



**THE ALLEN LANE FOUNDATION**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2019**

THE ALLEN LANE FOUNDATION

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## THE ALLEN LANE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
*FOR THE YEAR ENDED 31 MARCH 2019*

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### **Trustees**

Zoe Teale, Chair  
Fredi Teale  
Margaret Hyde  
Philip Walsh  
Juliet Walker  
Maurice Frankel  
Justine Cadbury (appointed 28 June 2018)

### **Charity registered number**

248031

### **Principal office**

90 The Mount, York, YO24 1AR

### **Staff**

Tim Cutts, Executive Secretary  
Gill Aconley, Grants Officer

### **Auditors**

BHP LLP, Rievaulx House, 1 St Mary's Court, York, YO24 1AH

### **Bankers**

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

### **Investment Managers**

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

The Trustees present their annual report together with the audited financial statements of The Allen Lane Foundation (the charity) for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

### ***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
- offenders and ex-offenders
- older people
- migrant communities
- 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.

The Foundation provides funding to organisations which demonstrate charitable purpose. Funding provided enables the causes supported to provide benefits to the public within those organisation's specific aims and objectives. This is consistent within the aims of the Foundation. 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 other organisations the Trustees consider carefully how the funds will be used and

make those grants with conditions to ensure that 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 that they know how funds were used in practice.

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 2019, the Foundation's income fell to £727,580 from £763,058. Expenditure during the year fell to £962,687 from £1,008,695. This resulted in net expenditure being £235,107 a fall from £245,637 in the previous year. Once net gains on investments of £680,683 (2018: net losses £729,059) are taken into account the overall net movement in funds was a surplus of £445,576 (2018: deficit of £974,696). The total funds available at the end of the year were £20,610,386 (2018: £20,164,810).

The Trustees have an agreed benchmarking for the investment 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 2018/19 the Foundation committed to 140 new grants (2017/18 153 grants). The total value of grants committed was £731,233, which was lower than last year's figure of £798,140. Around two fifths of grants offered were to organisations previously funded by the Foundation. Most of the grants offered (111) were single grants, with 23 grants over a two years and six grants over three years. From a total of 498 (577 last year) applications made to the Foundation during the year, (358) were refused resulting in an overall success rate of 28%, although for most applications that were eligible and focused on just one beneficiary group the success rate increased to between 40% and 50%.

There was a good geographical spread across the UK with 113 grants awarded in England, twelve each in Scotland and Wales, with three in Northern Ireland. 13 of the grants offered were for organisations working nationally. The most grants made (35) and the highest total funded (£163,687) went to groups and organisations supporting Older People. The next highest total of grants awarded (28) were to organisations supporting to Refugees and Asylum Seekers. Gypsy and Traveller and migrant communities received only six grants between them in the year but this is reflective of the low number of applications received from groups supporting these communities. The average size of grant was £5,223.

#### **• Allen Lane Lecture**

The Foundation successfully held a Lecture in October 2018 at the Honourable Society of Gray's Inn. The invited guest Lecturer was Neil Jameson, Founding Executive Director of Citizens UK and the title of his Lecture was 'Citizens are made not born: putting democracy into action'. The theme of the Lecture linked to the Foundation's strategic development of social cohesion as part of the overall aims of the Foundation. The text of this Lecture and previous Lectures are available on the Foundation's website ([www.allenlane.org.uk](http://www.allenlane.org.uk)).

The Foundation is planning to hold a Lecture in the 2020 and will publicise details when these are confirmed.

● **Investment policy and performance**

The Trust Deed authorises the Trustees to invest the Foundation's 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 the Trustees on performance and market conditions. The 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.

Market conditions have continued to be unpredictable throughout the year and this resulted in the value of the Foundation's portfolio over the year increasing by 1.8% although investment income in the year fell by 4.6%. The Trustees would like to place on record their 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**

The 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. Trustees consider that a large proportion of its capital is used to invest to help generate the necessary funds for its grant-making objectives.

