversary of the Islamophobia: A Challenge for Us All report.	£10,000
New Philanthropy Capital Support to map young people's journeys navigating personal issues through multiple products and services to identify opportunities for digital technology to improve outcomes.	£15,000
NNECL (National Network for the Education of Care Leavers), c/o The University of Winchester To develop the membership and capacity of the NNECL.	£20,000
Organise Core support towards an emerging platform that facilitates networking and campaigning related to workers' rights.	£15,000
Peace First Support to pilot a nationwide Peace First Challenge engaging UK youth in creating transformative social-action projects.	£20,000
ShareAction Support for core activities promoting an investment system that serves communities and protects the environment.	£20,000
TAG: The Professional Association of Lecturers in Youth and Community Work To deliver a series of seminars to encourage collaboration and working relationships between universities and practice agencies involved in youth and community work across the UK.	£7,000
The Social Innovation Partnership To test a new civic innovation model where residents co-design and lead programmes to improve lives in their local communities.	£10,000
Unlock Democracy To coordinate civil-society response to the European Union Withdrawal Bill.	£10,000
	£210,150

Emergency Fund

Afghan Association Paiwand Core funding to support refugees, asylum seekers and people who migrate to the UK to settle and thrive in their new home.	£65,000
Baraka Community Association To organise youth activities, mentoring opportunities and family outings to support the community affected by the Grenfell Tower fire.	£21,000
Colville Primary School Support to continue a programme of arts projects delivered with Fresh Arts for children affected by the Grenfell Tower fire.	£20,500
Epic CIC To deliver a community relations and peer education programme to support the recovery and reparation of individuals affected by the Grenfell Tower fire.	£22,500
Migrants Organise Ltd To provide additional support to migrant and refugee communities, leaders and local residents in the aftermath of the Grenfell Tower fire.	£60,000
The Nucleo Project Support to run an additional orchestra in North Kensington involving children and young living in the area affected by the Grenfell Tower fire.	£36,000
Emergency fund total	£225,000

Strategic Intervention Fund

Artichoke Trust Support towards PROCESSIONS, a UK-wide programme of banner-making workshops, culminating in a mass-participation artwork celebrating 100 years of votes for women.	£60,000
The Great Get Together Funding for the research and development of a project delivered in collaboration with the Jo Cox Foundation, which supports communities to come together.	£200,000
West London Zone To support the development of data systems and their use by local organisations who are working together to support young people experiencing disadvantage.	£100,000
	£360,000

Other grants and support

Comic Relief – Tech for Good To co-fund the Tech for Good programme 2017-18, providing 13 grants alongside additional support and evaluation.	£350,000
The Helen Hamlyn Trust Support for the Helen Hamlyn Trust 2017-2018.	£2,000,000
Immigration Advice Research Project Direct charitable expenditure.	£4,212
	£2,354,212

Legacy grants

What Works? Direct charitable expenditure	£633
Other and legacy grants total	£4,649,994
Total grants awarded and direct charitable expenditure	£25,515,326

Organisations receiving more than one grant included in the listing above:

Global Dialogue – Awarded a total of £180,000 in 2017/18 (£150,000 and £30,000 both from the Migration and Integration Fund).

Just for Kids Law – Awarded a total of £55,500 in 2017/18 (£5,000 from the Evidence and Learning Fund, £10,500 from the Voice, Influence and Partnership Fund and £40,000 from the Investing in Young People/Growth Fund).

New Philanthropy Capital – Awarded a total of £215,000 in 2017/18 (£15,000 from the Development Fund and £200,000 from the Migration and Integration/Shared Ground Fund).

Peace First – Awarded a total of £150,000 in 2017/18 (£20,000 from the Development Fund, £60,000 from the Youth Fund, £50,000 from the Big Lottery Fund and £20,000 from the Esmée Fairbairn Foundation).

Runnymede Trust – Awarded a total of £155,000 in 2017/18 (£150,000 from the Migration and Integration/Shared Ground Fund and £5,000 from the Voice, Influence and Partnership Fund).

The Centre for Youth Impact – Awarded a total of £290,000 in 2017/18 (£40,000 from the Evidence and Learning Fund and £250,000 from the Backbone Fund).

