



**THE ALLEN LANE FOUNDATION**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH  
2016**

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## **THE ALLEN LANE FOUNDATION**

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## **THE ALLEN LANE FOUNDATION**

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
*FOR THE YEAR ENDED 31 MARCH 2016*

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### **Trustees**

Philip Walsh, Chair  
Guy Dehn  
Margaret Hyde  
Fredi Teale  
Zoe Teale  
Juliet Walker

### **Charity registered number**

248031

### **Principal office**

90 The Mount, York, YO24 1AR

### **Staff**

Tim Cutts, Executive Secretary  
Gill Aconley, Grants Officer

### **Auditors**

BHP, Chartered Accountants, Bathurst House, 86 Micklegate, York, YO1 6LQ

### **Bankers**

Co-operative Bank Plc, 62-64 Southampton Row, London, WC18 4ND

### **Investment Managers**

PSigma Investment Management, 11 The Strand, London, WC12N 5HR

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## THE ALLEN LANE FOUNDATION

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

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The Trustees present their annual report together with the audited financial statements of The Allen Lane Foundation (the charity) for the ended 31 March 2016. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### ***Objectives and Activities***

##### **• 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.

The Foundation has identified specific groups of people it believes are vulnerable, isolated and unpopular within the communities through which support can meet those objectives. 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
- 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. Grants are awarded to registered charities and organisations with automatic charitable status. Grants are also awarded to constituted groups with charitable purposes and newer forms of organisations such as Community Interest Companies (CIC). 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. 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 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 occasionally made to other organisations the Trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately and for charitable purposes. In all cases the Trustees seek feedback on the actual use of the grants given, and the achievements made, so they know how funds were used in practice.

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## THE ALLEN LANE FOUNDATION

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TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2016

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

### ***Achievements and performance***

#### ● **Key financial performance indicators**

In the year to 31 March 2016, income to the Foundation rose to £703,484 from £663,134. Expenditure during the year fell slightly to £952,759 from £958,602. This resulted in net expenditure being £249,275 a fall from £295,468 on the previous year. Once net losses on investments of £1,060,868 was taken into account the overall net movement in funds was a loss of £1,310,143. The total funds available the end of the year was £18,336,337.

The Trustees have an agreed benchmarking for the portfolio against 90% of the FTSE All Share Index. This reflects that a proportion of the portfolio is not invested in UK equities. Against this benchmark, the portfolio has out performed this index over the last twelve months and over a three year period.

#### ● **Grants**

In 2015/16 the Foundation committed to 155 new grants which is more than any year previously. The total value of grants committed was £749,786, which was slightly down on last year's figure of £768,330. Around a third of grants offered were to organisations previously funded by the Foundation. Most of the grants offered (119) were single grants, with fewer being for two or three years. From a total of 588 applications made to the Foundation during the year, 433 were refused resulting in an overall success rate of 26%, although for most applications that were eligible and focused on just one beneficiary group the success rate increased to between 30% and 50%.

There was a good geographical spread across the UK with 122 grants awarded in England, 16 in Scotland, 10 in Northern Ireland and 7 in Wales. 11 of the grants offered were for organisations working nationally.

The most grants made (44) and the highest total funded (£167,464) went to groups and organisations supporting Older People. The next highest total of grants awarded (31) were to organisations supporting people with Mental Health issues. Organisations supporting Refugees and Asylum Seekers and Offenders and ex-offenders were the other largest priorities and in total these four beneficiary groups represented around 70% of the total value of grants made in this year.

The fact that these beneficiary groups received the 'lion's share' of the Foundation's grants this year reflects on the continuing reduction on the provision of services and public funding for these groups of people whilst the need and demand for support in these areas continues to grow. The support for the other beneficiary groups whilst smaller overall is no less important but reflects the level of applications received in these categories.

#### ● **Allen Lane Lecture**

The Trustees are currently planning the next Lecture which is anticipated to be held late in 2016. The likely theme of the Lecture will link closely to the priorities of the Foundation. The text of previous Lectures is available on the Foundation's website ([www.allenlane.org.uk](http://www.allenlane.org.uk)).