At the end of the accounting period, the total amount of free reserves the Foundation held was £20,609,714 all unrestricted funds. This was up 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 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 rise in the portfolio value this year, is within normal limits and doesn't affect the overall strength of the Foundation's financial position. The Trustees estimate that a minimum reserve of one year's expenditure, including grant making activity of £980,000 is required. The difference between the target level of reserves and the actual reserves held represent the Foundation's investment portfolio which is held at a level that will allow the income generated to fund its ongoing grant making.

***Structure, governance and management***

● **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. 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 seven 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).

The Trustees are actively working towards recruiting at least one new Trustee in the coming year and have also revised the terms of service a Trustee can serve.

- **Pay policy for senior staff**

The level of pay for staff is set by the Trustees after consideration of the size of the organisation, the levels of responsibility and the appropriate rates within the charitable sector.

- **Administration**

The Trustees are responsible for setting the overall strategies, policies and funding criteria of the Foundation including investments, making the final decisions on any grant awarded and for agreeing an annual budget. Delegated responsibility is given to the Executive Secretary to implement these and together with the Grants Officer they 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 the Trustees meet three times a year. Reports by the office are made to the Trustees at every meeting with regular communication with the Chair between meetings.

During the year, the Foundation implemented the move of the grants data to a new database. This coincided with the successful introduction of a new on-line application which became live in January 2019. Applications can now be made via the Foundation's website. Applicants are required to pass a simple 'Eligibility Test' aimed at saving time of organisations who do not meet the Foundation's criteria. The Foundation will still accept applications in more traditional ways but has been pleased that the vast majority of applications are being submitted through the new system. The website was refreshed to be aligned to the Foundation's grant-making programme.

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 11% (2018: 9.3%) of grants committed.

The 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. They are satisfied that appropriate measures have been taken and systems put in place to mitigate these risks and minimise the impact on the Foundation,

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should difficulties materialise. Major risks that the Trustees have considered and have taken 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.

#### • **Policy**

During the year the Trustees concluded their review of social cohesion with the support of the staff. The outcome was the creation of a new Social Cohesion programme to run in parallel with the main beneficiary programmes. The new programme will run for an initial three-years and will be regularly reviewed. The aim of the new programme is:

- To proactively work towards building better community cohesion and trust, and encouraging respect and understanding in the local area, or indeed beyond
- To proactively promote the inclusion of marginalised groups and individuals in the life of the local community
- To fund work which breaks down barriers and tensions in the local community thereby reducing feelings of division and "them and us".

The focus of the new programme is on areas of deprivation including localised deprived communities and for projects to come from groups and organisations that work within or work in those communities. It is still expected that the majority of applications will focus on people from within the Foundation's stated beneficiary groups. The first decision making meeting for the programme will be June 2019.

The Trustees agreed to no longer consider applications which cover more than one of the main beneficiary groups as this will now be covered through the Social Cohesion programme. During the next twelve months the Foundation will undertake to review some of the existing main beneficiary priorities to ensure that there continues to be a strong focus on the relevant issues in each priority.

The 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".

The Foundation's website gives better guidance to those groups and organisations looking towards the Foundation for support and provides 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**

The Trustees continue to maintain the amount of funds it has available annually for grant distribution. To assist Trustees, they receive regular policy statements and updates from the staff team during the year to help refine or make changes to its grant-making policy. The 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, the 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. The 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 28 June 2019 and signed on their behalf by:

**Zoe Teale, Chair of Trustees**

## Opinion

We have audited the financial statements of The Allen Lane Foundation (the 'charity') for the year ended 31 March 2019 set out on pages 11 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based

on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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.

### **Responsibilities of trustees**

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 opinions we have formed.

