

# Paul Hamlyn Foundation

Yearbook 2006/07



# Paul Hamlyn Foundation

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Paul Hamlyn was an entrepreneur, publisher and philanthropist, committed to providing new opportunities and experiences for people regardless of their background. From the outset his overriding concern was to open up the arts and education to everyone, but particularly to young people. In 1987 he established the Paul Hamlyn Foundation for general charitable purposes.

Since then we have continuously supported charitable activity in the areas of the arts, education and learning and social justice in the UK, enabling individuals, especially children and young people, to experience a better quality of life. We also support local charities in India that help the poorest communities in that country get access to basic services.

Paul Hamlyn died in August 2001, but the magnificent bequest of most of his estate to the Foundation enabled us to build on our past approaches.

## Mission

To maximise opportunities for individuals and communities to realise their potential and to experience and enjoy a better quality of life, now and in the future. In particular we are concerned with children and young people and with disadvantaged people.

The objects of the Foundation are to further such charitable purposes and to benefit such charitable institutions as the trustees see fit.

## Values

In line with our founder Paul Hamlyn's values, we believe in giving opportunities by realising people's potential and in fighting prejudice.

We are interested in finding better ways to do things. We help organisations to sustain and develop their work. We pay particular attention to long-term issues. We are not afraid to address issues which others may find challenging or unpopular. Whilst being willing to work in partnership with government, we are also prepared to challenge its (and other people's) established thinking. We believe independent foundations have an important role to play in society.

## Strategic aims

Our strategic aims for the six years 2006-2012 are:

1. Enabling people to experience and enjoy the arts.
2. Developing people's education and learning.
3. Integrating marginalised young people who are at times of transition.

In addition, we have three related aims:

4. Advancing through research the understanding of the relationships between the arts, education and learning and social change.
5. Developing the capacity of organisations and people who facilitate our strategic aims.
6. Developing the Foundation itself to be an exemplar foundation, existing in perpetuity.

## Programmes

We seek to achieve our first five aims by establishing three partly overlapping programmes for our work in the UK: arts; education and learning; and social justice. Themes and priorities within each programme may change over time. Each of the three programmes has an open grant scheme and special initiatives, the latter targeted at issues we particularly want to address to achieve long term improvements in society. We have a separate programme for our work in India.

We expect the programmes and the work we support to have an impact at the levels of individuals, organisations, communities and policy.

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## Contents

<b>1</b>	<b>Cover story</b>	<b>35</b>	<b>Other awards and grant-making summary</b>
<b>3</b>	<b>Chair's statement</b>	<b>36</b>	<b>Analysis of awards</b>
<b>4</b>	<b>Director's report</b>	<b>38</b>	<b>Financial review</b>
<b>6</b>	<b>Arts programme</b>	<b>40</b>	<b>Reference and administrative details</b>
<b>14</b>	<b>Education and Learning programme</b>	<b>41</b>	<b>Audit report</b>
<b>22</b>	<b>Social Justice programme</b>	<b>42</b>	<b>Financial statements</b>
<b>30</b>	<b>India programme</b>	<b>49</b>	<b>Trustees, staff and advisers</b>

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### Cover story – PhotoVoice

The cover photograph shows a young refugee who participated in a photography workshop run by PhotoVoice. The workshop took place during Refugee Week 2007.

The workshop was led by PhotoVoice and the photographer Cristian Barnett with the participation of Red Stone, the designers of this yearbook. The workshop enabled four young refugees who are learning the visual and technical skills of photography to find out more about the work of professional photographers and designers. The workshop was funded by the Foundation as part of the cost of producing this yearbook and marks our specific contribution to Refugee Week.

PhotoVoice is an award-winning international charity, the only development organisation of its kind in Europe. Its projects empower some of the most disadvantaged groups in the world with photographic skills so that they can transform their lives. By establishing in-field photojournalism workshops its projects enable those who are traditionally the subjects of photography to become its creators. Individuals find confidence in their voices and are enabled to speak out about their concerns, hopes and fears through photography.

We are funding PhotoVoice's Moving Lives project over four years as part of our Refugee and Asylum-Seeker Young People Fund. The project works with young refugees, many of them unaccompanied. Our support is funding the cost of accrediting PhotoVoice's Art Award and the project evaluation, as well as contributing to the cost of workshops.





PAUL HAMLYN HALL

## Chair's statement

# A flagship gift in our 20th anniversary year

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The Paul Hamlyn Foundation has moved forward in a number of significant ways this year. Perhaps the most notable and newsworthy event was the Foundation's exceptional gift of £10 million to the Royal Opera House to establish the Paul Hamlyn Education Fund. As a tribute to the contribution Paul Hamlyn made to the arts and education, particularly at the Royal Opera House, the building's Floral Hall has been named the Paul Hamlyn Hall in his memory.

The gift is the largest ever made by the Foundation (and one of the largest ever received by the Royal Opera House), and comes in the 20th year of the relationship between the Foundation and the Royal Opera House. The gift also marks the 20th anniversary of the creation of the Foundation.

A little less newsworthy but none the less highly important, we have completed a thorough review of our operations and impact and published a strategic plan for the next six years that builds very closely on our legacy and articulates our aims for the future.

We intend that this plan will help us to be more effective in developing proactive policies to support significant changes in society, particularly through work that other funders find challenging, or which requires long-term solutions. I'm pleased to say the plan has been warmly welcomed externally and its positive reception emboldens us in our work towards new objectives.

We have reviewed our governance and as a result have made changes to the Foundation's structure. By delegating the power to make grants to new sub-committees and to staff, the board has been given more space to think about the future direction of the Foundation and to consider major new initiatives.

Our programme committees are now chaired by trustees with particular interests in the programme areas and they are joined by new external expert advisors. We are grateful to all our trustees for taking on a range of new commitments including membership of the Arts, Education and Learning, and Social Justice committees, that deepen their involvement in the Foundation.

We welcomed to the board as a new trustee Claus Moser, who has been an adviser to the Foundation on the arts since 1992. Claus was a life-long close friend to my father Paul. We are fortunate that Claus' long and distinguished contribution in so many fields of public life will be of even greater help to us in his new role as trustee.

This yearbook is the first in a new format. By producing it we have been able to present more of the detail of our programmes and to share the successes and challenges faced by the organisations and individuals we support. In it, we also reflect on the context in which we work and what we are achieving.

Two special initiatives, Musical Futures and What's the Big Idea? ended this year. In the case of Musical Futures our work has led to changes of practice in the field of music and education. In the case of What's the Big Idea? our work has fostered creative approaches to the development of children and young people in Northern Ireland. Our different style of engagement compared with many other grant-makers in Northern Ireland has also been appreciated. In particular we thank Claus Moser for inspiring the Musical Futures' initiative and for chairing its steering committee, which also included Professor David Hargreaves and Christina Coker. Similarly we thank Michael Hamlyn for inspiring the What's the Big Idea? initiative in Northern Ireland and for chairing its steering committee, which also included Roger Graef and Breidge Gadd.

Finally, we are fortunate to have a talented and hard-working team of staff, advisors and trustees and I would like to thank them all for their ideas, energy and contributions.

**Jane Hamlyn**  
Chair

# Director's report

## New approaches to change

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The six-year strategic plan published in 2006 has prompted us to think in new ways about our approach to long-term change. We now place greater emphasis on innovation, evaluation and sustainability in the work we support. We think more about how we develop and share knowledge, and about how we can add value to our work which goes beyond the funding we provide.

We are now in delivery mode: we launched a new grant programme in November 2006 for Social Justice, and made changes to the open grant scheme under our Arts programme to give greater emphasis to innovation and development. We maintained the priorities of our Education and Learning programme, and are developing our thinking in this area.

Other highlights of the year were:

- the total of our grant-making exceeded £20 million, a record for a single year.
- government and schools quickly recognised the potential of the key findings from Musical Futures, and schools started to use our ideas.
- a government green paper, 'Care Matters', recommended that all local authorities take up the lessons of Right to Read, our special initiative to open up public libraries for young people in care.
- we launched a special initiative, Awards for Composers, to complement our existing Awards for the Visual Arts.

The decision to launch a dedicated programme for Social Justice came in the context of a widening debate, often expressed in negative terms, around how society perceives and treats young people. Media coverage as well as policy can appear to be concerned with controlling young people, with little more than lip service paid to hearing the voices of the people themselves.

Our approach, by contrast, aims to support work that seeks to give young people – particularly those who are marginalised – a chance to be heard and to grow, and to prevent their development being impaired if their lives unravel at times of difficulty.

The overlap between our three main open grants programmes is a defining feature of our grant-making activity. Some applications might fit the priorities of any of the three programmes but we encourage them and are interested in how they cross-fertilise, in how arts participation contributes to learning or how the arts and/or education and learning affect social change.

During 2006-07 we benefited from the time of a communications consultant, Paul Hensby. Among other work, he helped us to develop a communications strategy and to transform our website [www.phf.org.uk](http://www.phf.org.uk) into a resource for a wide variety of key audiences in the light of the new strategy. Our innovative web-based outline application process has been warmly welcomed by organisations as a better way to submit concise initial proposals to us.

We have often made awards for up to three years but now when we make an award for some activities we are willing to indicate if we will consider a second award for up to a further three years. This approach, which we piloted in India, remains unusual and has been welcomed.

We are always trying to develop our understanding of whether and how grant programmes and individual grants make a difference and how best to share this knowledge more widely. We have been more systematic in doing this under our separate special initiatives, but we are working on improving how we do this across all our work, including our open grant schemes.

We collaborate with other foundations and organisations which share our aims. Often this is through joint grant-making. In addition collaboration is developing through our participation in the newly-formed Woburn Place Collective, a group of charitable foundations which are committed to social justice philanthropy. Members also collaborate to promote the role of philanthropy in supporting social change, continuing professional development and research.

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One of our objectives is to support and encourage grant-making foundations and philanthropy. In partnership with the Nuffield Foundation and the Baring Foundation, we commissioned New Philanthropy Capital to carry out a review of international development funding by UK trusts and foundations. The published study, 'Going Global', explains different ways of funding work in developing countries. Our main aim was to learn from our own experience and that of others in order to improve our practice. By setting out what was possible and how it was achieved, we also hope that we may encourage other UK foundations to consider supporting work in developing countries, either on their own or in partnership. An extract from the study appears on page 33.

We presented at the 21st Century Trust's international symposium on New Philanthropy, arguing that while the size and total amount of the gifts and their global nature is unparalleled, the venture capital techniques often used are similar to those practised by some longer-established foundations. Also, in many cases the new philanthropists appear to concentrate on single causes and fund work which gives an immediate social return, rather than engage with more complex issues requiring longer-term and system-wide thinking. The symposium was led by Matthew Bishop, Chief Business Writer for The Economist in the US, who is writing a book on the New Philanthropy.

Two colleagues who have contributed significantly to the Foundation's work since 1999 have been on part-time secondment: Susan Blishen as Research Officer at the Mental Health Foundation and Ajit Chaudhuri as Visiting Fellow at the Institute for Rural Management, Anand, India's premier academic institution in the field of rural development. Their time outside the Foundation has contributed to the work of the host institutions and helped them gain fresh understanding to develop our work (in the former case researching the scope of a possible special initiative in the mental health field; in the latter researching the needs and opportunities which will influence how we plan to extend our work in India).

We welcomed to the staff Sarah Jane Dooley (Grants Officer), Denise Barrows (Programme Manager for Education and Learning), Marcello Moro and Richard King (Grants Assistants).

We are pleased that Roger Graef will be continuing to work with us as an adviser on our Social Justice programme committee. His ideas and experience have contributed hugely to its development. We are already benefiting from the insights of Rob Berkeley, Deputy Director of the Runnymede Trust, and Julian Corner, Chief Executive of the Revolving Doors Agency, who have also joined the committee as advisors. Similarly for Education and Learning, Professor Tim Brighouse of the Institute of Education and Vanessa Wiseman, Headteacher of Langdon School in Newham, have been appointed as advisers and Jonathan Reekie, Chief Executive of Aldeburgh Music has joined the Arts programme committee as advisor.

Our plans for the year ahead include:

- broadening the open grants scheme under our Education and Learning programme, while retaining our emphasis on innovation and development.
- extending our India programme from 2008, including reviewing the governance and operations which underpin our work in India.
- launching major special initiatives for each of our three UK programmes. Although the amounts which we will commit to these initiatives are likely to be substantial, the grant-making under them will develop in time.

**Robert Dufton**  
**Director**

With Paul Hamlyn Foundation in the wings, people are supported to raise their sights and to express themselves through greater participation in the arts. Organisations are able to build their capacity to enrich people's experiences and individual artists can develop their creative ideas without outside pressures.

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# Arts programme





# Arts programme

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**This programme supports the development and dissemination of new ideas to increase people's experience, enjoyment and involvement in the arts, with a particular focus on young people. Our funding benefits organisations and groups through special initiatives and the open grants scheme. Individual artists are also supported, through our Awards for Artists.**

## Sustainability, leadership and learning

As a result of our analysis of needs and opportunities, we decided to continue our previous theme of access, but to give equal weight to the notion of enjoyment and other forms of participation. Whilst we are interested in innovation, we see this as including replication and scaling up. Under the open grants scheme we are now also less specific about what might be funded and are more interested in what the interventions we fund might help to achieve. This year's arts awards are starting to reflect this new emphasis, as the case studies on our website demonstrate. From this programme and others we present case studies for this yearbook under three headings – examples of new awards, ongoing grants started in previous years and one completed grant that shows what has been achieved.