Unlock Democracy – Awarded a total of £14,460 in 2017/18 (£10,000 from the Development Fund and £4,460 from the Voice, Influence and Partnership Fund).

Restricted funding

£103,523 (£87,500 in 2016/17) of the grants awarded relate to activity funded by restricted funds. This is broken down as follows:

Big Lottery Fund provided £50,000 towards the Peace First grant.

The Esmée Fairbairn Foundation provided £20,000 towards the Peace First grant.

Unbound Philanthropy contributed £29,311 towards Supported Options Fund charitable activities.

Trust For London contributed £4,212 towards the Immigration Advice Research Project.

£62,500 of grants in the India programme were funded by a donation also categorised as restricted funds.

The Trustees' Report and the Strategic Report were approved on 5 July 2018 by:

Jane Hamlyn
Tim Bunting

Independent Auditors' Report to the members of Paul Hamlyn Foundation

We have audited the financial statements of Paul Hamlyn Foundation (“the Charitable Company”) for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including a summary of 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 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees’ use of the going-concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company’s ability to continue to adopt the going-concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees’ and Directors’ Report, other than the financial statements and our auditor’s report thereon. The other information comprises: the Chair’s Statement, the Chief Executive’s Statement, Strategic Report, Financial Review and the Grants Awarded and Direct Charitable Expenditure in 2017/18. The trustees are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

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 and the Strategic 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; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustee's 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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, for our audit work, for this report or for the opinions we have formed.

Don Bawtree (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London
5 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities

for the year ended 31 March 2018
(including the Income and Expenditure Account)

		2018	2017
	Notes	Total funds (i) £m	Total funds (i) £m
Income and endowments from:			
Donations	2	9.82	0.13
Investments	3	23.69	19.27
Other	4	0.10	0.01
Total		33.61	19.41
Expenditure on:			
Investment management costs	5	5.33	5.08
Charitable activities	6	27.97	24.37
Total		33.30	29.45
Net income/(expenditure) before investment gains/losses		0.31	(10.04)
Net gains on investments	10	8.22	102.57
Net income		8.53	92.53
Net movements in funds		8.53	92.53
Reconciliation of funds:			
Total funds brought forward	15	746.56	654.03
Total funds carried forward		755.09	746.56

(i) All restricted, unrestricted and endowment funds. In line with the Charities SORP, paragraph 4.11, PHF has adopted a single combined-funds column. A summary of funds' movements is included in note 15 (b).

The Statement of Financial Activities (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 Statement of Financial Activities (SoFA).

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

The notes on pages 44 to 55 form part of these financial statements.

Balance Sheet

at 31 March 2018

		2018	2017
	Notes	Total funds (i) £m	Total funds (i) £m
Fixed assets:			
Tangible assets	9	6.37	6.44
Investments	10	767.78	753.30
Total fixed assets		774.15	759.74
Current assets:			
Debtors	11	0.33	0.51
Investments	12	2.43	3.52
Cash at bank and in hand		1.51	1.41
Total current assets		4.27	5.44
Liabilities:			
Creditors: Amount falling due within one year	13	(14.54)	(12.72)
Net current assets		(10.27)	(7.28)
Total assets less current liabilities		763.88	752.46
Creditors: Amount falling due after more than one year	14	(8.79)	(5.90)
Total net assets		755.09	746.56
The funds of the charity:			
Represented by:	15		
Restricted income funds		0.08	0.02
Endowment and unrestricted fund			
– Investment valuation reserve		275.68	248.87
– Other endowment funds		479.33	497.67
Total charity funds		755.09	746.56

(i) All restricted, unrestricted and endowment funds.