#### ● **Investment policy and performance**

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## THE ALLEN LANE FOUNDATION

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TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2016

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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 have a clear and agreed investment policy and objectives based on the advice of its investment managers, PSigma Investment Managers, who implement that strategy and report at every meeting to Trustees on performance and market conditions. Trustees regularly review the investment policy and objectives to ensure that it takes account of the overall objectives of the Foundation and identifies any long term risks to the portfolio.

During this period Trustees took two key decisions on investment policy. The first was to restrict the level of investments held in specific overseas markets and for those funds to be placed in either short-term interest-bearing funds or to be re-invested into more reliable holdings in the UK. The second decision related to investments in carbon fuels. Trustees agreed that there was a strong moral and ethical position for beginning a defined process to move the Foundation's funds out of carbon fuel investments and a long-term financial benefit that would overcome any small and short-term loss of income.

Market conditions have continued to be unpredictable throughout the year and this resulted in value of the Foundation's portfolio over the year to reduce by 5.7% although investment income in the year rose by 5.7%. Trustees would like to place on record its thanks for the advice and performance of PSigma Investment Managers.

### ***Financial review***

- **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

- **Reserves policy**

Trustees are not required to make any distinction between capital and income, and aim to maintain the real value of the legacy, 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.

At the end of the accounting period, the total amount of free reserves the Foundation held was £18,334,743 and was all unrestricted funds. This was down from the previous year due to the performance of the Foundation's investments rather than due to any change in the levels of expenditure including the commitment to grants made. The Foundation's funds are invested and produce income which finances the grant making programme and the related costs of administration. Although the trustees are able to spend the unrestricted funds, they are treated as a capital fund so that grant making is sustainable in the short and longer term. The Trustees accept that there can be fluctuations, both up and down, in the value of its investments, and monitor these carefully throughout the year. Trustees firmly believe that the modest fall in the portfolio value this year, is within normal limits and doesn't affect the overall strength of the Foundation's financial position.

### ***Structure, governance and management***

- **The Foundation**

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## THE ALLEN LANE FOUNDATION

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TRUSTEES' REPORT (continued)  
*FOR THE YEAR ENDED 31 MARCH 2016*

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The Allen Lane Foundation was set up in 1966 by the late Sir Allen Lane, founder of Penguin Books, to support general charitable causes. Although the Foundation has no connection with the publishing company, it has throughout its existence had a strong family connection with several family members having served as Trustees including two of Sir Allen Lane's daughters. Currently, the Foundation has six Trustees of whom two are members of the founder's family.

### • **Appointment of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed. Trustee induction and training is informal, but appropriate to a Foundation of this size. New Trustees are provided with copies of the governing documents, latest set of accounts and taken through the processes employed by the Foundation. Trustees can also attend specific training or networking opportunities provided for by the Foundation's membership of the Association of Charitable Foundations (ACF).

### • **Pay policy for senior staff**

The level of pay for staff is set by the Trustees having consideration of the size of the organisation, the levels of responsibilities and the appropriate rate within the charitable sector.

### • **Administration**

The Trustees are responsible for the setting the overall strategies, policies and funding criteria of the Foundation including investments, making the final decisions to any grant awarded and for agreeing an annual budget. Delegated responsibility is given to the Executive Secretary to implement these and with the Grants Officer provide all appropriate advice and guidance.

The Foundation's staff, Tim Cutts, the full-time Executive Secretary and Gill Aconley the part-time Grants Officer administer the Foundation's business on a day-to-day basis from the office in York, and Trustees meet three times a year. Reports by the office are made to Trustees at every meeting with regular communication with the Chair between meetings.

Trustees can report that the cost of running the Foundation has remained steady with continued steps to keep operating costs at an appropriate level compared to the level of grants that could be awarded. Administrative costs represent about 10.9% of grants committed.

Trustees are grateful to Tim and Gill for their diligence in the administration of the Foundation.

### • **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, should difficulties materialise. Major risks the Trustees have considered and take steps to mitigate include having robust assessment and monitoring processes to ensure grants made are for work which is considered charitable; having a clear investment policy which takes into account appropriate professional advice; and ensuring that the Foundation is compliant with legislation and regulations through taking any necessary professional advice and employing experienced and knowledgeable staff.