Several issues that have been high on the UK arts agenda this year have had particular relevance for us because of their impact on the sector as a whole.

We saw a greater concern among arts organisations for capacity building and for the sustainability of the experience they provide, both in terms of securing longer-term income for particular strands of their work, and also in terms of how they offer participants routes for progression within their own projects or beyond.

Under our new strategic aims we have been able to engage more readily with building the capacity of arts organisations where we think this will contribute strongly to our aim of enabling people to experience and enjoy the arts. The awards under our open grants scheme to Creu Cymru and the Scottish Poetry Library are examples of this.

A major contributor of ideas for sustainability has been the work of Mission, Models, Money. MMM is a catalyst for change and debate which is exploring new operating

models for the arts sector, including funding. We supported it in diverse ways, including help in-kind in the form of office space, through contributions to discussion papers, and by a grant towards the evaluation of one of the 'exemplar' projects MMM advised and followed. MMM's research and advocacy phase concluded in 2007 with the publication of a suite of reports and tools.

For us, as for the wider arts community, the year was marked by reflection and progress toward developing better arts leadership and governance. The Arts Awards accreditation scheme, managed by Arts Council England to develop 11-25 year-olds as arts leaders, followed other initiatives such as the government's £12 million investment in a cross-sector Cultural Leadership Programme. The Foundation has contributed to this through its support of the Clore Leadership Programme. We have enabled three people working in Northern Ireland to take part in the programme and we are delighted that Arts Council Northern Ireland is now supporting a fellowship.

For the Foundation, an important part of grant-making is developing and sharing knowledge about the types of projects that are most effective, and about topical issues affecting the arts. The PAEback Group is an independent, informal group of trustees from major performing arts organisations which we have administered. Since 2005 we have helped PAEback run working sessions with chairs, trustees and executives from UK performing arts organisations to look at boards' awareness of education and participation work and their responsibilities towards it. A published summary of these conversations has actively contributed to wider governance debates.

The findings from the PAEback discussions, together with our long involvement in arts education, have also informed the thinking behind A Place for Learning, an investigation into the place of education in 21st century arts organisations. We are one of a small syndicate of funders led by the Clore Duffield Foundation supporting this work, which we are confident will also influence the national agenda.

# Arts programme

## Special initiatives

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### Awards for Artists

#### Support for individual artists

£155,223 awarded in 2006-07 (including support costs)

The five artists awarded £30,000 each under the 2006 Awards for Visual Arts were Gustav Metzger, Horace Ové, Gerard Byrne, Gareth Jones and Olivia Plender.

2006-07 was a year of transition in this important strand of our support for individual artists as we announced the introduction of three new awards for composers. These will complement the five Awards for Visual Arts that have been made annually since 1998. Each award has also been increased from £30,000 to £45,000, spread equally over three years. The names of the eight 2007 awards recipients will be announced in November.

The awards scheme was set up in 1993 and concentrated for the first five years on a different art form each year, moving from composers in year one to choreographers, sculptures and poets. Since 1998, it has concentrated on the visual arts. The awards are made according to talent, promise, need and achievement. They aim to encourage recipients to develop their creative ideas and to continue to practise regardless of financial or other outside pressures.

### The Jane Attenborough Dance in Education Fellowship

#### Career progression for dancers

£50,000 awarded in 2006-07 over two years

Our JADE Fellowships provide opportunities for individual artists while also supporting the wider dance community. They are based on the belief that professional dancers have a unique quality to bring to dance in education and can enhance understanding and enjoyment of the arts.

In 2006, the second £50,000 Fellowship went to Leeds-based Northern Ballet Theatre to help company dancer Andrew Barker make the transition to dance in education. Barker has had tailored training and also observed and assisted delivery of education programmes for NBT, Rambert Dance Company and Dance United.

Simon Cooper of Rambert Dance Company, the first JADE Fellow in 2005, is now in his second year of the fellowship. He has given up dancing for the company entirely to develop his ability to plan and deliver education and community dance projects.

The Foundation set up the JADE Fellowships to commemorate its former arts manager, Jane Attenborough, who died in the 2004 Asian Tsunami.

### What's the Big Idea? (Northern Ireland)

#### Inspirational ideas and risk-taking approaches

£340,718 committed in final year of four-year initiative

What's the Big Idea? has sought out, encouraged and funded innovative and creative ideas for reaching young people in Northern Ireland, providing inspiration through engagement with creative professionals. Many of its projects have achieved positive impacts. Some of these are likely to continue, through increased support from other long-term funders.

The final awards were made in March 2007. Among the latest grant-holders is Glasgowbury Music Festival. Our funding will enable the festival held in the Sperrin Mountains to grow over three years.

An external facilitator ran live workshops for organisations we supported to discuss ideas, concerns and outcomes. We published a DVD and report so that the knowledge from What's the Big Idea? could continue to influence how young people's creativity develops in Northern Ireland.

What's the Big Idea? found that big ideas did not emerge easily from young people's organisations, raising issues about the ways in which they encouraged openness and risk-taking. In seeking to redress the urban bias of grant-giving, the initiative also encountered a lack of programming and project development skills in rural areas. Among key questions it raised were how new models for creative learning could be developed in smaller places. The most ambitious ideas often came from community organisations in areas of high deprivation, but they sometimes lacked the capacity to deliver them.

The political background in Northern Ireland is now thankfully very different to how it was when the initiative was conceived. We deliberately ran it in a way that was not linked to long-standing agendas or established groups. We (and the organisations we have worked with) believe that the understanding which has been developed through the initiative will therefore be of particular value in the rapidly changing social context. Shona McCarthy and Frances Macklin, who have led the initiative from the start, have presented the findings to opinion formers, including a conference for other independent foundations.

In addition to the impacts generated by the initiative, What's the Big Idea? seems to have produced a broader legacy in terms of the "creativity agenda" infrastructure in Northern Ireland, by identifying and strengthening individuals and groups with a shared ethos of putting young people at the core of creativity.

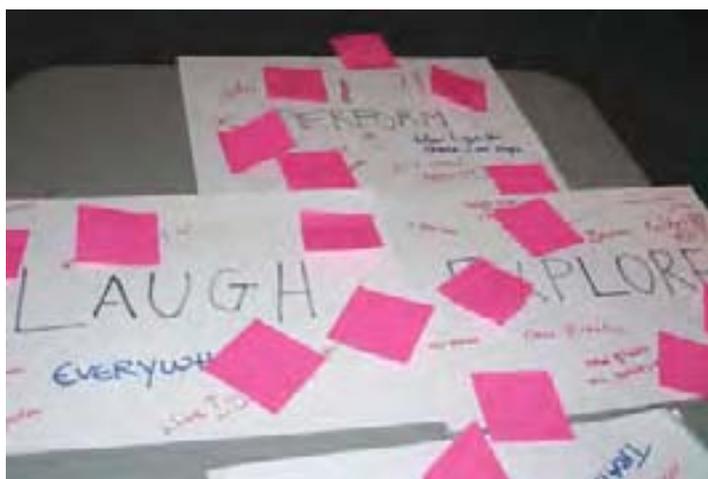
# Arts programme

## Open grants scheme

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**Young Scot**  
Young people podcast on matters that matter to them  
Building a library of podcasts for the 'Download Lowdown' project



**London International Festival of Theatre**  
New Parliament community arts learning manager  
Brainstorm board to design the LIFT New Parliament

### Grants awarded in 2006-07

#### **Creu Cymru** Welsh valleys arts venues build capacity £80,000 awarded for 18 months

The Welsh development agency for performing arts venues organises tours, presents work in its member venues and acts as an advocate for the performing arts in Wales. It is using our grant to develop infrastructure among 10 poorly-resourced venues, mostly in the Welsh valleys. **The Inventive Promoter** scheme aims to help the venues share knowledge on programming and marketing, give them the tools to assess programming opportunities across the UK and help them evaluate their own strategies. The venues have already begun to develop new shared strategies and practice. They want to develop better quality and more diverse programming, build their marketing capacity, and create opportunities for staff development. The Foundation funds a part-time project manager and marketing mentor to enable Creu Cymru to meet these aims.

#### **Oak Lodge School (Aim Hi)** Cultural exchange through clay £10,000 awarded for pilot in summer 2007

Inspired by the prospect of people from all over the world coming to London for the 2012 Olympic and Paralympic Games, **Celebrating the Earth** is billed as an homage to clay, the material London is built on, through cultural exchange, participation and celebration. The idea is to dig clay in all the countries taking part in the Games and bring it to London. For the summer 2007 pilot the first clay will be brought from various countries to Oak Lodge School for the deaf in Wandsworth. Staff, students, and ceramic and performing artists will work with it to make permanent artworks for display in a new public space in east London. A film will also be made to inform the project's expansion towards 2012.

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### Southbank Centre

Two flagship programmes at re-opened Royal Festival Hall  
**£1.5 million awarded for three years**

We are the first major supporter of the new artistic programme at the refurbished Royal Festival Hall and Southbank Centre, with our grant underpinning two emblematic new projects over three years. **Voicelab** seeks to encourage amateurs to participate in singing together, providing opportunities for communities to produce and promote work themselves and to develop direct creative relationships with professional artists. **Artists in Residence** will invite artists to interact with the Thames-side site as well as with other artists and audiences.

“We are committed to commissioning, creating and developing work that will now be presented in some of the best facilities for the arts available internationally.”

Jude Kelly,  
Artistic Director, Southbank Centre

### Young Scot

Young people podcast on issues that matter to them  
**£98,494 awarded for two years**

The national youth information and citizenship agency for Scotland has set up a podcasting project as a new national initiative to enable young people from across the country to make and broadcast their own online radio programmes. We are supporting a two-year project targeting disadvantaged young people. They decide the content of their podcasts, working with a freelance artist and youth volunteers. Four **Dialogue Youth** pilots so far have resulted in podcasts on issues such as bullying, independent living, school life and poetry. The opportunity to participate in a high quality arts experience gives marginalised young people enhanced skills of numeracy, literacy, communication and citizenship, while boosting their confidence and self-esteem.

### Ongoing grant

London International Festival of Theatre  
New Parliament community arts learning manager  
**£84,780 awarded in March 2006 for three years**

LIFT presents theatre in a variety of spaces in a year-round programme of events that focus on engagement between artists, audiences and communities. It is now extending its learning and participation work with the untried concept of the **LIFT New Parliament**, a broad community engagement programme in east London that aims to make the arts more relevant to the lives of the audience and local communities. The LIFT Learning Manager, funded by our grant, has engaged over 150 east London residents in a series of creative workshops and events to develop the design, guidance for use and programme of the New Parliament. The design of the New Parliament by AOC architects, with input from local residents, was launched in May 2007.

### Completed grant

The Hallé Orchestra (Charles Hallé Foundation)  
Encouraging musical activity in school  
**£64,500 awarded in February 2004 for two years**

**Musical Journeys** encouraged children's continued enjoyment of music through the transition between schools, when they moved from nursery to primary, on to secondary or left to join the sixth form. This pilot project was a collaboration between the Hallé, Manchester Excellence in Cities, Breezehill Education Action Zone and Tameside Music Support Service, carefully tailored to match the needs of the nine primary and two secondary schools that took part. Another key strand of the work was continuing professional development for teachers and musicians. Among the main results of the project were the findings that primary teachers need greater confidence to deliver practical music-making activities and the scale of the challenge to persuade young people to take GCSE music in year 10.