**BHP LLP**

Chartered Accountants  
Statutory Auditor

Rievaulx House  
1 St Mary's Court  
York  
YO24 1AH  
28 June 2019

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

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>				
Investments	2	<b>727,580</b>	<b>727,580</b>	763,058
<b>Total income</b>		<b>727,580</b>	<b>727,580</b>	763,058
<b>Expenditure on:</b>				
Raising funds		<b>124,890</b>	<b>124,890</b>	129,179
Charitable activities		<b>837,797</b>	<b>837,797</b>	879,516
<b>Total expenditure</b>	3	<b>962,687</b>	<b>962,687</b>	1,008,695
<b>Net expenditure before investment gains/(losses)</b>		<b>(235,107)</b>	<b>(235,107)</b>	(245,637)
Net gains/(losses) on investments		<b>680,683</b>	<b>680,683</b>	(729,059)
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>445,576</b>	<b>445,576</b>	(974,696)
<b>Net movement in funds</b>		<b>445,576</b>	<b>445,576</b>	(974,696)
<b>Reconciliation of funds:</b>				
Total funds brought forward		<b>20,164,810</b>	<b>20,164,810</b>	21,139,506
<b>Total funds carried forward</b>		<b>20,610,386</b>	<b>20,610,386</b>	20,164,810

The notes on pages 14 to 27 form part of these financial statements.

THE ALLEN LANE FOUNDATION

BALANCE SHEET  
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	9		672		896
Investments	10		20,495,051		20,135,159
			<u>20,495,723</u>		<u>20,136,055</u>
<b>Current assets</b>					
Debtors	11	1,208		2,033	
Cash at bank and in hand		327,062		247,227	
		<u>328,270</u>		<u>249,260</u>	
<b>Creditors:</b> amounts falling due within one year	12	(194,337)		(216,659)	
<b>Net current assets</b>			<u>133,933</u>		<u>32,601</u>
<b>Total assets less current liabilities</b>			<u>20,629,656</u>		<u>20,168,656</u>
<b>Creditors:</b> amounts falling due after more than one year	13		(19,270)		(3,846)
<b>Net assets</b>	15		<u>20,610,386</u>		<u>20,164,810</u>
<b>Charity Funds</b>					
Unrestricted funds	14		<u>20,610,386</u>		<u>20,164,810</u>
<b>Total funds</b>			<u>20,610,386</u>		<u>20,164,810</u>

The financial statements were approved by the Trustees on 28 June 2019 and signed on their behalf, by:

**Zoe Teale, Chair of Trustees**

The notes on pages 14 to 27 form part of these financial statements.

THE ALLEN LANE FOUNDATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	<b>(968,536)</b>	(1,022,341)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		<b>727,580</b>	763,058
Proceeds from sale of investments		<b>1,998,458</b>	2,162,715
Purchase of investments		<b>(1,677,667)</b>	(2,167,812)
<b>Net cash provided by investing activities</b>		<b>1,048,371</b>	757,961
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<b>247,227</b>	511,607
<b>Cash and cash equivalents carried forward</b>	17	<b>327,062</b>	247,227

The notes on pages 14 to 27 form part of these financial statements.

## 1. Accounting Policies

### **1.1 Basis of preparation of financial statements**

The Allen Lane Foundation is an unincorporated charity in England. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principle activities are the making of grants for general charitable purposes.

The Allen Lane Foundation constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 (as updated through Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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 Charities SORP (FRS 102) published 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 Allen Lane Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### **1.2 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.

## **1. Accounting Policies (continued)**

### ***1.3 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 payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

### ***1.4 Tangible fixed assets and depreciation***

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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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### ***1.5 Investments***

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'gains/(losses) on investments' in the statement of financial activities.