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## **THE ALLEN LANE FOUNDATION**

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TRUSTEES' REPORT (continued)  
*FOR THE YEAR ENDED 31 MARCH 2016*

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### **• Policy**

The Foundation's policy remains broadly unchanged from last year. 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 a significant number of "exclusions".

Trustees agreed to an update of the Foundation's website that became live towards the end of this accounting period. The refreshed website is designed to give better guidance to those groups and organisations looking towards the Foundation for support and provide case studies of grants awarded. These case studies not only provide examples of the types of grants the Foundation makes, but highlights the excellent work that is done by many of the organisations supported. The Foundation, through its staff, are always available to provide advice and guidance prior to any application submitted.

### **Future plans**

While continuing the grant making programme described above, and in light of the continuing difficult economic and social climate faced by the organisations and beneficiaries supported by Foundation, Trustees have maintained grant-making levels from its grants programme. Trustees receive regular policy statements and updates from staff during the year to help refine or make changes to its grant-making policy. Trustees will continue to review of the Foundation's work during the coming year and continue to reserve the right to offer larger grants at their discretion.

### **Thanks**

Most importantly, Trustees also wish to express their appreciation of those who have applied for grants this year. We regret that there are 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.

### **Trustees' responsibilities statement**

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

The law applicable to charities in England & Wales 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 and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and

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**THE ALLEN LANE FOUNDATION**

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TRUSTEES' REPORT (continued)  
*FOR THE YEAR ENDED 31 MARCH 2016*

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enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

This report was approved by the Trustees on 29 June 2016 and signed on their behalf by:

**Philip Walsh, Chair of Trustees**

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## **THE ALLEN LANE FOUNDATION**

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### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALLEN LANE FOUNDATION**

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We have audited the financial statements of The Allen Lane Foundation for the year ended 31 March 2016 set out on pages 10 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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**THE ALLEN LANE FOUNDATION**

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALLEN LANE FOUNDATION

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**BHP, Chartered Accountants**

Statutory Auditors

Bathurst House

86 Micklegate

York

Y01 6LQ

Date:

BHP, Chartered Accountants are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**THE ALLEN LANE FOUNDATION**

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**STATEMENT OF FINANCIAL ACTIVITIES**  
*FOR THE YEAR ENDED 31 MARCH 2016*

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	Note	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>				
Investments	2	<b>703,484</b>	<b>703,484</b>	663,134
<b>Total income</b>		<b>703,484</b>	<b>703,484</b>	663,134
<b>Expenditure on:</b>				
Raising funds		<b>113,383</b>	<b>113,383</b>	118,855
Charitable activities		<b>839,376</b>	<b>839,376</b>	839,747
<b>Total expenditure</b>	3	<b>952,759</b>	<b>952,759</b>	958,602
<b>Net expenditure before investment gains/(losses)</b>		<b>(249,275)</b>	<b>(249,275)</b>	(295,468)
Net gains/(losses) on investments		<b>(1,060,868)</b>	<b>(1,060,868)</b>	503,806
<b>Net income / (expenditure)</b>		<b>(1,310,143)</b>	<b>(1,310,143)</b>	208,338
<b>Net movement in funds</b>		<b>(1,310,143)</b>	<b>(1,310,143)</b>	208,338
<b>Reconciliation of funds:</b>				
Total funds at 1 April 2015		<b>19,646,480</b>	<b>19,646,480</b>	19,438,142
<b>Total funds at 31 March 2016</b>		<b>18,336,337</b>	<b>18,336,337</b>	19,646,480

All activities relate to continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

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## THE ALLEN LANE FOUNDATION

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### BALANCE SHEET AS AT 31 MARCH 2016

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	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	9		<b>1,594</b>		2,126
Investments	10		<b>18,371,701</b>		19,368,707
			<b>18,373,295</b>		19,370,833
<b>Current assets</b>					
Debtors	11	<b>1,430</b>		1,364	
Cash at bank and in hand		<b>225,889</b>		632,355	
		<b>227,319</b>		633,719	
<b>Creditors:</b> amounts falling due within one year	12	<b>(246,877)</b>		(314,276)	
<b>Net current (liabilities)/assets</b>			<b>(19,558)</b>		319,443
<b>Total assets less current liabilities</b>			<b>18,353,737</b>		19,690,276
<b>Creditors:</b> amounts falling due after more than one year	13		<b>(17,400)</b>		(43,796)
<b>Net assets</b>	15		<b>18,336,337</b>		19,646,480
<b>Charity Funds</b>					
Unrestricted funds	14		<b>18,336,337</b>		19,646,480
<b>Total funds</b>			<b>18,336,337</b>		19,646,480

The financial statements were approved by the Trustees on 29 June 2016 and signed on their behalf, by:

**Philip Walsh, Chair of Trustees**

The notes on pages 13 to 26 form part of these financial statements.