# Arts programme

## Grants awarded in 2006-07

### Arts special initiatives

#### Awards for Individual Artists

<b>Awards for Individual Artists, UK national</b>	<b>£155,223</b>
Five awards to visual artists of £30,000 payable over three years and support costs	

#### Jane Attenborough Dance in Education

<b>Northern Ballet Theatre, multi-regional</b>	<b>£50,000</b>
Support for retraining over two years	

#### Northern Ireland: What's the Big Idea?

Clare Leadership Programme, Northern Ireland Support for a Clare Leadership Fellow working in the arts in Northern Ireland, with a particular interest in community work and/or work with young people.	£35,000 over two years
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Glasgowbury Music Group, Northern Ireland Support for management costs of Glasgowbury outdoor music festival for young people in rural Northern Ireland and help to implement three-year development plan.	£75,000 over three years
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Greater Shantallow Community Arts, Northern Ireland Start-up funding for 'Northern Lights' arts programme for 15-20 year-olds, intended to develop capacity and lead to possible creation of a youth arts development centre in Greater Shantallow, Derry.	£79,988 over two years
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Kids in Control, Northern Ireland Support for costs of 'Keep Connected', year-round activities to keep up the engagement of previous young participants in Kids in Control's dance workshops and performance, providing accredited training as peer leaders to support others to become involved in ongoing work.	£41,235 over one year
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Moyle Community Safety Partnership, Northern Ireland Running costs of 'Movies in Moyle', a youth-focused video film programme, to take place in Ballycastle, providing opportunities for young people to engage in film-making and involve wider community.	£75,000 over three years
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Old Museum Arts Centre, Northern Ireland Towards costs of establishing a youth panel for development of new £14 million Old Museum Arts Centre and its future planning, including co-ordinator's salary.	£75,000 over one year
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Shakespeare Schools Festival, Northern Ireland Supporting running costs of extending Shakespeare Schools Festival in Northern Ireland in 2006-07, enabling 18 secondary schools to take part and perform.	£30,000 over one year
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Sticky Fingers Early Years Arts, Northern Ireland Start-up funding for Fairywood Fair, child-centred arts summer festival for young children and families near Newry.	£30,000 over one year
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W5 – whowhatwherewhenwhy, Northern Ireland Costs of programme of formal and informal animation workshops for children and young people at Belfast's W5 interactive discovery centre.	£29,080 over one year
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2 grants of up to £10,000, Northern Ireland	£9,950 over one year
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Returned grants	(£139,535)
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<b>Northern Ireland: What's the Big Idea? Total</b>	<b>£340,718</b>
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### Arts open grants scheme

Actors Workshop Youth Theatre, Yorkshire and The Humber A post funded over three years to enable the organisation to build capacity to meet local demand and develop strategically.	£50,036 over three years
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Ark T Centre, South East Provision of studio time and expertise to enable young people from various backgrounds to develop their musical skills through the creation and performance of music of all kinds.	£29,980 over two years
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Asham Literary Endowment Trust, South East Creative writing project for young people facilitated by authors via travelling workshops in rural East Sussex. The resulting work will be published on a dedicated website.	£15,000 over one year
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Clapperboard UK, North West Offers children at risk of exclusion from school the opportunity to develop and produce short films, helping them develop creative skills and encouraging social integration, inclusion and interaction.	£30,000 over two years
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Clwyd Theatr Cymru, Wales Employment for an outreach worker to start and develop the youth theatre's first outreach programme covering Wrexham, Denbighshire and Flintshire.	£28,260 over one year
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Collective Encounters, North West Professional and participatory theatre project focusing on questions of identity, community and nationhood.	£98,000 over two years
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Creu Cymru, Wales Capacity-building scheme for selected venues to help them programme and market high quality performances.	£80,000 over three years
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Farms for City Children, UK regional Artists' residencies at three farms visited each year by 28 schools from urban areas. To enhance pupils' and teachers' experience at the farm through art including drama, painting, craft, films, poetry and music.	£71,500 over three years
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First Take Video, North West Series of accredited creative media projects for Pupil Referral Units, culminating in a public screening with the aim of enabling participants' self-expression.	£28,000 over two years
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Grand Union Music Theatre, London Funding to strengthen and secure the organisation's financial and artistic future at a time of management transition.	£87,000 over three years
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Imperial War Museum North, North West Pilot short course designed to equip group leaders from the formal education sector, informal community groups and support organisations with the basic skills, confidence and resources to lead a visit to a cultural venue.	£69,452 over two years
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Jerwood Charitable Foundation, UK national Support towards the evaluation of one of the Mission, Models, Money exemplar projects, the LIFT New Festival Theatre.	£10,000 over one year
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Lake District Summer Music, North West Second of annual series of events in schools celebrating multicultural music, with a particular emphasis on South Africa. This project will enable workshops to take place in eight secondary schools across the region.	£26,800 over two years
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Little London Arts Group, Yorkshire and The Humber Delivery of series of community arts projects via regular weekly after-school clubs, one-off workshops and showcase events.	£26,680 over two years
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<p>Look 07, North West</p> <p>Year-long initiative led by Redeye photographers' network in partnership with 16 galleries in Manchester and Manchester City Council. To raise awareness of and access to photography through projects with community groups.</p>	£25,500 over one year	<p>WebPlay UK, UK national</p> <p>Online bridge enabling inexpensive and effective multi-media interaction between schools and arts organisations.</p>	£56,265 over two years
<p>Manchester City Council, North West</p> <p>Partnership between Manchester City Council, Greater Manchester Police, the University of Manchester and Northenden Civic Society which seeks to tackle anti-social behaviour and petty crime and to engage young people with their local heritage through an archaeological dig.</p>	£16,000 over two years	<p>Whitworth Art Gallery – University of Manchester, North West</p> <p>Project to engage young people with the gallery in an informal way, building on its education work in formal spaces. Young people will design interpretation materials for the gallery space.</p>	£40,300 over two years
<p>Oak Lodge School (Aim Hi), London</p> <p>Pilot phase of project which aims to connect all the countries represented in the 2012 Olympic Games by bringing clay from these countries to a London school for the deaf.</p>	£10,000 over one year	<p>Windsor Community Arts Centre, South East</p> <p>Funding towards Education Manager post to oversee inclusion programmes for young people, many of whom are at risk, in schools and at the arts centre.</p>	£23,590 over one year
<p>Octobus Project, South West</p> <p>Funding to extend outreach work to four communities in outer Swindon and to evaluate the model's effectiveness.</p>	£56,598 over two years	<p>Wysing Arts Charity, Eastern</p> <p>Residencies for three artists to work with Traveller communities to produce sustainable arts projects and challenge negative stereotypes.</p>	£30,000 over one year
<p>Royal Scottish National Orchestra, Scotland</p> <p>Outreach and education project in Argyll and Bute involving young people, teachers and communities in five rural, remote locations including two islands.</p>	£23,000 over three years	<p>Young Scot, Scotland</p> <p>National initiative aimed at young people not integrated within their community to create and broadcast their own radio programmes.</p>	£98,494 over two years
<p>Same Sky, South East</p> <p>Carnival project that aims to enhance creative practice and raise awareness of multicultural arts working with year 8, 9 and 10 students in Southeast England.</p>	£29,000 over two years	<p>Young Vic Theatre Company, London</p> <p>Project to deepen local residents' involvement with the theatre in its new home, building on established relationships in Lambeth and Southwark.</p>	£96,400 over two years
<p>Scottish Ballet, Scotland</p> <p>Support for three-year education strategy aimed at engaging a wide range of people with Scottish Ballet and with dance as an art form.</p>	£148,045 over three years	<p>66 grants of up to £10,000</p>	£267,208 over one year
<p>Scottish Poetry Library, Scotland</p> <p>To develop readership of poetry among three constituencies with varying levels of familiarity with poetry, via local libraries and a website.</p>	£42,844 over three years	<p>Returned grants</p>	(£85,564)
<p>Sing London, London</p> <p>Funding towards nine-day public singing event in June 2007, involving thousands of people.</p>	£25,000 over one year	<p><b>Arts open grants total</b></p>	<b>£3,193,518</b>
<p>Siobhan Davies Dance, London</p> <p>Support for the company to forge a close relationship with the Charlotte Sharman Primary School next door to its new studios, and broker relationships with primary and secondary schools in partnership with Southwark Education Arts Team.</p>	£54,430 over two years	<p><b>Net total of Arts grants</b></p>	<b>£3,739,459</b>
<p>Southbank Centre, London</p> <p>First major grant supporting the artistic programme that will bring to life the refurbished Royal Festival Hall, through two programmes, Voicelab and Artists in Residence.</p>	£1,500,000 over three years		
<p>Spread the Word, London</p> <p>Pilot scheme designed to create long-term opportunities for secondary school pupils in Greenwich, Barking and Dagenham to develop creative writing skills outside formal education, by providing extended opportunities for creative expression through poetry, reading and writing.</p>	£30,000 over two years		
<p>Timespan, Scotland</p> <p>Project led by an artist-curator to develop informal opportunities for young people in Sutherland to become involved in the visual arts.</p>	£29,950 over two years		
<p>Vale of Aylesbury Primary Care Trust, South East</p> <p>Series of preparatory arts workshops for a community carnival in 2007, providing access to further education experiences, arts provision and other services.</p>	£25,750 over two years		

We champion work that explores new ways of thinking about learning and teaching. Building on our successful Musical Futures special initiative, we seek to change education systems more widely, from the way teenagers learn, to supplementary education and experimental methods of reducing school exclusion.

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# Education and Learning programme

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# Education and Learning programme

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The programme supports the development and dissemination of new ideas to increase people's education and learning. To achieve our aims our funding goes to organisations, including where appropriate local authorities eg. for schools and libraries, though we also support voluntary sector organisations working in partnership with statutory bodies.

## Musical Futures leads new learning practices

The aim of our support in this area is to increase people's learning. We are particularly interested in innovation, replication and scaling-up and 'next practice' – in being at the forefront of thinking in the field. We seek to encourage these through an open attitude that allows practitioners to test new approaches.

Innovation and next practice have characterised Musical Futures, our special initiative in music participation and learning which has been led by David Price. The four-year action research phase ended with the publication of our key findings. The project has kept an open line of enquiry throughout, underlined by a desire not to pre-determine outcomes. We have therefore been able to accommodate emerging national initiatives and reciprocate by having a significant impact on those initiatives, and on music education nationally. This has influenced our thinking about how the Foundation's initiatives operate.

Rather than disseminate only at the project's conclusion, we have been able to release emerging findings as they became clear. This has led to a gathering influence and momentum of the project, and the pace continues to quicken as we move from action research into scaling-up. Learning resources developed through Musical Futures have now been requested by almost half of all secondary schools in England. We are supporting expansion by continuing to fund a national coordinator (Abi D'Amore) and by designating coordinators in 15 regions who will support schools adopting the approaches developed. We continue to monitor take-up and will publish further findings in July 2008.

The significant impact of Musical Futures, and subsequent staffing constraints, meant that we did not have the capacity to create new special initiatives nor to develop fully the open grants scheme. We have therefore

maintained our long-held interest in supplementary education and school exclusion, but now give greater weight in our grant-making in these fields to innovation, development and systems-wide change.

Staffed mainly by volunteers, supplementary schools operate in almost every ethnic community in England. They have been shown to raise educational attainment, particularly among Black and Minority Ethnic students, help mainstream schools and provide an opportunity to engage adult learners, as well as supporting the citizenship agenda.

The biggest development in supplementary education this year was our joint funding with the Department for Education and Skills of a new National Resource Centre for Supplementary Education. This is an important example of our collaborating with government in order to influence policy, and, in this case also, to stand up for the independence of the supplementary schools movement. We wish to ensure that a national organisation values wider community cohesion alongside academic achievement in supplementary schools.

We have been involved in school exclusion and truancy for many years, and through our grant-making we support action at different points of the cycle. This ranges from support for early intervention with vulnerable children to support for parents and others seeking to ensure that local authorities properly take account of children's special educational needs. These are believed to be a factor in the cases of over two-thirds of excluded children. This year we have also made a major grant to help schools and local authorities develop better alternatives to exclusion.

Since September 2006 we have been one of the key funders of a promising project to explore fully the effect of restorative justice techniques in schools. Restorative Solutions is seeking to change attitudes of pupils and help improve attainment levels, through Restorative Approaches in Schools (RAiS).

School staff will be trained to facilitate conferences between victims and offenders who then collectively resolve how to deal with the aftermath of an offence. At a more general level the trial wishes to make restorative justice one of the ways in which a school fosters a mutually supportive ethos. If it works, RAiS will seek to influence the DfES, schools and school agencies to use restorative justice more widely.

# Education and Learning

## Special initiative

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### Musical Futures

£290,105 committed in 2006-07

**“Musical Futures has implications for the rest of the curriculum in terms of personalisation. There are very few other curricular areas where this notion of co-creating content and even pedagogical approaches has been as well developed.”**

**Valerie Hannon, Director,  
The Innovation Unit**

Conceived as an innovative way to increase music participation, Musical Futures has met its core aim and also uncovered new best practice in education. Two key themes emerged: informalisation – changing the nature of the learning environment and the relationship between the learner and tutor; and personalisation – looking afresh at the role of the teacher and at how young people learn from each other. The initiative identified criteria for successful personalised models. We are now assessing how these discoveries might apply more broadly across secondary education.

- Musical Futures reached 6,521 participants from 60 schools in three years.
- 31% of Musical Futures students took, or are considering taking, GCSE music.
- 88% of teachers questioned are adopting, or planning to adopt, the Musical Futures models in their own practice.

Charles Handy, the social philosopher and author of many best-selling books on work, management and life, generously contributed to ‘From Vision to Practice’, the summary of the key findings of Musical Futures. Here we reprint an extract from his reflections, entitled ‘My Lessons From Living’.

“Reading the report on Musical Futures started me thinking about the ways in which I myself have learnt in life. I realised then that the pedagogical process which Musical Futures has unearthed and encouraged is indeed the way I seem to have learnt almost everything that mattered, although very little of it happened in the classroom, behind a desk. Music may exemplify the process best, but the principles behind it are too important to be confined to music.

Nobody, for instance, taught me how to write my books. I just had to dive in and start. But, and this was the important part, I had an editor. She was my guide, philosopher and friend; she encouraged me to experiment, lavished praise when something seemed to work, gently suggested alternatives and explained why some constructs worked better than others. Like swimming, riding a bike, driving a car, painting, most sports and, indeed, everything practical, theory follows and enlightens practice rather than the other way round. It is even the way scientists do science – first try it, then seek to explain it.

When I joined the young London Business School to create the first long-term executive education programme in Britain, I quickly realised that in the world of management, theory and instruction without experience was wasted breath. Warehoused learning as I called it, facts and theories stored away in one’s head in case they should be needed in the future has, in fact, a very short use-by date. So it was that I found myself instructing the recruiters to enroll in the programme only those who did not really need to come – because they already had some experience of managing people. What we could do, I suggested, was help them to understand why their instinctive behaviour worked and then go on to show ways it could be improved. Theory linked to experience would be the key.