The notes on pages 44 to 55 form part of these financial statements. The financial statements on pages 41 to 55 were approved and authorised for issue by the trustees on 5 July 2018 and were signed on their behalf by:

Jane Hamlyn
Trustee

Tim Bunting
Trustee

Statement of Cash Flows

for the year ended 31 March 2018

	2018	2017
	Total funds (i) £m	Total funds (i) £m
Cash from operating activities:		
Net cash provided by (used in) operating activities	(13.17)	(24.06)
Cash flows from investing activities:		
Investment income received	23.88	19.24
Purchase of tangible fixed assets	(0.08)	(0.72)
Sale of tangible fixed assets	–	–
Purchase of fixed assets and other investments	(53.79)	(105.39)
Sale of fixed assets and other investments	47.53	115.33
Investment management charges paid	(5.36)	(5.05)
Net cash provided by investing activities	12.18	23.41
Change in cash and cash equivalents in the year	(0.99)	(0.65)
Cash and cash equivalents at the beginning of the year	4.93	5.58
Cash and cash equivalents at the end of the year	3.94	4.93
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	8.53	92.53
Adjustments for:		
Depreciation charges	0.15	0.17
Gains on investments	(8.22)	(102.57)
Investment income	(23.69)	(19.27)
Increase in debtors	(0.01)	(0.01)
Increase in creditors	4.74	0.01
Investment management charges	5.33	5.08
Net cash provided by (used in) operating activities	(13.17)	(24.06)
Analysis of cash and cash equivalents:		
Cash in hand	1.51	1.41
Current asset investments (cash and cash equivalents)	2.43	3.52
Total cash and cash equivalents	3.94	4.93

(i) All restricted, unrestricted and endowment funds

Notes to the financial statements

for the year ended 31 March 2018

1. Principal accounting policies

Basis of preparation

The financial statements are prepared in accordance with the Charities SORP (FRS 102) (Accounting and Reporting by Charities: Statement of Recommended Practice applicable for charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)), FRS 102, the Companies Act 2006 and the Charities Act 2011.

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 is a public benefit entity.

A summary of accounting policies that affect material items is provided below.

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 Statement of Financial Activities (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 income

Donations are recognised when the Foundation has been notified in writing of both the amount and the settlement date. In the event that 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 fulfillment of those conditions is wholly within the control of the Charity 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.

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

iv. Expenditure

Expenditure is the cost of generating funds and charitable expenditure including governance costs.

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.

v. Cost of raising funds

Investment management fees, including fees to consultants, and internal investment management costs, including staff costs, are the only costs of raising funds.

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 and considers whether the effective financing cost is material to the Foundation's reporting. If so, the financing charge is disclosed in the Statement of Financial Activities (SoFA). Otherwise, the unadjusted value of the grant awarded is shown as a long-term or short-term creditor as appropriate. In 2017/18, the Foundation does not consider the effective financing cost of future payments as material and no adjustment has been made.

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 on the basis of direct expenditure incurred by these activities as a percentage of total direct expenditure.

viii. Accounting for staff costs

The Foundation's normal staff costs comprise salaries and social-security contributions, contributions to the Foundation's defined contribution pension scheme, and benefits schemes including group health and life insurance. Any annual leave that an employee has accrued but not yet taken as at 31 March is calculated at the pro-rata cost of these days. If this figure is considered material, the cost is included within the SoFA, with a corresponding liability shown as falling due within one year. In 2017/18, the cost of accrued untaken leave was not considered material and no entry is included within the financial statements.

The Foundation defines its key management personnel as the trustees and its Senior Leadership Team comprising the Chief Executive; Director, Finance and Resources; Director, Grants and Programmes; Director, Evidence and Learning; Investments Director and Director, Policy and Communications.

Termination benefits may occur where the Foundation has agreed to terminate the employment of an employee and are included within the financial statements when the payment has been formally agreed or a detailed formal plan for the termination to which the Foundation is realistically unable to withdraw exists. The amount of termination benefit shown shall be either the amount agreed or paid, or the Foundation's best estimate of the expenditure required to settle the obligation. In 2017/18, there were no termination benefits paid.

ix. 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 write off the cost of the tangible fixed asset on a straight line basis over the expected useful economic life of the assets concerned, with a full-year depreciation in year one. The economic life for tangible fixed assets shown in these financial statements are 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.

x. 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.

xi. Fixed asset investments

a) Investments valuations

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

- If an active market exists for the asset, PHF will value the asset using the quoted price, which is usually the current bid price.
- Where funds are managed by investment specialists on a pooled basis but the pooled funds are not listed assets themselves, PHF will review the basis of valuation used by the fund and confirm it is based on GAAP (Generally Accepted Accounting Principles) fair value methodology, incorporating market values where possible.
- Where PHF 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. PHF will rely on the most recent valuations from their respective manager provided in valuation reports or financial statements, but will review the basis of valuation to ensure it is compliant with industry standard methodology.
- 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, PHF 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, PHF will also consider the audit arrangements in place, examine recent audit reports and undertake 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.