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**THE ALLEN LANE FOUNDATION**

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**CASH FLOW STATEMENT**  
*FOR THE YEAR ENDED 31 MARCH 2016*

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	<b>Note</b>	<b>2016</b> <b>£</b>	2015 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	<b>(1,046,088)</b>	(903,260)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		<b>703,484</b>	663,134
Proceeds from sale of investments		<b>2,449,198</b>	3,043,113
Purchase of investments		<b>(2,513,060)</b>	(3,007,465)
<b>Net cash provided by investing activities</b>		<b>639,622</b>	698,782
<b>Change in cash and cash equivalents in the year</b>		<b>(406,466)</b>	(204,478)
Cash and cash equivalents brought forward		<b>632,355</b>	836,833
<b>Cash and cash equivalents carried forward</b>	17	<b>225,889</b>	632,355

**1. Accounting Policies*****1.1 Basis of preparation of financial statements***

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

***1.2 Reconciliation with previous Generally Accepted Accounting Practice***

In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

***1.3 Incoming resources***

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. Accounting Policies (continued)

##### **1.4 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Grants are committed for payment following review and approval by the trustees at one of the three meetings held each year. Once a grants has been committed for payment the expense is recognised in full. Any amounts due for payment in future periods are recorded in creditors as grant commitments.

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	-	25% reducing balance
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##### **1.6 Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

##### **1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

##### **1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

##### **1.9 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. Accounting Policies (continued)

##### **1.10 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### **1.11 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### **1.12 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of financial activities.

##### **1.13 Pension costs**

Pension contributions paid by the charity into pension schemes on behalf of its employees are charged to the statement of financial activities.

##### **1.14 Taxation**

As a charity, The Allen Lane Foundation is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

#### 2. Investment income

	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	Total funds 2015 £
Income from UK listed investments	<b>702,434</b>	<b>702,434</b>	661,506
Bank interest receivable	<b>1,050</b>	<b>1,050</b>	1,628
	<b>703,484</b>	<b>703,484</b>	663,134

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Analysis of resources expended by expenditure type

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on investment management	-	-	113,383	113,383	118,855
<b>Costs of generating funds</b>	-	-	113,383	113,383	118,855
Grants committed	-	-	747,842	747,842	749,076
Grant assessment and travel expenses	-	-	3,813	3,813	3,517
Support costs	53,975	426	10,832	65,233	63,543
The Allen Lane Lecture	-	-	-	-	2,546
<b>Charitable activities</b>	53,975	426	762,487	816,888	818,682
<b>Expenditure on governance</b>	13,494	106	8,888	22,488	21,065
	<b>67,469</b>	<b>532</b>	<b>884,758</b>	<b>952,759</b>	958,602

#### 4. Analysis of grants

	2016 £	2015 £
<b>Grants to institutions</b>		
Grants committed	749,786	768,330
Grants withdrawn or released	(1,944)	(19,254)
Total grants	<b>747,842</b>	749,076

For further details of grants committed during the year see note 20. A reconciliation of grant commitments is as follows:

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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	2016 £	2015 £
Commitments brought forward	<b>318,029</b>	260,246
Grants committed	<b>749,786</b>	768,330
Grants withdrawn or released	<b>(1,944)</b>	(19,254)
Grants paid	<b>(840,482)</b>	(698,047)
Grants refunded	<b>1,044</b>	6,754
	<hr/>	<hr/>
Grants carried forward	<b>226,433</b>	318,029
	<hr/> <hr/>	<hr/> <hr/>
	2016 £	2015 £
of which payable within one year	<b>209,033</b>	274,233
of which payable after more than one year	<b>17,400</b>	43,796
	<hr/>	<hr/>
Total	<b>226,433</b>	318,029
	<hr/> <hr/>	<hr/> <hr/>