The Musical Futures project has buttressed all my beliefs about learning. First try it, even if badly, then enjoy it. Only then will you want to do it better. Don’t teach them, coach them as they do on the sports field. Much of the time they will teach themselves anyway, learning from their betters. Schools could be more like life, where we only learn about important things like partnerships and parenting by diving in and reading the theories as we bath the baby.”

**Charles Handy**

# Education and Learning

## Open grants scheme

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“Supplementary schools can bring a tremendous sense of achievement and can boost children’s confidence and motivation both in and out of the classroom.”

Schools Minister Andrew Adonis



XLP Limited  
Activities for under-achievers on South London estates  
The XL-R8 bus

### Grants awarded in 2006-07

#### ContinYou

A national resource for supplementary schools  
£150,000 awarded in March 2006 for two years

The new **National Resource Centre for Supplementary Education**, run by community learning charity ContinYou, aims to build capacity in the sector and help supplementary and mainstream schools work together. Our support, alongside government funding, helps to maintain the movement’s independence and vitality, and raise its profile and influence. Our focus is on support for innovation and change in supplementary education. The more than 3,000 supplementary schools in England, mainly volunteer-run, are drawn from almost every ethnic community, and offer after-school or weekend tuition in national curriculum subjects, national or ethnic languages and culture. Evidence shows that supplementary education helps young people to achieve academically, while also promoting community cohesion.

#### Restorative Solutions

Conflict resolution pilot in Bristol schools  
£147,750 awarded in September 2006 over three years

Restorative Solutions is seeking to demonstrate that the use of restorative justice techniques in schools can lead to a significant reduction in exclusions, anti-social behaviour, unauthorised absences and bullying and raise educational attainment and the social inclusion of pupils. In restorative justice a trained facilitator brings together parties involved in a specific offence to resolve collectively how to deal with its aftermath and future implications. Restorative Solutions will train school staff in using restorative conferences in six Bristol secondary schools. The intention is that over time the methods used in **Restorative Approaches in Schools** become the normal way a school handles such matters. It aims to change behavioural culture, making school a place where students feel safe and are motivated to work hard and participate positively.

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**Tate Liverpool**  
**Pilot modern apprenticeship for creative industries**  
**£10,000 for one year**

A consortium of eight Liverpool arts organisations is developing plans for a pilot **Creative Apprenticeship**. The group, led by Tate Liverpool, is working in partnership with other organisations including Creative and Cultural Skills, the sector skills council for the creative industries. The apprenticeship is intended to be a vocational training route into these industries for diverse individuals, giving employers a pool of skilled entrants with a highly regarded qualification. We are funding a consultant to co-ordinate the development of the scheme which is due to start in 2008, when Liverpool is European Capital of Culture. We are working with the consortium to resolve several challenges to the project, which include resource constraints in the cultural sector that have an effect on the payment of wages for the apprentices.

**XLP Limited**  
**Activities for under-achievers on South London estates**  
**£158,710 awarded in November 2006 over three years**

XLP runs informal and structured activities for young people excluded or truanting from school, in a specially equipped London bus that tours South London estates. The **XL-R8** double-decker has laptops, PlayStations and games and gives formal activity and homework support to up to 25 people at a time. Its work with schools in Greenwich, Lewisham and Southwark has shown that over 60% of the 150 people it has intensively supported so far have made measurable improvements in their studies, but the level of under-achievement is still considered to be unacceptably high. The project is now expanding to reach 450 more 12-16 year-olds on additional housing estates, where GCSE pass rates are well below the London average and exclusion rates twice as high.

## Ongoing grants

**Advisory Centre for Education**  
**Advice for parents about school exclusion**  
**£29,303 awarded in December 2005 over two years**

ACE is the only body lobbying government on school exclusion. By supporting families at an early stage it hopes to prevent young people joining the growing ranks of those permanently barred from school. Our funding contributes to the cost of a dedicated **school exclusion helpline** for parents of maintained schools, and an organisational review at ACE. Some 10,000 pupils are now permanently excluded every year, with more than 220,000 excluded for a fixed period in 2004-05. The likelihood of exclusion is highest for children with special educational needs; for Afro-Caribbean boys it is six times higher than for their white counterparts. ACE believes many children are excluded for inappropriate or relatively minor reasons and it aims its support at improving dialogue between families, schools and communities.

**“The call gave us clear information on how to approach the governors discipline committee meeting, and filled large gaps in our understanding of what help should have been made available to us.”**

**Caller to Advisory Centre for Education school exclusion helpline**

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“This is a well-established and popular school offering study support to a wide range of pupils. The group is constantly in touch with its parents.”

Ethnic Minority Achievement Service,  
Manchester City Council



School-Home Support  
Evaluation of project to boost school attendance  
Yearsley Primary School project

Community Development Initiative  
After-school support in Maths, English and Science  
£45,000 awarded in February 2005 over three years

Manchester-based **School Plus** provides after-school support in key curriculum subjects to maximise young people's potential and strengthen links between school and home. It is increasingly faced with the need to provide an alternative, and not simply a supplementary, education for young asylum-seekers in inner city Manchester areas like Moss Side, Hulme and Trafford. These young people are not eligible for mainstream schooling while they await official determination of their status, a process which can take two years. Our grant supports a project coordinator for CDI's challenging and changing client base of mainly African and Middle Eastern young people and adults, as well as the costs of voluntary tutors and administration. CDI aims to help 560 people over three years with lessons in English, maths and science.

### Completed grant

School-Home Support  
Evaluation of project to boost school attendance  
£54,000 awarded in May 2005 for nine months

The **Isle of Dogs Project** worked with eight primary schools and one secondary school to improve the attendance and attainment of young people identified as not reaching their full potential, to increase the involvement of parents and carers in their children's education and provide pastoral care in schools. The majority of our grant funded an independent evaluation of the service which had been running since 1999, as well as extending the organisation's training to more staff on the Isle of Dogs in London's Docklands. The assessors called it a "highly valued service" which had had a "demonstrable impact" on school attendance, had improved parent-school relationships, linked schools and local agencies and benefited pupils' well-being. The positive evaluation gave SHS evidence for advocacy to expand the service.

# Education and Learning programme

## Grants awarded in 2006-07

### Education and Learning special initiative

#### Musical Futures

Hertfordshire Music Service, South East Workshop training for student leaders.	£16,700 over one year
Musical Futures Management Cost of managing the initiative, sharing information, producing publications and supporting the three pathfinder partners.	£213,405
Nottingham City Council, East Midlands Continuation funding for further development of work across Nottingham.	£60,000 over one year

**Musical Futures Total** **£290,105**

### Education and Learning open grants scheme

Annie Macpherson Home of Industry, London To work with young people who are not meaningfully engaged in education, employment or training, because of exclusion, socio-economic disadvantage or 'at risk' circumstances.	£26,100 over two years
Baytree Centre, London After-school educational mentoring programme for young people in Brixton based on model developed by Metro Centre in Chicago.	£38,650 over two years
Chorlton Youth Project, North West Provision of structured environment for local young people excluded or disengaged from society to increase their social and educational skills.	£55,000 over three years
ContinYou, UK national Establishing a national development agency for supplementary schools.	£150,000 over two years
Federation of British Artists, London To develop the FBA's work with young people who are particularly marginalised.	£30,000 over two years
Hyde Park Source, Yorkshire and The Humber To re-engage 36 disadvantaged young people a year for three years in education, training or employment.	£30,000 over three years
Leicester Complementary Schools Trust, East Midlands Developing close working partnership between mainstream schools and complementary schools and building the capacity of Leicester's complementary education sector.	£99,130 over two years
New Horizon Youth Centre, London To provide a coordinated learning programme to meet young people's needs, combined with personal development and constructive use of leisure time.	£30,000 over three years
Place2Be, UK national Funding a staff member to lead and supervise Place2Be's in-school counselling work for parents.	£30,000 over two years
Poetry Trust, Eastern Teaching of poetry and creative writing.	£89,000 over two years
Prisoners' Education Trust, UK national Project focusing on offender learning and championing the importance of education in the resettlement of offenders.	£72,100 over two years
Resource Unit, London (ContinYou), London Funding a shared post to develop learning programmes and training materials for supplementary school staff and managers.	£28,425 over one year

Restorative Solutions, South West Core costs towards implementing a research project to use restorative justice approaches in six Bristol secondary schools, to reduce school exclusion and increase educational attainment.	£147,750 over one year
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Sense About Science, UK national Funding a part-time post to develop an online educational resource on scientific publishing and expert peer review for use in schools, particularly at Key Stage 4.	£52,700 over two years
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Sunderland AFC Foundation, North East Encouraging the participation and integration of hard-to-reach and marginalised groups.	£75,000 over three years
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Tate Gallery Liverpool, North West Contributing to the cost of a consultant to develop a creative modern apprenticeship with a consortium of Liverpool arts organisations.	£10,000 over one year
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XLP, London Supporting a manager's salary and running costs of a converted bus which visits estates in South London, to help increase the educational achievement of local young people.	£158,710 over three years
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Young Enterprise London, London Funding Young Enterprise to adapt its existing programmes and pilot them with young offenders, helping them learn to succeed through enterprise.	£23,875 over one year
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Youth Education Support Services, London Developing a pilot accredited vocational training programme for young people who are excluded from school.	£30,000 over one year
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13 grants of up to £10,000	£59,794 up to one year
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Returned grants and exchange differences	(£73,065)
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**Education open grants total** **£1,163,169**

**Net total of Education and Learning grants** **£1,453,274**

Our new Social Justice programme seeks to tackle the difficult issue of integration, by helping people on the fringes of society who are out of the reach of existing agencies, building bridges between communities and ensuring marginalised people's voices are heard.

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# Social Justice programme

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# Social Justice programme

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Launched in November 2006, the Social Justice programme aims to help the integration of marginalised individuals and communities within the UK. We see integration as an evolving, two-way process in which society at large and specific communities adapt, understand and benefit from each other. We are interested in understanding better how innovation effects social change.

## A new approach to integration

Young people, young adults and communities in transition are the focus of this programme. For people who are vulnerable and whose lives are already unsettled, coping with change can be immensely difficult. We wish to find ways of helping these people successfully navigate critical times of transition, when, for instance, they are about to be released from prison, are seeking asylum, have become homeless or are in care. We particularly want to help people, who, for whatever reasons, may be living in the shadows, out of the radar of all but a few agencies.

The programme will explore ways of improving opportunities for these people and communities to integrate. We know that integration is a contested concept; the reaction in 2004 to Trevor Phillips's much publicised dismissal of 'multi-culturalism' in favour of integration was strong proof of that. This doesn't trouble us. We believe the time is right to find better ways of describing and practising integration, that take account of changing perceptions of home, identity and belonging. For us, integration is a dynamic process that involves everyone, improving communication and understanding between different groups and participation by those who are marginalised.

We are very much encouraged in this view of integration by the open grant applications received since our Social Justice programme was launched in late 2006. These suggest that organisations on the front-line working with marginalised people and communities share our ambitions.

Some of the groups that have recently applied to us for funding have recognised that statutory provision is either insufficient or is not addressing the needs of these people for engagement with others at these times of change. For instance, an organisation may currently offer housing advice to young homeless people but wish to offer such broader help as a programme of activities or basic skills that would develop the young people's confidence and give them a sense of belonging or a place in the community.

The current emphasis of our open grants scheme toward arts and education and learning as tools for integration is unusual among interventions in this field and is very much in line with our past work. However, it is also experimental, as we wish to test the Foundation's long-held assumption that arts and learning are instrumental in social change.

Evaluation will be very important and we will measure success against four key outcomes: We will seek to fund work that allows young people's voices to be heard and to have a role in decision-making; that gives young people chances to participate more fully in society, by, for instance, providing routes into long-term opportunities in education or employment; that facilitates the mutual engagement of different sections of society and with marginalised groups, and builds bridges between different communities; and which fosters understanding of and respect for difference.

# Social Justice programme

## Special initiatives

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### Reading and Libraries Challenge Fund

#### Opening access to books and reading Three-year fund closed to new applications in 2006

This fund was intended to effect long-term change to the way libraries work with marginalised young people and communities. Libraries offer resources and informal learning opportunities free of charge, yet often remain under-utilised by many who could benefit most.

The fund's three streams were **Right to Read**, for looked-after children and young people; **Free with Words**, for prisoners and young offenders; and **Libraries Connect**, for communities like refugees and asylum seekers who were being neglected. In line with our ambition to make lasting change, all three streams emphasised the importance of libraries working in partnership with other local authority departments, particularly education and social/children's services, and with the voluntary sector.

The ongoing independent evaluation of the fund has revealed significant changes within the culture of participating libraries as well as changes in staff attitudes and a new enthusiasm for working in partnership. The fund seems also to have created an appetite for reading and library use in the target groups, particularly looked-after children. But it has not been all plain sailing and the evaluation makes clear that many of the projects, particularly those working with people in prison, have struggled to overcome institutional barriers.

Right to Read has been the most successful. In 70% of the projects, libraries had changed borrowing procedures to make it less intimidating for carers and children to use the facilities. More than half created a new category for looked-after children which would allow them to track their use of library services. There have been major gains too in terms of the young people's attitudes towards books, reading and libraries. Many of the projects also have helped carers to take a more active role in the reading of the young people they look after. The signs are that many of the outcomes will be sustained by libraries and their partners.

