

**Trustees' Annual Report and Accounts  
for the year ending 31 March 2009**



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## Charity Information

### Trustees

Guy Dehn  
John Hughes  
Clare Morpurgo  
Lea Morpurgo  
Christine Teale  
Fredri Teale  
Zoe Teale  
Juliet Walker  
Jane Walsh

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### Staff

**Executive Secretary:** Tim Cutts  
**Grants Officer:** Gill Aconley  
**Secretary/Personal Assistant** Ann Thornill

**Auditors** Barron & Barron  
Bathurst House  
86 Micklegate  
York YO1 6LQ

**Investment Managers** RC Brown Investment Management plc  
Buchanans North,  
Redcliff Backs Bristol BS1 6HN

**Banks** Co-operative Bank plc  
62-64 Southampton Row  
London WC18 4ND  
  
Bank of New York  
1 Canada Square London E14 5AL

**Registered charity Number 248031**

## **Trustees' Report for the year ended 31 March 2009**

### **The Foundation**

The Allen Lane Foundation was set up in 1966 by the late Sir Allen Lane, founder of Penguin Books, to support general charitable causes. The Foundation has no connection with the publishing company, but five of the nine Trustees are members of the founder's family. Trustee induction and training is informal but appropriate to a Foundation of this size.

### **Objectives and Public Benefit Statement**

The Trust Deed states that the Foundation may make grants for "general charitable purposes". This gives the Trustees considerable latitude to decide on priorities. The Trustees currently choose to fund work which

- encourages or enables unpopular groups to share in the life of the whole community.
- will make a lasting difference to people's lives rather than simply alleviating the symptoms or current problems and
- is aimed at reducing isolation, stigma and discrimination.

While recognising (and being willing to support) on-going, tried and tested projects, the Foundation is particularly interested in unusual, imaginative or pioneering projects which have not yet caught the public imagination.

The Foundation is interested in funding work which benefits people in the following groups, or generalist work which includes significant numbers from more than one such group

- asylum-seekers and refugees
- gypsies and travellers
- lesbian, gay, bisexual or transgender people
- offenders and ex-offenders
- older people
- people from black and minority ethnic communities and migrant workers
- people experiencing mental health problems
- people experiencing violence or abuse

As the Foundation's resources are modest, it generally funds smaller organisations where small grants can have more impact. It currently makes grants in the UK but does not make grants for work in London as it feels there are other significant grant-makers covering the capital.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting grant making policies.

Where the grant is made to a registered charity the Trustees are confident that the grant has been made to further a charitable purpose to the public benefit. Where grants are made to non-charitable organisations the Trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately. In all cases the Trustees always seek feedback on the actual use of the grants given and the achievements made so that they know how funds were used in practice.

The explanations and feedback on the grants made are sufficient for monitoring the quality of the grants made. In grant making there is always a necessary degree of trust that the applicant is honest and will use the funds wisely.

## **Grants**

This year the Foundation committed 130 new grants with a total value of £747,457. In addition to the main grants programme, the Foundation made one further grant within a closed programme with a value of £30,000. The Annual Review, which follows this report, provides a detailed analysis of these grants including their geographical distribution throughout the UK and the spread of beneficiaries.

## **Policy**

The Foundation's policy remains broadly unchanged from last year with no changes being made to the list of current priorities. Trustees are always keen to make the Foundation's criteria as clear as possible to save applicants from wasted effort and disappointment, although this means that the guidelines list an ever-increasing list of "exclusions".

## **Future plans**

While continuing the grant making programme described above, Trustees have considered the impact in the performance of its investments in poor market conditions. Whilst it had expected to make a number of larger grants over the next few years, this closed programme has been put on-hold, although Trustees reserve the right to offer larger grants at their discretion. The Foundation will be updating its website this year which it hopes will be more user-friendly to potential applicants and interested parties alike.

## **Administration**

The Foundation has three staff, one full and two part-time (two full-time equivalents) who administer the Foundation's business from the office in York and Trustees meetings three times a year. Trustees can report that the cost of running the Foundation has increased above previous years as the impact of the increase in the staffing resources takes effect and the fall in the total value of grants made. This represents over 12.9% of grants committed. This is an increase compared to last year when administration costs were about 8.5% of expenditure.

## **Allen Lane Lecture**

The Foundation has, over the past few years, held an annual lecture bringing together interested parties such as grant-makers and a number of grantees. This year's lecture is due to take place in April and is to be given by Kathleen Duncan OBE. The text of her lecture will be available on the Foundation's website ([www.allenlane.org.uk](http://www.allenlane.org.uk)).

## **Investment policy and performance**

The Trust Deed authorises the Trustees to invest the Trust funds in the same unrestricted manner as if they were the beneficial owners of the funds. Trustees seek to avoid investment in companies which are significantly involved in the manufacture or sale of armaments and tobacco products.

The Foundation's funds decreased in value over the year by 28.95%, reflecting volatile market conditions. The Trustees remain grateful to their investment managers, RC Brown Investment Management plc, for their continuing efforts and care of the Foundation's portfolio.

## **Reserves Policy**

Trustees are not required to make any distinction between capital and income, and aim to maintain the real value of the endowment, while ensuring that the level of grant-making is not subject to large fluctuations. Grant-making in any one year is not strictly related to the amount of investment income received, but rather to an estimate of the amount which can be spent each year without impairing the ability of the capital to sustain the same real level of spending indefinitely into the future.

## **Risk analysis and management**

The Trustees have considered the risks faced by the Foundation. The Trustees are satisfied that appropriate measures have been taken and systems put in place to mitigate these risks and minimise the impact on the Foundation were they to materialise.

## **Trustees' responsibilities**

The Charities Act 1993 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities (which they do not).

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant information of which the charity's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Thanks**

Trustees are grateful to Tim Cutts, Gill Aconley and Ann Thornill for the day to day administration of the Foundation. Finally, and most importantly, Trustees also wish to express their appreciation of those who have applied for grants this year. We regret that there are so many we are unable to help, but without their work, a grant-making foundation like this would have no purpose. Trustees and staff feel privileged to be able to help with their work.

### **Annual Review**

Trustees commend the following Review of the Foundation's activities (which is part of the Annual Report) to readers and hope that its more detailed account of the year's grant-making will give a fuller insight into the work of the Foundation.

Signed

Zoe Teale  
Trustee

Date 1 July 2009