#### 5. Support costs

	Governance costs £	Charitable activities £	Total 2016 £	Total 2015 £
Premises	<b>1,448</b>	<b>5,789</b>	<b>7,237</b>	7,203
Office costs	<b>703</b>	<b>2,813</b>	<b>3,516</b>	2,975
Sundry expenses	<b>557</b>	<b>2,230</b>	<b>2,787</b>	2,440
Wages and salaries	<b>11,585</b>	<b>46,337</b>	<b>57,922</b>	56,782
National insurance	<b>751</b>	<b>3,005</b>	<b>3,756</b>	3,644
Pension cost	<b>1,158</b>	<b>4,633</b>	<b>5,791</b>	5,677
Depreciation	<b>106</b>	<b>426</b>	<b>532</b>	708
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>16,308</b>	<b>65,233</b>	<b>81,541</b>	79,429
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The support costs as listed above are allocated to charitable activities and governance costs using a ratio of 80:20. This ratio has been agreed by the Trustees and shows a reasonable split between time and resources spent on each area.

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 6. Governance costs

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Accountancy fees	1,590	1,590	1,550
Audit fee	4,010	4,010	3,895
Trustees' travel and accommodation expenses	580	580	224
Foreign currency gain/loss	-	-	(490)
Other support costs	2,708	2,708	2,523
Wages and salaries	13,494	13,494	13,221
Depreciation	106	106	142
	<u>22,488</u>	<u>22,488</u>	<u>21,065</u>

#### 7. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	532	708
Auditors' remuneration	4,010	3,895
Accountancy fees	1,590	1,550
	<u>6,132</u>	<u>6,153</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, a total of £580 (2015 - £224) was reimbursed to four (2015 - two) Trustees in respect of travel and accommodation expenses.

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 8. Staff costs

Staff costs were as follows:

	<b>2016</b>	2015
	<b>£</b>	£
Wages and salaries	<b>57,922</b>	56,782
Social security costs	<b>3,756</b>	3,644
Other pension costs	<b>5,791</b>	5,677
	<b>67,469</b>	66,103

The average monthly number of employees was as follows:

	<b>2016</b>	2015
	<b>No.</b>	No.
	<b>2</b>	2

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of The Allen Lane Foundation include both the Executive Secretary and the Grants Officer. The total employee benefits of the key management personnel was £63,713 (2015 - £62,459).

#### 9. Tangible fixed assets

	<b>Office equipment £</b>
<b>Cost</b>	
At 1 April 2015 and 31 March 2016	<b>3,778</b>
<b>Depreciation</b>	
At 1 April 2015	<b>1,652</b>
Charge for the year	<b>532</b>
At 31 March 2016	<b>2,184</b>
<b>Net book value</b>	
At 31 March 2016	<b>1,594</b>
At 31 March 2015	2,126

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 10. Fixed asset investments

	Listed securities £
<b><i>Market value</i></b>	
At 1 April 2015	19,368,707
Additions	2,513,060
Disposals	(2,551,475)
Revaluations	(958,591)
At 31 March 2016	<u>18,371,701</u>
<b><i>Historical cost</i></b>	<u>13,075,574</u>

#### ***Investments at market value comprise:***

	2016 £	2015 £
Listed investments	<u>18,371,701</u>	<u>19,368,707</u>

All the fixed asset investments are held in the UK

#### ***Material investments***

As at 31 March 2016, no listed investments accounted for five percent or more of the total value of listed investments.