The Department for Education and Skills was sufficiently impressed with **Right to Read** that its October 2006 Green Paper, 'Care Matters', recommended that all local authorities consider replicating its approach. We are now building on this success to try to ensure that every library authority knows what has been achieved and can benefit from the best practice that has emerged.

### Refugee and Asylum-Seeker Fund

#### Averting alienation among the most marginalised £838,430 committed in 2006-07, including support for 11 Refugee Community Organisations

This fund supports imaginative and practical projects which encourage the integration of 11-18 year-old refugees and asylum-seekers in host communities, with a special focus on the unaccompanied. It also aims to help build the capacity of refugee community organisations so they can better serve young people's needs.

In the places where our projects are based, many young refugees and asylum-seekers have little to do and feel both alien to British culture and isolated in their own community. There is often tension between new arrivals and the indigenous community.

Independent researchers continued this year to review our funded projects and visit selected organisations. While it is too early to pinpoint the precise impact of our funding, improvements have been reported in young people's confidence, self-esteem and skills, and there are strong examples of refugee young people working and playing alongside their host community peers.

The projects' success is influenced by many factors including the fact that few refugee community organisations are magnets for young people, making partnerships with other, more experienced youth providers even more crucial. It seems too that fewer young people overall are being helped than was originally intended, reflecting a volatile policy climate and the sheer difficulty of reaching marginalised groups of young refugees and asylum-seekers.

Our work extends beyond grant-giving. We have played a leading role in guiding organisations that work with young refugees and asylum-seekers to assess the value of their work. In 2007, together with the National Institute for Adult Continuing Education, NIACE, we produced an evaluation resource pack for organisations on evaluating projects in a participatory way.

# Social Justice programme

## Open grants scheme

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The Koestler Trust  
Arts mentoring to help break cycle of crime  
Stone-carving project HMP Reading



Media 19  
Self-expression through multi-media  
Self Portrait Refugee workshops at Sunderland  
Museum and Winter Gardens

### Grants awarded in 2006-07

Access to Industry  
Support package for young offenders  
£122,006 awarded in June 2006 for three years

The Scottish Prison Service says half of all prisoners released from Scotland's jails in 2001 were back inside within two years, with young offenders most likely to return. We are supporting Access to Industry, a consortium of education bodies with community and employer representation, with its **Community Passport** project. A project officer will work with prisoners for three months before and after release from Polmont, Scotland's national centre for young offenders. It aims to reach 120 young people over three years, offering a structured programme of personal development, placements and/or training to build financial literacy, which will identify their learning needs and vocational interests.

The Koestler Trust  
Arts mentoring to help break cycle of crime  
£180,000 awarded in March 2007 for three years

The Koestler Trust wishes to increase the impact of its annual arts awards scheme. It is re-focusing attention on what happens to offenders after prison, as anecdotal evidence shows those who have participated in the arts inside wish to continue outside but fail to do so. The Trust is developing a **pilot mentoring project** for artistically talented prisoners and high security psychiatric patients who are being released into the community. A mentor from the arts working alongside resettlement agencies will support 50 ex-prisoners, starting when they are still in custody, to develop their creative interests as a way of potentially reducing the likelihood they will re-offend.

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### Music in Detention A bridge for immigrants

£351,373 awarded in March 2007 for three years

This pioneering project has the potential to provide a new model for voluntary sector engagement with Immigration Removal Centres and to tell a different story about detainees in their own words. Music in Detention is moving beyond its existing work promoting detainees' well-being toward improving their relationships with staff. It uses music to give them **a voice and a bridge to surrounding communities**. Two immigration removal centres, Haslar and Dover, will benefit over three years and a third centre, for women and children, after the first 18 months. Plans include an annual programme of one-day music, dance and performance workshops, exchanges in the community and musical opportunities for ex-detainees.

### Prison Radio Association Prison voices heard via radio

£90,000 awarded in December 2006 for three years

The PRA hopes to contribute to a reduction in re-offending by providing employment and training opportunities for prisoners. It believes prison radio is one of the best ways of engaging prisoners with education and wants to see a **dedicated radio service in every prison** in England and Wales. The PRA is piloting a national model in the West Midlands in partnership with others including the BBC, the Learning and Skills Council and the National Offender Management Service. Our grant goes towards the PRA's core costs. Its aims include setting up an internship programme for prison radio graduates, supporting offenders into work and developing post-release volunteering and mentoring opportunities.

“My self-portrait is like when I came new to England, very worried and upset because everything was different. It was too difficult to handle everything.”

Nadia Hanif aged 14, participant in Media 19's Self Portrait UK

## Ongoing grants

### Media 19 Self-expression through multi-media

£45,000 awarded in October 2005 for two years

Media 19 is one of two organisations we support who use multi-media as a way for young refugees and asylum-seekers to express themselves and enlighten others about their plight. The independent production company is running a **Self Portrait Refugee** campaign to encourage young people and families from these groups in the North East to explore their identity. The project is based on the success of Self Portrait UK, an earlier award-winning campaign by Media 19. It will work in partnership with refugee community organisations and multi-media organisations, giving young people opportunities to run the artistic workshops in which self-portraits will be produced.

### The Reading Agency Library services shaped by young people at risk

£99,775 awarded in January 2005 for three years

The Reading Agency leads **Partners for Change**, a coalition which wishes to change for good the way libraries work with young people at risk. We are funding a pilot project to encourage these marginalised young people to get involved in shaping local library services to work for them. Some 100 looked-after young people will be involved in stock selection and in designing and developing plans for a new central library in Swindon; another 50 at risk of exclusion will be involved in improvements to two music libraries in Gloucestershire, and in Dorset, 25 traveller children will help staff adapt the library service to their needs.



Roma Support Group  
Combating young Roma refugees' exclusion through art  
Romani Rad traditional dance group

“Since 2003, 2,511 local people, aged between 3 and 87, have come into the various ELFM studios and broadcast their views, thoughts, poetry and music over the airwaves.”

East Leeds FM,  
East Leeds Community Radio

### Roma Support Group

Combating young Roma refugees' exclusion through art  
£49,821 awarded in October 2005 for three years

The need to tackle exclusion among Roma has grown since 2004 when Roma asylum-seekers were first granted indefinite leave to remain in the UK. Roma groups face high levels of hostility in east London and the **Roma Refugee Art Project** in Newham aims to help them integrate with local young people. Our grant will allow it to run practical music, sound recording and dance activities for Roma and non-Roma young people in partnership with arts and other voluntary organisations. The refugee community organisation helps Roma overcome prejudice and isolation and promotes understanding of their culture through events, workshops and publicity.

### Completed grant

#### Heads Together Productions

Community radio in east Leeds

£40,000 awarded in March 2005 for two years

Heads Together uses a common passion for football to bring together young refugees and asylum-seekers with other young people in east Leeds, an area where mainstream provision for the more than 2,000 asylum-seekers is poor. **Hidden Voices** built on a local football tournament with a creative programme that included community-run radio. Many of the views and prejudices that the young people may have held were explored and challenged by their working together on the radio project. Their broadcasts raised awareness of the predicament of new arrivals and considered the contribution they make to the community. Hundreds of individuals took part in radio discussions, debates and music programmes.

# Social Justice programme

## Grants awarded in 2006-07

### Social Justice special initiatives

#### Refugee and Asylum Seeker Fund

Al-Hasaniya Moroccan Women's Project, London To expand current drop-in sessions, training and employment and one-to-one sessions work with young people, including support for a full-time project worker.	£50,000 over three years
Amana Education Trust, South West Project to develop skills of Somali Youth Forum's current members to influence youth service providers and increase provision for young Somali girls and boys.	£49,786 over three years
Arlaadi Somali Community in Manchester, North West Project to increase Somali families' engagement with school system in Manchester, to facilitate young people's integration.	£49,776 over two years
Burkina Community Association 'BUCA', London Project to improve young refugees' access to community services, social services, education, health, youth and leisure services.	£44,826 over two years
Charnwood Independent Youth Action, East Midlands Liberation Learning project which aims to show newly arrived young refugees and asylum-seekers how to live in the UK by deploying project plans, mentors and a personal support worker.	£49,300 over two years
East London Somali Youth and Welfare Centre, London Somali Refugee Integration Project provides activities to encourage young Somalis to develop their experience and social skills and become financially independent by working towards employment and educational opportunities.	£48,626 over three years
Leicester North West Community Forum, East Midlands Social integration for refugee and asylum-seeker families in Leicester North West.	£59,896 over two years
Mama East African Women's Group, Yorkshire and The Humber Project to give young refugees and asylum-seekers a voice, opportunities to talk about their experiences, using oral and written storytelling.	£50,000 over two years
Patiko Baker's Fort Project, London Leadership, mentoring and volunteering project to give young people a platform to develop skills, motivation and access volunteer positions in the community.	£29,500 over two years
Reading Refugee Support Group, South East Project to build self-esteem and confidence of 11-18 year-olds by developing talents and practical skills.	£43,500 over three years
Scottish Refugee Council, Scotland Pilot project to improve reception, living circumstances and integration of unaccompanied asylum-seeking children in Scotland.	£50,000 over three years
Scottish Sports Futures, Scotland Project to give groups of young people, age 16+, opportunities to undertake a four-week training course as basketball coaches, gaining formal qualification as Level 1 sports coach.	£45,000 over three years
Soft Touch Community Arts Co-op, East Midlands To strengthen capacity of refugee and asylum-seeker community organisations to engage young people and deliver services through arts activities and to develop young people's creative skills.	£49,875 over two years
Somali Integration Society, Wales The SARAH project aims to facilitate better integration for young refugees and asylum-seekers arriving in Wales from Somalia, as well as for more established young Somalis.	£50,000 over one year

Street Level Photoworks, Scotland Artist residency programme at the Red Hill housing estate in Glasgow, developing collaborative arts projects for young refugees and asylum-seekers to explore issues and ideas around identity.	£49,500 over three years
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Tees Valley Arts, North East The Parachute Project will work with local refugee community organisations and other refugee organisations to deliver creative activities for refugee and asylum-seeker young people.	£45,360 over three years
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The African Child, London To improve the quality of life of young refugees and asylum-seekers through sexual health promotion.	£49,200 over two years
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Windows for Sudan, West Midlands To bring together young refugees, their friends and other youth from new migrant communities to encourage them to take responsibility for achieving their own learning goals.	£50,000 over two years
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Returned grants	(£25,715)
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<b>Refugee and asylum seeker fund total</b>	<b>£838,430</b>
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#### Reading and Libraries Challenge Fund

Returned grants	(£14,248)
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#### Social Justice open grants scheme

Access to Industry, Scotland Widening access to education and employment for excluded young people.	£122,006 over three years
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City University, UK national Scoping study for qualitative research into undocumented migrants.	£19,762 over one year
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Music in Detention, multi-regional Support for development and evaluation of activities in three detention centres.	£351,373 over three years
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National Institute for Careers Education and Counselling, East Midlands Supporting integration of young refugees and asylum-seekers in Leicester through career planning.	£49,720 over two years
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New Philanthropy Capital, UK national Research into children and young people with mental health needs.	£25,000 over one year
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Prison Radio Association, South East Towards core costs over the next three years, to enable work to expand and development of new income streams.	£90,000 over three years
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The Koestler Trust, UK national Arts Mentoring for Released Prisoners Project to encourage arts activity and development outside prison.	£180,000 over three years
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Writers in Prison Network, South West Three-year pilot, using literature as a way of enabling recently released prolific offenders and substance mis-users to understand what motivates them and make changes to their lives.	£39,535 over three years
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2 grants of up to £10,000	£12,700 up to one year
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	<b>£890,096</b>
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<b>Net total of Social Justice grants</b>	<b>£1,714,278</b>
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The Foundation has won praise in India for its unconventional thinking, its lack of red tape and for not imposing a rigid mandate on the projects it supports to improve access to basic services. Now we are reviewing what we can do to accelerate social change.

# India programme



# India programme

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**The Foundation supports health, education, disability, shelter as well as social development activities in India through grants to local Non Governmental Organisations. We are particularly keen to help disadvantaged people and communities gain access to basic services.**

## India activities under review

In India we act as a facilitator of social innovation and change, and currently aim to spend about 40 million rupees a year, or £0.5 million, through open grants to charitable organisations whose work meets our aims. Our plan is to extend the India programme from 2008.

More than 50 projects have been funded since 1999, with some 20 to 25 under active funding at any one time. The projects cover both urban and rural areas, with an emphasis currently on the North and West of the country and the greatest number of projects centre on disability, governance and health. The Foundation now considers support for up to seven years.

Our grant-holders, as we heard at a special conference we held in Kolkata in March 2007, tell us that the Foundation's support is highly valued precisely because it is one of the few funding agencies that does not have a rigid development mandate of its own in which it obliges partners to work. This creates a unique space for organisations, which they would be reluctant to see diminished.

Our hallmark in this approach, as the organisations see it, is in not imposing our own understanding but working in partnership. We are highly valued for flexibility, lack of red tape and willingness to think unconventionally.

A process of review and development for our India programme has started in earnest. As with our assessment of our UK work in 2005-06, we are mapping needs and analysing our achievements, while consulting with project partners and identifying opportunities. We have been asking ourselves what kind of a role we wish to play in India, what kinds of activity we should support and how we wish to help bring about social change.