xii. 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.

xiii. Current asset investments

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 whilst maintaining an investment return if possible. These investments are measured at carrying value in the most recent bank or valuation statements. The Foundation reviews and identifies the best investment vehicles for balancing liquidity and return for these short-term holdings on a regular basis.

xiv. Cash at bank and in hand

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). This cash is held to meet commitments as they become due and little or no return is anticipated on these holdings. Cash is measured at carrying value in the most recent statement.

xv. Foreign currencies

Income in foreign currencies is recorded at the rate of exchange ruling on the date of receipt. Foreign currency investments 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.

xvi. 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.

xvii. 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.

xviii. Provision and contingent liabilities policy

Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognised. However, contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of a transfer of economic benefits is remote.

xix. Financial instruments

With the exception of investments of £753 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.

xx. Judgements, estimates and assumptions

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

2. Donations

	2018 £m	2017 £m
Donations	9.67	0.06
Grant funding	0.15	0.07
Total	9.82	0.13

Donations in 2017/18 include an exceptional transfer of assets of £9,604,376 from the 1987 Foundation following the planned wind-up of the Charity.

3. Investment income

	2018 £m	2017 £m
UK equities	1.96	2.22
Overseas equities	2.12	1.54
Fixed-interest securities	0.58	0.60
Investment property	1.34	1.71
Term deposits/Cash	0.01	0.02
Unlisted investments	17.68	13.18
Total	23.69	19.27

4. Other income

	2018 £m	2017 £m
Miscellaneous income	0.10	0.01

In both years there was also a refund for PHF's investment in a fund that was written off in a previous year, when it went into liquidation.

5. Investment management costs

	2018 £m	2017 £m
Investment management fees and consultancy	5.17	4.92
Internal investment management costs	0.16	0.16
Total	5.33	5.08

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 for the funds' assets and are reflected in the net asset values reported.

Internal investment management costs in 2017/18 and 2016/17 include an Investments Director, a Finance Manager and an Investments Administrator (all part-time).

6. Charitable activities

During the year ended 31 March 2018, the following grants were awarded by the Foundation and charitable activities undertaken:

	Grants awarded to organisations £m	Grants awarded to individuals £m	Direct charitable activity £m	Support costs £m	Total costs £m	Prior year total costs £m
Arts Access and Participation	4.79	–	0.07	0.59	5.45	5.33
Education and Learning through the Arts	2.85	–	0.12	0.37	3.34	3.50
Arts Evidence	0.10	–	–	0.01	0.11	0.44
Investing in Young People	4.08	–	0.01	0.51	4.60	4.24
Migration and Integration	3.05	–	0.04	0.40	3.49	3.10
Nurturing Ideas and People	0.34	2.36	0.22	0.23	3.15	1.06
Evidence and Learning	0.05	–	0.15	0.03	0.23	0.15
India	2.54	–	–	0.45	2.99	2.89
Voice, Influence and Partnership	0.03	–	0.06	0.01	0.10	0.12
Other	4.65	–	–	0.37	5.02	3.33
Total	22.48	2.36	0.67	2.97	28.48	24.16
Returned grants/adjustments	(0.37)	–	–	–	(0.37)	(0.17)
Exchange-rate adjustments	(0.14)	–	–	–	(0.14)	0.38
Total	21.97	2.36	0.67	2.97	27.97	24.37

Numbers of grants awarded

	2018	2017
Total	268	242
Includes grants to individuals	27	22

A schedule of the grants awarded in each programme area is given on pages 26 to 37.

7. Support costs

	2018 £m	2017 £m
Payroll and related costs	1.91	1.75
Operations support	0.33	0.30
Property expenses	0.08	0.07
Communications	0.05	0.03
Office expenses	0.37	0.31
Depreciation and loss on disposals	0.15	0.17
Governance	0.08	0.06
Total	2.97	2.69

Support costs reflect the management structure of the organisation. Payroll and related costs includes the cost of temporary staff and recruitment. Where possible, support costs are directly attributed to the activity they support. Those that cannot be directly attributed are allocated to the major charitable activities of the Foundation on the basis of expenditure incurred.