#### 11. Debtors

	2016 £	2015 £
Other debtors	316	265
Prepayments and accrued income	1,114	1,099
	<u>1,430</u>	<u>1,364</u>

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**THE ALLEN LANE FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**12. Creditors:  
Amounts falling due within one year**

	<b>2016</b>	2015
	<b>£</b>	£
Other taxation and social security	<b>4,528</b>	4,476
Grant commitments	<b>209,033</b>	274,233
Accruals and deferred income	<b>33,316</b>	35,567
	<b>246,877</b>	314,276

**13. Creditors:  
Amounts falling due after more than one year**

	<b>2016</b>	2015
	<b>£</b>	£
Grant commitments	<b>17,400</b>	43,796

**14. Summary of funds**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Gains/ (Losses)</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General funds	<b>19,646,480</b>	<b>703,484</b>	<b>(952,759)</b>	<b>(1,060,868)</b>	<b>18,336,337</b>

**15. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Total funds</b>	Total funds
	<b>2016</b>	<b>2016</b>	2015
	<b>£</b>	<b>£</b>	£
Tangible fixed assets	<b>1,594</b>	<b>1,594</b>	2,126
Fixed asset investments	<b>18,371,701</b>	<b>18,371,701</b>	19,368,707
Current assets	<b>227,319</b>	<b>227,319</b>	633,719
Creditors due within one year	<b>(246,877)</b>	<b>(246,877)</b>	(314,276)
Creditors due in more than one year	<b>(17,400)</b>	<b>(17,400)</b>	(43,796)
	<b>18,336,337</b>	<b>18,336,337</b>	19,646,480

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 16. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(1,310,143)</b>	208,338
<b>Adjustment for:</b>		
Depreciation charges	<b>532</b>	708
Gains/(losses) on investments	<b>1,060,868</b>	(503,806)
Dividends and interest from investments	<b>(703,484)</b>	(663,134)
(Increase) in debtors	<b>(66)</b>	(1,364)
(Decrease)/increase in creditors	<b>(93,795)</b>	55,998
<b><i>Net cash used in operating activities</i></b>	<b><u>(1,046,088)</u></b>	<b><u>(903,260)</u></b>

#### 17. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	<b><u>225,889</u></b>	<u>632,355</u>
Total	<b><u>225,889</u></b>	<u>632,355</u>

#### 18. Related party transactions

There were no related party transactions as required to be disclosed other than the reimbursement of trustees expenses shown in note 7.

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 19. Grants committed

Grants committed during the year were as follows:

	2016 £
141 Training and Therapy CIC	3,000
4Wings	4,000
ACCM UK	5,000
Active Citizens Engage	2,000
Active Citizens Wirral Association	2,000
Age Concern Stone & District	5,000
Age UK Colchester	5,000
Annan & District Day Centre	2,000
Ashby Court Entertainers	1,120
Asylum Justice	7,500
Awaz Utaoh Project Ltd	5,000
Azadi Trust	1,000
Bahar AFG Womens Association	1,000
Basingstoke NeighbourCare	4,000
Bedfordshire Refugee & Asylum Seekers Support	9,000
Beeston Women's Group	2,700
Beyond the Page Ltd	3,740
BIRCH	9,342
Bluebell Care Trust	5,000
Borrowbrook Home Link	10,000
British Society for Mental Health and Deafness	5,000
Burslem Jubilee Project	7,000
Cambridge & District Volunteer Centre	5,000
Campsie Road Over 50's Club	2,000
Care Home Volunteers	5,000
Carewatch in Nottingham	3,000
CHANCE	5,000
Cheshire Agricultural Chaplaincy Team	1,000
Clarance Gardens Association	5,000
Clean Slate	6,210
Cohort 4	4,278
Community Action Machynlleth & District	7,000
Community Action Norwich	7,888
Community Chaplaincy Association	12,000
Connectar Training & Biodiversity Charitable Trust	5,000
Cowran Training	3,000
Creative Options	3,500
Cutting Edge Theatre	2,000
DASH Destitute Asylum Seekers Huddersfield	5,000
Derby Refugee Forum	10,000
Derbyshire Gypsy Liaison Group	10,000
Destitute Asylum Seekers Night Shelter	6,000
Dignity in Dementia	8,610
Docksiders Senior Mens Group	1,000
Doncaster Conservation Club	1,730