Our India consultant Ajit Chaudhuri has directed much of our reflection, pointing out areas where we may wish to take a fresh approach. He notes that we have already shifted away from filling gaps in government welfare provision toward seeking to bring about change by getting government systems to work.

Chaudhuri notes too that sustainability is an issue, because while we have a multi-year approach to funding, we also have no desire to be in very long-term relationships, yet some of the organisations we back need to keep going in the long run. Equally, some of the work we currently support, especially in the area of health and education, has no natural end point and we have to ask how it is going to continue after our involvement ends.

Our desire to work with effective organisations concentrates our work in places where they exist, in the west, urban and metropolitan areas, leaving untouched large severely disadvantaged parts of the country in the east and smaller towns where development organisations are less mature. So helping to develop the capacity of organisations in these areas is one of our challenges.

In partnership with the Nuffield Foundation and the Baring Foundation, we commissioned a review of international development funding by UK trusts and foundations from New Philanthropy Capital. This has helped us develop our own thinking, but is also intended to encourage other foundations to give more to work in developing countries. Opposite we have extracted a summary from this report, 'Going Global', which was published in June 2007.

# India programme

## Going Global

“For many UK foundations, funding work in developing countries presents a dilemma. On the one hand, the potential benefits are great: the need is unquestioned and grants that are modest by UK standards can make a significant impact. On the other hand, funding internationally can involve moving into unfamiliar territory and may appear difficult at the operational level. Smaller-scale foundations, or those for whom development is not the substantial focus of their funds, cannot justify the necessary investment in infrastructure and have developed different funding models.

The study concluded that foundations play a significant role in funding civil society organisations, in contrast to government funding, which offers limited funding in this area even though it funds international development on a very much larger scale than foundations.

- from the point of view of grant seekers, foundations had specific advantages: they were seen as flexible; responsive to rapidly changing needs; willing to support unpopular or marginal issues; and open to trying out new approaches or projects.
- international giving in the UK amounts to more than one billion pounds and is by far the most popular cause for donations, taking 13% of total public giving. In contrast, only 5% of total foundations’ funding goes internationally. Relatively few foundations have programmes for international development and those that do so on a larger scale have been set up relatively recently.
- although funders’ reasons for international development work vary, most do so in response to their founders’ wishes. All are conscious that money goes a lot further in developing countries than in the UK, so relatively small sums have the potential to make a real difference to people’s lives.
- the foundations in the study are aware of the potential risks of funding internationally but have found ways of handling these risks – for example, by working through UK intermediaries.”

## India awards

### Seva Mandir

#### Full-day pre-school centres in Rajasthan

10.67 million rupees (£131,832) for three years

India’s rapid economic growth over the last decade has barely made an impact on the poor nutrition suffered by the country’s children, where 47% remain malnourished. Our grants have enabled Seva Mandir, one of Rajasthan’s older NGOs, to open pre-primary care centres to look after children for a full day. Between 2003 and 2006 financial support from us and others including the European Union has helped Seva Mandir convert all 178 of its pre-primary centres to full-day service, to care for 3,800 children. An evaluation in 2005-06 showed that these children had better nutrition, were more likely to enrol and stay in formal school later and their elder siblings, especially girls, were also more likely to attend school. Our continued support is intended to help Seva Mandir develop this work further, including persuading local communities to provide financial support to move towards sustainability.

### Chintan Environmental Research and Action Group

#### Improving police relations with waste-pickers in New Delhi

2.03 million rupees (£25,144) for three years

An estimated 80,000 to 100,000 people in New Delhi eke out a meagre living scavenging the capital’s growing waste heaps for material that can be recycled, risking their health and discrimination. The Foundation has supported Chintan with two grants to run workshops for rag pickers. The first workshops brought them together with police, and the second educated them on their legal situation. The work has resulted in Delhi police establishing a formal policy on waste picking, and appointing district officers to deal with them. Forty-five paralegals have now been created among the waste-pickers to handle day-to-day harassment. In the remaining two years of our grant, Chintan expects to concentrate on the particular challenges faced by the most disadvantaged waste-pickers, women and Bangladeshi immigrants, and to expand its work into the neighbouring state of Uttar Pradesh.

**Action for Social Advancement (ASA)**  
**Microfinance in western India**  
**10.6 million rupees (£1 32,360) for three years**

We initially helped ASA found a savings and loans model for deeply indebted tribal families in the Jhabua district of Madhya Pradesh, a drought-prone area where half the population is below the poverty line. In the first three years, 750 self-help groups had been formed, mainly of women. The system had accumulated 4.5 million rupees of savings and made available more than 10 million rupees of credit, with a 97.5% repayment rate. But the micro-finance model ASA set up failed to reach the poorest fifth of tribal families and issues with the formal banking system caused delays. With our support for a further three years ASA expects to set up 2,400 self-help groups grouped into five federations to reach 30,000 tribal families and to create a micro-finance institution as an intermediary between the federations and the banking system.



Action for Social Advancement  
 Microfinance in Western India  
 Women's Self-Help Group Leaders' Convention  
 Jhabua District, Madhya Pradesh

**India open grants scheme**

Chintan Environmental Research and Action Group, India Programme of activity to change relationships between waste-pickers and police in New Delhi, leading to employment, recycling of unwanted goods and better community relations.	£25,144 over two years
Delhi Council for Child Welfare, India Running costs for a children's orthopaedic hospital in New Delhi.	£57,500 over two years
Kutch Mahila Vikas Sangathan, India Setting up a Panchayat knowledge centre in the Kutch district of Gujarat to support recently elected female leaders.	£98,547 over three years
Nav Bharat Jagriti Kendra, India Community-based rehabilitation programme for people with disabilities in Hazaribagh, Jharkhand.	£29,713 over three years
Seva Mandir, India Running costs of all-day Pre-School Centres as part of a large education programme in Udaipur district, Rajasthan.	£131,832 over three years
India programme Management costs 2006-07.	£29,275 for one year
Two grants of up to £10,000	£9,502 up to one year
Returned grants and exchange differences	(£17,944)
<b>Net total of India grants</b>	<b>£363,569</b>

“The Self-Help Group Leaders’ Convention provides a very good learning forum not only for the women but also for all stakeholders, including project staff, government officials and local politicians.”

**Ashis Mondal,**  
 Director, Action for Social Advancement

# Other awards and grant-making summary

The Foundation sometimes makes other awards that do not fit within the programme aims, although they normally relate to our areas of interest. These awards are not made in response to applications. This year we made two other awards.

## Helen Hamlyn Trust £1,794,943

The Helen Hamlyn Trust is chaired by Lady Hamlyn and supports a range of projects in memory of Paul Hamlyn. Projects supported this year benefited people in the UK, including young people, in part through arts and education, and people in India.

## The Royal Opera House Endowment Trust Paul Hamlyn Education Fund £10,000,000

The Board decided at its first retreat with advisers and staff that, although the ongoing work of the Foundation would be the main way in which Paul Hamlyn was commemorated, it wanted to support a flagship project as a specific tribute to our founder. Discussions with the Royal Opera House jointly led to the creation of the Paul Hamlyn Education Fund and the naming of the Paul Hamlyn Hall.

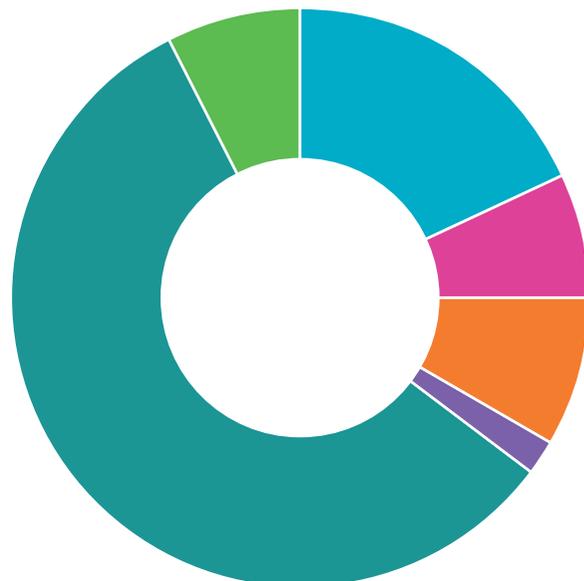
The Paul Hamlyn Education Fund will remain a capital sum in perpetuity, generating an annual income supporting the education work of the Royal Opera House, and enabling it to plan ahead.

New activities will be made possible through the Paul Hamlyn Education Fund. In the first year these include the continuation of the Paul Hamlyn Club to encourage return visits by first time audiences for opera and ballet; Voices of the Future, an initiative focusing on singing in schools which will lead to young people performing on the main stage of the Royal Opera House; and other activities, such as seasonal festivals and free family sessions, in the Paul Hamlyn Hall, as part of a long-term strategy to build daytime audiences.

The Foundation is represented on an advisory group which also includes a trustee and senior management of the Royal Opera House and a trustee of the Royal Opera House Endowment Trust. The group will meet annually to make a joint recommendation to the Royal Opera House Endowment Trust on the use of the estimated income for the next year, and to review the Royal Opera House's use of the funds.

## Grant-making summary 2006-07

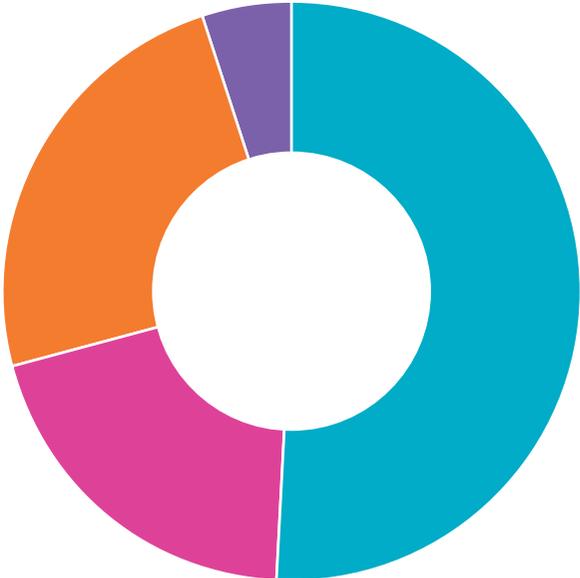
Arts	£3,739,459
Education and Learning	£1,453,274
Social Justice	£1,714,278
India	£363,569
Other	£11,794,943
Grant support costs	£1,486,709
<b>Total grant-making</b>	<b>£20,552,232</b>



# Analysis of programme awards (excluding other awards)

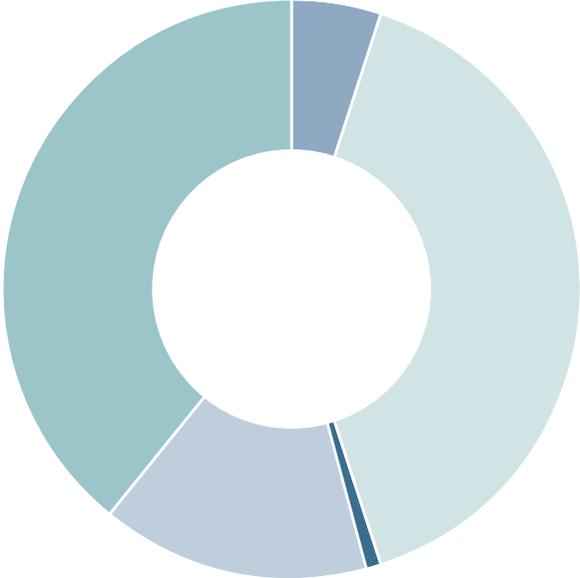
## Programme

Programme	Amount	%
Arts	£3,739,459	51
Education and Learning	£1,453,274	20
Social Justice	£1,714,278	24
India	£363,569	5
<b>Total</b>	<b>£7,270,580</b>	<b>100</b>



## Age

Age	Amount	%
Children (0-12)	£373,089	5
Young people (13-24)	£2,927,554	40
Adults (25-64)	£62,750	1
Multi-age groups	£1,091,832	15
All	£2,815,355	39
<b>Total</b>	<b>£7,270,580</b>	<b>100</b>



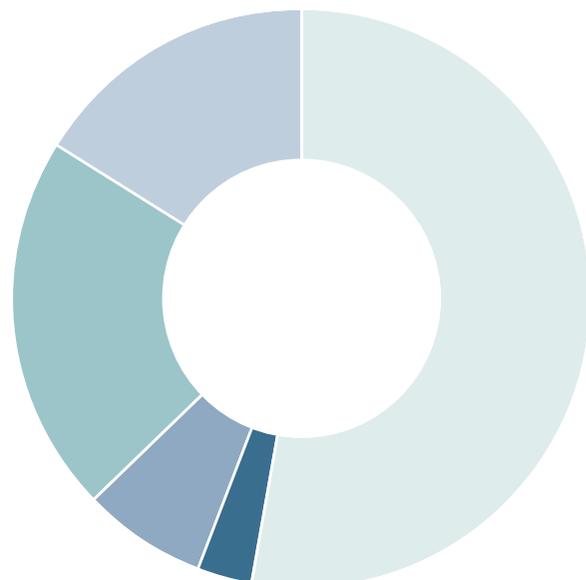
**Geographical area served** %

East Midlands	£391,184	
East of England	£151,190	
London	£2,628,527	
North East	£154,160	
North West	£466,108	
South East	£255,635	
South West	£363,937	
West Midlands	£83,950	
Yorkshire and The Humber	£147,856	
<b>England</b>	<b>£4,642,547</b>	<b>64</b>
Northern Ireland	£340,718	5
Scotland	£620,019	9
Wales	£149,654	2
Multi-regional	£539,268	7
UK national	£614,805	8
India	£363,569	5
	<b>£7,270,580</b>	<b>100</b>



**Focus** %

Participation	£3,811,730	53
Professional development	£215,223	3
Service improvement	£514,305	7
Social inclusion	£1,542,419	21
Other	£1,186,903	16
	<b>£7,270,580</b>	<b>100</b>



## Endowment fund and investment portfolio

**Endowment fund rose to £530.8 million**  
**Increased diversification in asset allocation**  
**Cash allocation reduced to fund higher-return asset classes**  
**More structured investment process introduced**

The Endowment fund represents the original and subsequent gifts by Paul Hamlyn, both in his lifetime and under the terms of his will, together with net gains arising from the related investment assets. The trustees have discretion to make disbursements from the Endowment fund in circumstances which they consider appropriate; it is not currently their intention to do so. Income from the related investments is used to finance grant-making and other work.