	Payroll & related costs £m	Operations support £m	Property £m	Comms £m	Office £m	Depreciation £m	Governance £m	Total £m	Prior year total costs £m
Arts Access and Participation	0.44	0.01	0.02	0.01	0.07	0.03	0.02	0.60	0.56
Education and Learning through the Arts	0.27	0.02	0.01	–	0.04	0.02	0.01	0.37	0.41
Arts Evidence	–	–	–	–	–	–	–	–	0.03
Investing in Young People	0.39	0.01	0.01	0.01	0.06	0.02	0.01	0.51	0.50
Migration and Integration	0.30	0.02	0.01	0.01	0.05	0.02	0.01	0.42	0.38
Nurturing Ideas and People	0.14	–	0.01	0.01	0.04	0.02	0.01	0.23	0.08
Evidence and Learning	0.01	0.01	–	–	–	–	–	0.02	0.02
India	0.13	0.26	0.01	–	0.04	0.02	0.01	0.47	0.45
Voice, Influence and Partnerships	–	–	–	–	–	–	–	–	0.01
Other	0.23	–	0.01	0.01	0.07	0.02	0.01	0.35	0.25
Total	1.91	0.33	0.08	0.05	0.37	0.15	0.08	2.97	2.69

Governance costs include the costs of the audit by BDO, which was £31,600 excluding VAT (2016/17: £30,500 excluding VAT by BDO). In addition, BDO provided tax advisory services of £4,797 including VAT which are included in support costs.

8. Staff costs and trustee expenses

Trustee expenses

No trustee has been paid any remuneration in 2017/18.

A total of £30,622 has been paid for expenses on behalf of 10 trustees (2016/17: £9,853 on behalf of two trustees). These costs related to travel, subsistence and accommodation incurred by trustees in fulfilling their role as trustees of the Foundation, including a visit by six trustees to the Foundation's programme in India.

Staff costs

	2018 £m	2017 £m
Wages and salaries	1.54	1.43
Social security costs	0.17	0.16
Employer's pension contribution to defined contribution schemes	0.19	0.18
Other benefit schemes	0.05	0.04
Total	1.95	1.81

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

	2018	2017
£60,000 – £70,000	1	1
£70,001 – £80,000	2	2
£80,001 – £90,000	2	1
£120,001 – £130,000	1	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) of £589,343 (2016/17: £568,905) were paid to six (2016/17: seven) staff representing the Senior Leadership Team of the Foundation.

Staff numbers

During the financial year 2017/18, the average headcount of the Foundation was 38 split between full time (28) and part-time staff (10). The average full-time equivalent number of staff employed was 35.33 (2016/17 average number of persons employed: 34.5).

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.

9. Fixed assets

	Freehold building and land £m	Furniture and fittings £m	Computer equipment £m	Total £m
Cost				
As at 1 April 2017	6.83	0.26	0.28	7.37
Acquisitions	0.03	0.01	0.04	0.08
Disposals	–	–	(0.02)	(0.02)
As at 31 March 2018	6.86	0.27	0.30	7.43
Depreciation				
As at 1 April 2017	0.48	0.23	0.22	0.93
Charge for the period	0.10	0.01	0.04	0.15
Adjustment on disposal	–	–	(0.02)	(0.02)
As at 31 March 2018	0.58	0.24	0.24	1.06
Net book value				
Net book value as at 31 March 2018	6.28	0.03	0.06	6.37
Net book value as at 1 April 2017	6.35	0.03	0.06	6.44

Intangible fixed assets

The Foundation has intangible fixed assets of £2,787 at 31 March 2018 (2016/17: £11,400). These relate to the development costs of its new website. Depreciation is over four years and is charged to the SoFA depreciation line.