### ***1.6 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.

### ***1.7 Debtors***

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

### ***1.8 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.

**1. Accounting Policies (continued)**

***1.9 Liabilities and provisions***

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

***1.10 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.

***1.11 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.

***1.12 Pension costs***

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

***1.13 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**2. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
Income from UK listed investments	<b>726,501</b>	<b>726,501</b>	762,701
Bank interest receivable	<b>1,079</b>	<b>1,079</b>	357
	<b>727,580</b>	<b>727,580</b>	763,058
Total 2018	763,058	763,058	

**3. Analysis of Expenditure by expenditure type**

	<b>Staff costs 2019 £</b>	<b>Depreciation 2019 £</b>	<b>Other costs 2019 £</b>	<b>Total 2019 £</b>	Total 2018 £
Expenditure on investment management	-	-	<b>124,890</b>	<b>124,890</b>	129,179
<b>Costs of raising funds</b>	-	-	<b>124,890</b>	<b>124,890</b>	129,179
Grants committed (Note 4)	-	-	<b>725,222</b>	<b>725,222</b>	782,195
Grant assessment and travel expenses	-	-	<b>5,612</b>	<b>5,612</b>	4,852
Support costs (Note 5)	<b>60,261</b>	<b>179</b>	<b>13,750</b>	<b>74,190</b>	68,200
The Allen Lane Lecture	-	-	<b>7,689</b>	<b>7,689</b>	-
Governance (Note 6)	<b>15,065</b>	<b>45</b>	<b>9,974</b>	<b>25,084</b>	24,269
	<b>75,326</b>	<b>224</b>	<b>887,137</b>	<b>962,687</b>	1,008,695
Total 2018	72,751	299	935,645	1,008,695	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**4. Analysis of grants**

	<b>2019</b>	2018
	<b>£</b>	£
<b><i>Grants to institutions</i></b>		
Grants committed (Note 19)	<b>731,233</b>	798,140
Grants withdrawn or released	<b>(6,011)</b>	(15,945)
	<hr/>	<hr/>
Total grants	<b>725,222</b>	782,195
	<hr/> <hr/>	<hr/> <hr/>

For further details of grants committed during the year see note 19. A reconciliation of grant commitments is as follows:

	<b>2019</b>	2018
	<b>£</b>	£
Commitments brought forward	<b>183,663</b>	194,295
Grants committed (Note 19)	<b>731,233</b>	798,140
Grants withdrawn or released	<b>(6,011)</b>	(15,945)
Grants paid	<b>(735,504)</b>	(797,272)
Grants refunded	-	4,445
	<hr/>	<hr/>
Grants carried forward	<b>173,381</b>	183,663
	<hr/> <hr/>	<hr/> <hr/>

	<b>2019</b>	2018
	<b>£</b>	£
of which payable within one year	<b>154,111</b>	179,817
of which payable after more than one year	<b>19,270</b>	3,846
	<hr/>	<hr/>
Total	<b>173,381</b>	183,663
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

5. Support costs

	Governance costs £	Charitable activities £	Total 2019 £	Total 2018 £
Premises	1,637	6,547	8,184	7,148
Office costs	1,200	4,800	6,000	2,639
Sundry expenses	603	2,403	3,006	2,415
Wages and salaries	13,063	52,253	65,316	63,148
National insurance	738	2,951	3,689	3,460
Pension cost	1,264	5,057	6,321	6,143
Depreciation	45	179	224	299
	<b>18,550</b>	<b>74,190</b>	<b>92,740</b>	85,252
Total 2018	17,052	68,200	85,252	

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.

6. Governance costs

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Accountancy fees	1,644	1,644	1,793
Audit fee	4,216	4,216	4,593
Trustees' travel and accommodation expenses	674	674	486
Foreign currency gain/loss	-	-	345
Other support costs	3,440	3,440	2,441
Wages and salaries	15,065	15,065	14,551
Depreciation	45	45	60
	<b>25,084</b>	<b>25,084</b>	24,269

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**7. Net income/(expenditure)**

This is stated after charging:

	<b>2019</b>	2018
	<b>£</b>	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>224</b>	299
Auditors' remuneration - audit	<b>4,216</b>	4,593
- accountancy fees	<b>1,644</b>	1,793
	<u><u>          </u></u>	<u><u>          </u></u>

**8. Staff costs**

Staff costs were as follows:

	<b>2019</b>	2018
	<b>£</b>	£
Wages and salaries	<b>65,316</b>	63,148
Social security costs	<b>3,689</b>	3,460
Other pension costs	<b>6,321</b>	6,143
	<u><u>          </u></u>	<u><u>          </u></u>
	<b>75,326</b>	72,751

The average number of persons employed by the charity during the year was as follows:

	<b>2019</b>	2018
	<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 were £75,326 (2018 - £72,751).