The Endowment fund benefited from the addition of a further £30.2 million from the winding up of Paul Hamlyn's estate, as well as £20.6 million of investment capital gains. The total size of the fund stood at £530.8 million by the year-end, compared with £480.0 million at the start.

A total of £304 million has now been received from Paul Hamlyn's estate; some further amounts will be received in due course as the winding up is completed, these are likely to be relatively small.

The Foundation has wide investment powers which are specified in its Memorandum of Association. All trustees are involved in setting investment policy, but authority to decide strategy is delegated to the Finance and Investment Committee. This committee, with input from senior staff and consultants, sets asset allocation and then delegates management to specialist professional asset managers, each of which is given a specific discretionary mandate.

The Foundation has introduced a more structured investment process following an internal review of its investment arrangements. The review included consideration of areas where the Foundation might benefit from increased input from third parties, the use of consultants, and the possibility of outsourcing. It was decided to re-appoint Cambridge Associates, based on its long record of relevant experience, the strength and depth of its research and analysis teams, and the quality of its advice to date.

The Foundation's investment policy sets out to:

- maintain in the long run the real purchasing power of the Endowment fund.
- maximise the total value of spending on grant-making and other work.
- manage volatility as far as possible, while accepting that a degree of volatility is concomitant with seeking high returns.

These objectives will require changes to asset allocation and, because some new holdings are likely to have lower income yields, the adoption of total return accounting for investments.

During the year significant investment management developments included the appointment of two new emerging markets equity managers and a broadening of the mandate given to an existing equity manager for developed markets. The first significant purchases of direct and indirect property investments were made.

The main asset allocation changes to the Endowment fund during the year were:

- increasing publicly quoted equities to 69% from 65%; within these totals the UK:overseas ratio was moved to 58:42 from 70:30 to increase diversification.
- increasing property to 7% from 1%. This was primarily a diversification move, but should also improve returns since it was funded by cash.
- reducing cash and fixed income securities to 24% from 34%; the level will very probably be reduced further as higher returns are sought elsewhere.

The Foundation's portfolio achieved an overall return for the year of 7.7%; the trustees consider this to be acceptable having regard to the benefits of reduced risk and volatility given by the allocations to cash and fixed income securities.

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## Unrestricted fund

**Record total of grant-making in the Foundation's history, £20.5 million in year**

**Investment income rose to £17.9 million**

The Unrestricted fund finances the Foundation's tangible fixed assets and working capital, and provides a short-term buffer for grant-making and other costs. The Unrestricted fund is currently higher than the trustees consider appropriate in the longer term; it will be reduced as open programme grant-making, including the new Social Justice strand, is expanded, and new special initiatives are started. It is intended that the fund balance should be reduced to six months' of income over the course of the next few years. This is still prudent because all grant commitments are fully provided for when an award is made, and the diversified investment portfolio can be depended upon to provide a reliable income stream.

Investment income increased to £17.9 million in 2007 from £16.9 million in 2006. Investment management charges grew to £1.8 million from £1.2 million (which was net of a £0.2 million refund); the change was mainly due to increased investment in equities and property, rather than in cash where no charges occur, and also because of increased spending on investment oversight.

Total grant-making including special initiatives and support costs rose to £20.5 million from £12.8 million; this is by far the largest annual total in the Foundation's history. Next year's total is expected to be lower.

Support costs (included within grant-making) and Governance increased to £1.5 million in 2007 from £1.2 million in 2006. In addition to cost inflation, changes resulted from the planned increases in capacity and expertise which are needed to use more fully the Foundation's spending capacity and effectively address its objects.

Unrestricted funds not financing fixed and working capital are held in the form of cash or near-cash securities.

## Designated fund

The Designated fund is used to ' earmark ' Unrestricted funds for major special initiatives; it does not therefore have a benchmark level.

A net transfer of £1.1 million to the Designated fund was made consisting of:

- earmarking £2.1 million for a five year extension/expansion of the Awards for Artists initiative.
- reversing the unused part of two special initiatives: £0.5 million from What's the Big Idea? and £0.5 million from the Reading and Libraries Challenge Fund.

Special initiative grant awards in the year totalled £1.7 million; this is lower than the £2.9 million in 2006 and reflects the fact that several special initiatives are ending and new ones are still being developed. The overall annual change in the Designated fund was a reduction to £3.2 million from £3.8 million.

Designated funds are held in the form of cash or near-cash securities.

## Financial risks

The Foundation's only material financial risks, including foreign exchange exposures, relate to its investment portfolio; these are unavoidable when strong returns are sought. The overall portfolio risk is managed by diversification across asset classes and markets, and the selection of competent asset managers each of whom is responsible for controlling the various risks of the holdings it controls. The Foundation is a long term investor and is not particularly affected by short term volatility.

**Bob Boas**  
**Finance and investment committee chairman**

**Jonathan Sheldon**  
**Finance director**

# Reference and administrative details and audit report

The annual report (which comprises pages 1-39 and the list of trustees, staff and advisers) and financial statements are prepared on a combined basis for:

- the Paul Hamlyn (1987) Foundation (the Trust) established on 15 April 1987 by Trust Deed which has been amended in subsequent years. Registered charity number 327474.
- the Paul Hamlyn Foundation (the Company), formed on 3 February 2004 as a charitable company limited by guarantee and not having a share capital. Company number 5042279 (registered in England and Wales) and registered charity number 1102927.

On 6 May 2004, the trustees of the Trust transferred the activities and all (except £5.2 million) of the assets of the Trust to the Company. On 31 March 2007 the Trust continued to retain assets to the value of £4.8 million.

The principal office of both the Trust and the Company is 18 Queen Anne's Gate, London, SW1H 9AA, which is also the registered office of the Company.

## Structure, governance and management

The Board of Trustees, comprising not less than three and not more than nine members, meets at least four times a year to agree the broad strategy and areas of activity of the Foundation, including consideration of grant-making, investment, reserves and risk management policies and performance. The Board considers applications above £75,000.

The principal Committees, which all report to the Board of Trustees, are:

- Programme Committees (Arts, Education and Learning and Social Justice), each comprising three trustees and up to four external advisory members, meet at least quarterly to consider applications up to £75,000. Decisions on applications to these programmes up to £10,000 are taken by staff committees and are reported through the Programme Committee to the Board of Trustees. Decisions on applications to the India Programme are taken by the Chair and up to two additional rotating trustees.
- Finance and Investment Committee, comprising five trustees and an external advisory member, meets quarterly to consider investment strategy, manager appointment and performance, and twice a year to consider financial matters.
- Remuneration Committee, comprising the Chair and the Chairman of the Finance and Investment Committee, meets at least once a year.

The day to day management of the Foundation is delegated by the Board of Trustees to the Director and Finance Director.

The Board keeps the skill requirement for trustees under review. The trustees create a long list of appropriate people to meet identified gaps. A sub-committee interviews a short list of candidates. Trustees are initially appointed only until the next following AGM by the Appointor provided for in the Articles of Association. The renewal of appointments (for a period of up to three years) is made by all trustees acting as members of the company. The current Appointor is Jane Hamlyn, who was designated so under Paul Hamlyn's will. The induction process for any newly appointed trustee comprises a meeting with the Chair, and

meeting(s) with the Director and Finance Director, together with receipt of a pack containing copies of the Memorandum and Articles of Association, the annual report and accounts, board and committee minutes and Charity Commission guidance notes.

Trustees have identified and considered the major strategic, operational and financial risks to which the Foundation is exposed. They are satisfied with the procedures which have been established to review these risks regularly, and with the actions taken to mitigate exposure to them.

## Audit report

We have audited the financial statements of the Paul Hamlyn Foundation for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the Paul Hamlyn Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended.
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
2 July 2007

### Statement of trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to:

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

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985, the Statement of Recommended Practice 'Accounting and Reporting by Charities 2005' and the governing document. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of Disclosure of Information to Auditors

So far as each trustee is aware, there is no relevant audit information of which the Company's auditors are unaware, and he has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

# Statement of Financial Activities for the year ended 31 March 2007

	Notes	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Endowment fund £m	2007 Total £m	2006 Total £m
<b>Incoming resources from generated funds</b>						
Donations and legacies		-	-	30.192	30.192	3.303
Investment income	2	17.949	-	-	17.949	16.906
<b>Total incoming resources</b>		<b>17.949</b>	<b>-</b>	<b>30.192</b>	<b>48.141</b>	<b>20.209</b>
<b>Resources expended</b>						
Investment management	3	1.821	-	-	1.821	1.200
Grant-making	4	18.895	1.658	-	20.553	12.823
Governance	6	0.027	-	-	0.027	0.016
<b>Total resources expended</b>		<b>20.743</b>	<b>1.658</b>	<b>-</b>	<b>22.401</b>	<b>14.039</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(2.794)</b>	<b>(1.658)</b>	<b>30.192</b>	<b>25.740</b>	<b>6.170</b>
<b>Transfers between funds</b>		<b>(1.110)</b>	<b>1.110</b>		<b>-</b>	<b>-</b>
<b>Net incoming/(outgoing) resources and net income/expenditure for the year</b>		<b>(3.904)</b>	<b>(0.548)</b>	<b>30.192</b>	<b>25.740</b>	<b>6.170</b>
<b>Other recognised gains and losses</b>						
Realised and unrealised gains on fixed asset investments	8	-	-	20.587	20.587	69.767
<b>Net movement in funds</b>		<b>(3.904)</b>	<b>(0.548)</b>	<b>50.779</b>	<b>46.327</b>	<b>75.937</b>
Funds at 1 April 2006		18.419	3.776	480.018	502.213	426.276
<b>Funds at 31 March 2007</b>		<b>14.515</b>	<b>3.228</b>	<b>530.797</b>	<b>548.540</b>	<b>502.213</b>

The Statement of Financial Activities includes the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses.

# Balance Sheet

## at 31 March 2007

	Notes	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Endowment fund £m	2007 Total £m	2006 Total £m
<b>Fixed assets</b>						
Tangible assets	7	0.298	–	–	0.298	0.344
Investment assets	8	–	–	530.799	530.799	480.018
		<u>0.298</u>	<u>–</u>	<u>530.799</u>	<u>531.097</u>	<u>480.362</u>
<b>Current assets</b>						
Debtors	9	2.004	–	–	2.004	1.753
Other investments	10	29.217	5.300	–	34.517	29.726
Cash at bank and in hand		0.104	–	–	0.104	–
		<u>31.325</u>	<u>5.300</u>	<u>–</u>	<u>36.625</u>	<u>31.479</u>
<b>Creditors</b> falling due within one year	11	<u>(15.624)</u>	<u>(1.473)</u>	<u>(0.002)</u>	<u>(17.099)</u>	<u>(6.718)</u>
<b>Net current assets</b>		<u>15.701</u>	<u>3.827</u>	<u>(0.002)</u>	<u>19.526</u>	<u>24.761</u>
<b>Total assets less current liabilities</b>		<u>15.999</u>	<u>3.827</u>	<u>530.797</u>	<u>550.623</u>	<u>505.123</u>
<b>Creditors</b> falling due after more than one year	12	<u>(1.484)</u>	<u>(0.599)</u>	<u>–</u>	<u>(2.083)</u>	<u>(2.910)</u>
		<u>14.515</u>	<u>3.228</u>	<u>530.797</u>	<u>548.540</u>	<u>502.213</u>
<b>Closing fund balance</b>		<u>14.515</u>	<u>3.228</u>	<u>530.797</u>	<u>548.540</u>	<u>502.213</u>

The financial statements on pages 42 to 48 were approved by the trustees on 26 June 2007 and were signed on their behalf by:

Jane Hamlyn  
Trustee

Bob Boas  
Trustee

# Cash Flow Statement

## for the year ended 31 March 2007

	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Endowment fund £m	2007 Total £m	2006 Total £m
<b>Net incoming/(outgoing) resources for the year</b>	<b>(3.904)</b>	<b>(0.548)</b>	<b>30.192</b>	<b>25.740</b>	<b>6.170</b>
Less investment income earned	(17.949)	–	–	(17.949)	(16.906)
Add back investment management charges incurred	1.821	–	–	1.821	1.200
Less donations and legacies	–	–	(30.192)	(30.192)	(3.303)
Add back depreciation	0.085	–	–	0.085	0.082
Add back loss on sale of fixed assets	–	–	–	–	–
(Increase)/decrease in debtors	(0.046)	–	–	(0.046)	(0.017)
Increase/(decrease) in creditors due within one year	10.565	(0.465)	0.002	10.102	1.717
Increase/(decrease) in creditors falling due after more than one year	(0.615)	(0.212)	–	(0.827)	1.090
<b>Net cash inflow/(outflow) from operating activities as defined by FRS 1</b>	<b>(10.043)</b>	<b>(1.225)</b>	<b>0.002</b>	<b>(11.266)</b>	<b>(9.967)</b>
<b>Returns on investment</b>					
Investment income received	18.067	–	–	18.067	17.491
Investment management charges paid	(1.788)	–	–	(1.788)	(1.218)
<b>Capital expenditure and financial investments</b>					
Purchase of tangible fixed assets	(0.039)	–	–	(0.039)	(0.048)
Purchase of fixed asset and other investments	(6.016)	–	911.441	917.457	(1,271.488)
Sale of fixed asset and other investments	–	1.225	881.247	882.472	1,261.621
<b>Increase/(decrease) in cash for the year before financing</b>	<b>0.181</b>	<b>–</b>	<b>(30.192)</b>	<b>(30.011)</b>	<b>(3.609)</b>
<b>Financing</b>					
Donations and legacies	–	–	30.192	30.192	3.303
<b>Increase/(decrease) in cash for the year</b>	<b>0.181</b>	<b>–</b>	<b>–</b>	<b>0.181</b>	<b>(0.306)</b>
Cash at bank and in hand at 1 April 2006	(0.077)	–	–	(0.077)	0.229
Movement during the year	0.181	–	–	0.181	(0.306)
Cash at bank and in hand at 31 March 2007	<b>0.104</b>	<b>–</b>	<b>–</b>	<b>0.104</b>	<b>(0.077)</b>

# Notes to the financial statements for the year ended 31 March 2007

## 1 Principal accounting policies

The financial statements have been prepared on a going concern basis and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### (a) Basis of accounting

The financial statements are prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005, and the historical cost convention as modified by the revaluation of fixed asset investments.

The Foundation has three funds, their operation is explained on pages 38 to 39.

Details of both entities for which these accounts are prepared are given in the reference and administrative details on page 40.

### (b) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Foundation is legally entitled to the funding and the amount can be quantified with reasonable certainty. Because of uncertainty arising from taxation and other issues, the amounts from Lord Hamlyn's Estate are accounted for as they are received.

### (c) Resources expended

Resources expended are the cost of generating funds, grant-making and governance costs.

Investment management fees are the only cost of generating funds.

Grant-making represents the costs of activities in furtherance of the Foundation's objects and includes the grants awarded by the Foundation, and the support costs associated with them. Support costs are allocated between grant-making activities on the basis of the number of grants awarded and their monetary value.

Governance costs are the costs associated with the strategic direction and corporate management of the Foundation and include the cost of providing the infrastructure which allows the Foundation to operate and to generate information required for public accountability.

Grants are recognised when they have been awarded and the grantee has been informed.

### (d) Tangible fixed assets

All of the tangible fixed assets are held for charitable use.

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Tangible fixed assets with a cost of less than £500 are not capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal useful economic lives used for this purpose are:

	No of years
Furniture and fittings	4 to 15
Computer equipment	4
Leasehold property (life of the lease)	15

### (e) Fixed asset investments

Listed investments are stated at their market value at the year end. Realised and unrealised net gains and losses arising on revaluations and disposals are included in the Statement of Financial Activities in the year in which they arise.

Investment properties held directly have been valued by Cushman and Wakefield a firm of independent firm of international property consultants and valuers. Pooled property investments are stated at net asset value as calculated by the various managers and reviewed by Cushman and Wakefield.

Investments in unlisted investments are stated at cost less any provision for permanent diminution in value. In the opinion of the trustees the carrying value is the best estimate of the market value of the unlisted investments.

### (f) Foreign currencies

Income denominated 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 Statement of Financial Activities in the year in which they occur.

### (g) Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

### (h) 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 Statement of Financial Activities in the period to which they relate.

### (i) Irrecoverable value added tax

Irrecoverable VAT is included as part of the expenditure to which it relates.

## 2 Investment income

	2007 £m	2006 £m
Income from property	1.118	–
Dividends and gross interest on fixed interest securities	14.345	12.400
Interest from term and other bank deposits	2.486	4.506
	<u>17.949</u>	<u>16.906</u>

## 3 Costs of generating funds

	2007 £m	2006 £m
Investment management fees	<u>1.821</u>	<u>1.200</u>

## 4 Grant-making

During the year ended 31 March 2007, the following charitable donations were awarded by the Foundation:

	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Support costs £m	2007 Grant-making £m	2006 Grant-making £m
<b>Grants awarded by value</b>					
Arts	3.196	0.544	0.595	4.335	5.564
Education and Learning	1.163	0.290	0.200	1.653	4.610
Social Justice	0.890	0.824	0.178	1.892	–
India	0.364	–	0.046	0.410	0.625
Other grants	11.795	–	0.468	12.263	2.024
	<b>17.408</b>	<b>1.658</b>	<b>1.487</b>	<b>20.553</b>	<b>12.823</b>
<b>Number of grants awarded</b>					
Arts	100	13		113	198
Education and Learning	33	3		36	96
Social Justice	10	18		28	–
India	8	–		8	15
Other grants	2	–		2	4
	<b>153</b>	<b>34</b>		<b>187</b>	<b>313</b>

A schedule of the grants awarded in each programme area is given elsewhere in this report.

## 5 Support Costs

	2007 £m	2006 £m
Gross salaries	0.598	0.530
Social security costs	0.068	0.060
Other pension costs	0.067	0.059
Other employment costs	0.043	0.022
<b>Payroll and related costs</b>	<b>0.776</b>	<b>0.671</b>
External consultants	0.257	0.099
Property expenses	0.211	0.198
Office expenses	0.147	0.138
Legal and professional fees	0.011	0.021
Depreciation and loss on disposals	0.085	0.082
	<b>1.487</b>	<b>1.209</b>

The average monthly number of persons employed by the Foundation during the year was 15 (2006: 13). The number of employees whose salaries were above £60,000 was:

	2007 Number	2006 Number
£80,001 to £90,000	2	2

During the year ended 31 March 2007, the Foundation made contributions of £28,229 (2006: £24,655) to the personal pension plans of these employees.

The trustees are not employed by the Foundation and do not receive any emoluments in respect of their services. Travel expenses of £6,584 (2006: £1,435) were reimbursed to two (2006: one) trustees during the year.

## 6 Governance costs

	2007 £m	2006 £m
Audit fees	0.017	0.016
Legal and professional fees	0.001	–
Office expenses	0.009	–
	<u>0.027</u>	<u>0.016</u>

There were no non-audit fees charged by the auditors in the year (2006: nil).

## 7 Tangible fixed assets

	Leasehold property £m	Furniture and fittings £m	Computer equipment £m	Total £m
<b>Cost</b>				
At 1 April 2006	0.511	0.134	0.194	0.839
Additions	–	0.005	0.034	0.039
Disposals	–	–	(0.026)	(0.026)
<b>At 31 March 2007</b>	<u>0.511</u>	<u>0.139</u>	<u>0.202</u>	<u>0.852</u>
<b>Depreciation</b>				
At 1 April 2006	0.304	0.063	0.128	0.495
Charge for the year	0.034	0.013	0.038	0.085
Disposals	–	–	(0.026)	(0.026)
<b>At 31 March 2007</b>	<u>0.338</u>	<u>0.076</u>	<u>0.140</u>	<u>0.554</u>
<b>Net book value</b>				
<b>At 31 March 2007</b>	<u>0.173</u>	<u>0.063</u>	<u>0.062</u>	<u>0.298</u>
At 1 April 2006	0.207	0.071	0.066	0.344

## 8 Fixed asset investments

	2007 £m	2006 £m
Market value at 1 April 2006	480.018	406.948
Purchases	1,161.664	1,264.815
Sales	(1,131.470)	(1,261.512)
Net realised and unrealised gains	20.587	69.767
Market value at 31 March 2007	<u>530.799</u>	<u>480.018</u>

Purchases and sales of investments both include £749.777 million relating to the structured fixed income portfolio.

Investments at market value comprised:

	2007 £m	2006 £m
UK equities	216.444	220.761
Overseas equities	152.912	94.183
Fixed interest securities	110.000	110.000
UK investment property	35.226	3.352
Term deposits	13.664	51.494
Unlisted investments	2.553	0.228
Total (including cash held for investment by managers)	<u>530.799</u>	<u>480.018</u>

There were no material investment holdings. The Foundation has significant holdings in several pooled funds, but the underlying investments are well diversified. 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.

## 9 Debtors

	2007 £m	2006 £m
Prepayments	0.126	0.080
Accrued investment income	1.878	1.673
	<u>2.004</u>	<u>1.753</u>

## 10 Other investments

	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Total £m	2006 Total £m
Fixed interest securities	7.379	–	7.379	4.489
Cash deposits	21.838	5.300	27.138	25.237
	<u>29.217</u>	<u>5.300</u>	<u>34.517</u>	<u>29.726</u>

## 11 Creditors falling due within one year

	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Endowment fund £m	2007 Total £m	2006 Total £m
Grants payable	14.956	1.438	–	16.394	6.277
Prepaid rental income	0.323	–	–	0.323	–
Investment management fees accrual	0.225	–	–	0.225	0.192
Accruals and creditors	0.068	0.035	0.002	0.105	0.153
Taxation and social security contributions	0.052	–	–	0.052	0.019
Bank	–	–	–	–	0.077
	<u>15.626</u>	<u>1.473</u>	<u>0.002</u>	<u>17.099</u>	<u>6.718</u>

## 12 Creditors falling due after more than one year

	2007 Unrestricted fund £m	2007 Designated fund £m	2007 Total £m	2006 Total £m
Grants payable in one to two years	1.228	0.491	1.719	2.214
Grants payable after two years	0.256	0.108	0.364	0.696
	<u>1.484</u>	<u>0.599</u>	<u>2.083</u>	<u>2.910</u>

## 13 Designated fund comprises:

	Balance on 1 April 06 £m	Changes to special initiatives £m	Special initiatives awards £m	Balance on 31 March 07 £m
Special initiatives				
Awards for Visual Artists	0.150	–	(0.150)	–
Awards for Artists	–	2.100	(0.003)	2.097
Jane Attenborough Dance in Education Fellowship	0.200	–	(0.050)	0.150
Musical Futures	0.370	–	(0.290)	0.080
What's the Big Idea?	0.888	(0.547)	(0.341)	–
Reading and Libraries Challenge Fund	0.438	(0.443)	0.014	0.009
Refugee and Asylum Seeker Fund	1.730	–	(0.838)	0.892
	<u>3.776</u>	<u>1.110</u>	<u>(1.658)</u>	<u>3.228</u>

## 14 Operating lease commitments

The Foundation occupies its offices under a lease which expires in 2012. The current rent is £0.176 million inclusive of VAT (2006: £0.176 million). The Foundation has a tenant's option to break the lease by giving six months notice.

# Trustees, staff and advisers

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## Trustees

Jane Hamlyn (Chair)  
Rushanara Ali  
Bob Boas  
Michael Hamlyn  
James Lingwood  
Estelle Morris  
Lord Moser (from September 2006)  
Anthony Salz  
Peter Wilson-Smith

## Staff

Denise Barrows	Education and Learning Programme Manager (from May 2007)
Susan Blishen	Social Justice Programme Manager
Régis Cochefert	Arts Programme Manager
Gerry Creedon	Accountant
Sarah Jane Dooley	Grants Officer (from December 2006)
Susan D'Sylva	Finance Officer
Robert Dufton	Director
Mia Ferron	Chair and Director's Assistant
Lisa Howard	Grants Assistant
Ruby Ireland	Grants Officer
Fatima Joaquim	Housekeeper
Maria Karska	Administration Officer
Richard King	Grants Assistant (from May 2007)
Barbra Mazur	Grants Officer
Marcello Moro	Grants Assistant (from May 2007)
Premila Patel	Receptionist (until June 2007)
Liz Scott	Accounts and IT Officer
Jonathan Sheldon	Finance Director and Company Secretary
Kathryn Standing	Administrator Awards for Visual Arts (until December 2006)
Faye Williams	Administrator and Grants Officer

## Advisers

Robert Berkeley	Social Justice
Professor Tim Brighouse	Education and Learning
Ajit Chaudhuri	India
Julian Corner	Social Justice
Lord Gavron	Investments
Roger Graef	Social Justice
Jonathan Reekie	Arts
Vanessa Wiseman	Education and Learning

## Registered Auditors

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH

## Solicitors

Withers LLP, 16 Old Bailey, London, EC4M 7EG

## Bankers

NatWest Bank plc, 208 Piccadilly, London, W1A 2DG

## Investment Advisers

Cambridge Associates Limited, 105 Wigmore Street, London, W1U 1QY

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