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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Drop In Centre Development Trust	3,000
Dudhope Multicultural Centre	500
Dunloy Development Association	3,000
Ekta Sangat Ladies Group	1,000
Equilibrium	5,000
Ex-factor Health & Fitness Club	1,500
Farm-Ability CIC	3,000
Footprints Project	10,000
Four Leaf Clover Club	4,000
Friends & Families of Prisoners (FFOPS)	5,000
Friends & Supporters of the Furness LGBT Community	1,139
Gerddi Bro Ddyfi Gardens	2,000
Glencolin Residents Association	1,500
Global Lifeline	8,000
Grapevine Project	6,000
Greater Manchester Community Chaplaincy Ltd	10,000
Halton Moor & Osmondthorpe Project for Elders (HOPE)	8,000
Hands and Gillingham Volunteer Centre	5,000
Hart Gables	4,800
Heads Up Group	2,000
Hearing Voices Brighton	1,000
Hebron House Resettlement CIC	3,000
High Kirk Social Action in our Community	2,500
High Tide Poets	2,000
Hoarding UK	5,000
Homeplus NI Ltd	5,000
Home-Start Goole & District	3,000
Hope Heritage Community Trust	2,610
Horticultural Therapy Trust	3,000
House of Genesis	10,400
Howard League for Penal Reform in Scotland	8,000
Kaine Management Group	1,300
Karibu Scotland	3,500
Kintyre Link Club	5,000
Langdon Hills Estate Residents Association	500
Let's Get Growing Ltd	2,000
Male Empowerment Network	2,000
Maryvale Community Project	3,000
Memory Clubs UK CIC	3,362
Merseyside Refugee & Asylum Seekers Pre & Post Natal	12,000
Mid Sussex Community Support Association	1,000
Mind South Lakeland	4,000
Moseley and Kings Heath Shed	1,415
Music24 Ltd	5,922
New Family Social	7,500
New Leaf Initiatives CIC	5,000
New Way Forward	5,000
Northern Lights Metropolitan Community Church	7,000
Northumberland Community Enterprise Ltd	2,600
Odd Arts CIC	4,840
Older Citizens Advocacy York	5,000
Oldham LGBT Consortium	2,000

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## THE ALLEN LANE FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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On Road	5,000
PAFRAS	10,000
Peaks and Dales Advocacy	8,000
Pennypit Community Development Trust	3,000
PHOEBE	3,000
Plymouth Mental Health Network	600
Premier Learning	3,000
Psychology Sussex Community Services	3,334
R&R (Restore & Resettle) Ltd	4,100
Ravenshead Community Transport	7,172
Restored	14,615
Right to Remain	13,000
Rock Community Centre Ltd	5,000
Rockies Ladies Social Club	2,000
Rosalie Ryrie Foundation	9,919
SAFE Networks	8,000
Second Thoughts East Yorkshire	3,740
SHE UK	9,000
Shirley Community Chaplaincy North East	4,000
Solas Moyle	1,200
Somerset Community Care Matters	7,000
South Yorkshire Refugee Law and Justice	5,000
Southern Befrienders Ltd	3,000
Space4U	10,000
St John's Day Centre for the Elderly	1,000
Startuponline Ltd	4,500
Stocksbridge Community Care Group Ltd	2,000
Strides!	8,000
Student Minds	6,446
Sussex Prisoners' Families	7,000
Swansea Bay Asylum Seeker Support Group	12,000
Talking in Tune	4,000
Tarbert Soup Group	3,500
Tees Valley Women's Centre	5,000
Terminus Initiative	2,880
Tools for Self-Reliance Northampton	8,000
Toryglen Community Hall	3,000
Town Break Stirling Group	6,000
TravellerSpace	6,000
Trinity Centre	3,266
Trinity Community Garden	4,560
Triumph Over Phobia (TOP UK)	6,110
UK Men's Shed Association	5,000
Unity in Poverty (UPA)	3,500
Vale Carers Social Group	2,000
Vida Sheffield	5,000
Volunteer Centre North Warwickshire	4,918
Walsall Link Line	7,000
Wee County Men's Shed	2,000
West Cumbria Domestic Violence Support	6,000
West Edinburgh Time Bank	5,000
Why Me? UK	15,000

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**THE ALLEN LANE FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2016*

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Willow Tree Group	<b>1,000</b>
Wye Community Farm	<b>4,000</b>
X2Y LGBT Youth Group	<b>2,000</b>
Yarl's Wood Befrienders	<b>9,920</b>
Young@Heart50+ Club	<b>4,000</b>
Zone Youth Committee	<b>5,000</b>
	<hr/>
Total	<b>749,786</b>

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