10. Investments

	2018 £m	2017 £m
Market value at 1 April 2017	753.30	660.67
Purchases	53.79	105.39
Sales	(47.53)	(115.33)
Net realised and unrealised gains	8.22	102.57
Market value at 31 March 2018	767.78	753.30

Investments at market value comprised:

	2018 £m	2017 £m
UK equities	71.80	82.43
Overseas equities	203.48	195.53
Fixed-interest securities	58.88	73.52
Investment property funds	32.08	30.52
Alternative securities	245.00	231.56
Term deposits	14.46	12.39
Unlisted investments	142.08	127.35
Total (including cash held by investment managers)	767.78	753.30

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 £492.1 million. The historical cost of the assets held by the Foundation in 2016/17 was £504.43 million.

The Foundation has committed, where contractual terms are made, to undertake a further £48,286,030 of fixed asset investment acquisitions in private investment funds in future years (2016/17: £50,530,863).

11. Debtors

	2018 £m	2017 £m
Prepayments	0.10	0.09
Accrued investment income	0.22	0.41
Other debtors	0.01	0.01
Total	0.33	0.51

12. Current assets investments

	2018 £m	2017 £m
Cash equivalents on deposit	2.43	3.52
Total	2.43	3.52

13. Creditors – amount falling due within one year

	2018 £m	2017 £m
Grants payable	14.18	12.35
Trade creditors	0.17	0.12
Accruals	0.14	0.20
Taxation and social security	0.05	0.05
Other creditors	–	–
Total	14.54	12.72

14. Creditors – amount falling due after more than one year

	2018 £m	2017 £m
Grants payable	8.79	5.90
Total	8.79	5.90

15. 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, which is expendable, 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. In 2017/18, Restricted Funds received were:

- A grant from the Big Lottery Fund of £0.050m (2016/17: £0) towards funding for Peace First
- A grant from the Esmée Fairbairn Foundation of £0.020m (2016/17: £0) towards funding for Peace First
- A grant of £0.065m from Unbound Philanthropy (2016/17: £0.065m), which is a partner in the Supported Options Fund
- A grant from Trust For London of £0.020m (2016/17: £0) towards the Immigration Advice Research Project
- A donation for grant making in India of £0.062m (2016/17: £0.062m).

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

b) Summary of fund movements

	Fund balance brought forward £m	Income £m	Expenditure £m	Gains and losses £m	Fund balance carried forward £m
Unrestricted Fund	–	33.39	(33.14)	–	0.25
Restricted Fund	0.02	0.22	(0.16)	–	0.08
Investment revaluation reserve	248.87	–	–	26.81	275.68
Endowment Fund	497.67	–	–	(18.59)	479.08
Total fund	746.56	33.61	(33.30)	8.22	755.09

c) Transfer from Endowment Fund to Unrestricted Fund

There was no transfer from the Endowment Fund to the Unrestricted Fund in 2017/18 (2016/17: £10,055,959).

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. This incorporates the fair value reserve.

In 2017/18, this was calculated as £275.7 million (2016/17: £248.9 million).

16. Related parties

The Foundation's trustees are drawn from the areas in which it operates and there are a number of related party transactions. These are managed within the framework of the Foundation's conflict of interest policy and in all cases the individuals were not involved in decisions to make the award or in the direct management of the award. The following staff and trustees have a controlling involvement with the organisations listed below, which the Foundation has awarded funding to in the year or made payments following awards in earlier years.

Trustees

Payments made in year relating to awards in earlier years

Tim Bunting – Trustee of the Royal Opera House, which was awarded a grant of £237,000 in June 2016 and paid £79,000 in 2017/18.

Claire Whitaker – Director of Serious Events Limited, which was awarded a grant of £128,000 in July 2016 and paid £62,302 in 2017/18.

Tony Hall – Trustee of the Foundation Years Trust, which was awarded a grant of £97,894 in March 2016 and paid £33,034 in 2017/18 (2016/17: £32,184).

Charles Leadbeater – Director of The Big House Theatre Company, which was awarded a grant of £60,000 in July 2016 and paid £30,000 in 2017/18 (2016/17: £30,000)

Other

The Foundation made a £2 million grant and made a payment of this amount to the Helen Hamlyn Trust (2016/17: Grant awarded and paid –£2 million). Helen Hamlyn is the widow of Paul Hamlyn, the father of Jane and Michael Hamlyn.

Michael and Jane Hamlyn were trustees of the 1987 Foundation, formally Paul Hamlyn (1987) Foundation, until its closure in March 2018. PHF received a donation of £9,604,376 from the 1987 Foundation in 2017/18.

Anthony Salz is the executor of Paul Hamlyn's Estate, of which Paul Hamlyn Foundation is a significant beneficiary.

Staff

Payments made in year relating to awards in earlier years

Régis Cochefert – Chair of Ministry of Stories since July 2015, which was awarded £4,800 in September 2016 (paid in total in 2017/18) and a further £60,000 in February 2017 (£40,000 paid in 2017/18).

Other

Lucy Palfreyman was a trustee of the 1987 Foundation from December 2017 until its closure in March 2018. PHF received a donation of £9,604,376 from the 1987 Foundation in 2017/18.

Faiza Khan is a member of the UK Funding Panel of the Big Lottery Fund. PHF received a grant of £50,000 from the Big Lottery Fund in March 2018.

Investment funds

Tim Bunting is a Director of Kobalt Music Group Ltd. The Foundation has an investment of £3.98 million in Kobalt Music Royalties SICAV Luxembourg (2016/17: £4.4 million) which is an independent company with a separate board and structure, but does provide services to Kobalt Group clients.

Richard Robinson is an advisory board member of the Charities Property Fund (CPF) in which the Foundation has an investment of £32.1 million (2016/17: £30.1 million). CPF make a donation to a nominated charity in recognition of Richard Robinson's input.

Trustees, staff and advisors

as at 31 March 2018

Trustees

Jane Hamlyn CBE (Chair)
Tim Bunting
Charles Leadbeater
Jan McKenley Simpson
Claire Whitaker OBE

Tony Hall CBE (Lord Hall of Birkenhead)
Michael Hamlyn
James Lingwood OBE
Sir Anthony Salz
Tom Wylie OBE

Moira Sinclair
Jane Steele
Alexander Sutton
Catherine Sutton
Yemisi Turner-Blake
Beatriz Ungerer Dal Poz
Penelope Yewers

Chief Executive
Director, Evidence & Learning
Senior Grants Manager
Senior Grants Manager
Grants Manager
Grants Assistant
Research & Policy Officer

UK staff

Ushi Bagga
Helen Bayer
Ria Bray
Susan D'Sylva
Ruth Daniells
Tony Davey
Sarah Jane Dooley
Lou Errington
Régis Cochefert
Noelle Gilbert
Kirsty Gillan-Thomas
Joe Hewton
Kate Hitchcock
Charlotte House
Eleanor Iles
Rohini Jhally

Position

Senior Grants Manager
Communications & Policy Assistant
HR and Administration Officer
Finance Manager – Investments
Finance Manager – Financial Control
Information & Facilities Manager
Senior Grants Manager
Grants Manager
Director, Grants & Programmes
Grants Manager
Research and Evaluation Specialist
Research and Evaluation Specialist
Grants Manager
Grants Manager
Grants Assistant
Finance Assistant –
Grants & Payments
Director, Policy & Communications
Grants Manager
Communications & Policy Officer
IT & Finance Assistant
Grants Manager
IT Project Manager
Executive Assistant
Director, Finance & Resources
Grants Assistant
Grants Manager
Senior Grants Manager
Grants Assistant
Investments Administrator
Investments Director
Chair & Chief Executive Assistant
Finance Manager – Operations

India Staff

Sachin Sachdeva
Skalzang Youdon

Position

Director, India
Programme Administrator

Advisers

Sylvan Baker
Anne Bamford OBE
Margaret Bolton
Neera Burra
Ben Cairns
Holly Donagh
Paul Fenton
Simon Gillis
Vikram Gupta
Tim Hobbs
Ruth Ibegbuna
Sushma Iyengar
Rod Jack
Gemma Juma
Jennifer Liang
John McGrath
Maureen McGinn
Donald Peck
Shankar Venkateswaran
Paul Woolley

Panel/Committee

Art & Education
Art & Education
Evidence and Learning
India
Evidence & Learning
Evidence & Learning
Migration & Youth
Investments
India
Evidence and Learning
Ideas and Pioneers
India
Investments
Migration & Youth
India
Breakthrough Fund
Evidence & Learning
India
India
Investments

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Solicitors

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Farrer & Co, 66 Lincoln's Inn Fields,
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Investment Advisers

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