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, a total of £783 (2018 - £486) was reimbursed to six (2018 - two) Trustees in respect of travel expenses.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**9. Tangible fixed assets**

	Office equipment £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	<u>3,778</u>
<b>Depreciation</b>	
At 1 April 2018	2,882
Charge for the year	224
At 31 March 2019	<u>3,106</u>
<b>Net book value</b>	
At 31 March 2019	<u>672</u>
At 31 March 2018	<u>896</u>

**10. Fixed asset investments**

	Listed securities £
<b>Market value</b>	
At 1 April 2018	20,135,159
Additions	1,677,667
Disposals	(1,884,853)
Revaluations	567,078
At 31 March 2019	<u>20,495,051</u>
<b>Historical cost</b>	<u>14,165,570</u>

**Investments at market value comprise:**

	2019 £	2018 £
Listed investments	<u>20,495,051</u>	<u>20,135,159</u>

All the fixed asset investments are held in the UK.

**Material investments**

As at 31 March 2019, no listed investments accounted for five percent or more of the total value of listed investments.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**11. Debtors**

	2019 £	2018 £
Other debtors	-	800
Prepayments and accrued income	1,208	1,233
	<u>1,208</u>	<u>2,033</u>

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

	2019 £	2018 £
Other taxation and social security	1,479	-
Other creditors	233	178
Accruals and deferred income	38,514	36,664
Grant commitments	154,111	179,817
	<u>194,337</u>	<u>216,659</u>

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

	2019 £	2018 £
Grant commitments	19,270	3,846
	<u>19,270</u>	<u>3,846</u>

**14. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
<b><i>Unrestricted funds</i></b>					
General funds	14,080,797	727,580	(962,687)	435,215	14,280,905
Revaluation reserve	6,084,013	-	-	245,468	6,329,481
	<u>20,164,810</u>	<u>727,580</u>	<u>(962,687)</u>	<u>680,683</u>	<u>20,610,386</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

**14. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2018 £
<b>General funds</b>					
General funds	13,797,253	763,058	(1,008,695)	529,181	14,080,797
Revaluation reserve	7,342,253	-	-	(1,258,240)	6,084,013
	<u>21,139,506</u>	<u>763,058</u>	<u>(1,008,695)</u>	<u>(729,059)</u>	<u>20,164,810</u>

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

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	672	672
Fixed asset investments	20,495,051	20,495,051
Current assets	328,270	328,270
Creditors due within one year	(194,337)	(194,337)
Creditors due in more than one year	(19,270)	(19,270)
	<u>20,610,386</u>	<u>20,610,386</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	896	896
Fixed asset investments	20,135,159	20,135,159
Current assets	249,260	249,260
Creditors due within one year	(216,659)	(216,659)
Creditors due in more than one year	(3,846)	(3,846)
	<u>20,164,810</u>	<u>20,164,810</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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

	<b>2019</b>	2018
	<b>£</b>	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>445,576</b>	(974,696)
<b>Adjustment for:</b>		
Depreciation charges	<b>224</b>	299
(Gains)/losses on investments	<b>(680,683)</b>	729,059
Dividends and interest from investments	<b>(727,580)</b>	(763,058)
Decrease/(increase) in debtors	<b>825</b>	(870)
Decrease in creditors	<b>(6,898)</b>	(13,075)
<b><i>Net cash used in operating activities</i></b>	<b><u>(968,536)</u></b>	<b><u>(1,022,341)</u></b>

**17. Analysis of cash and cash equivalents**

	<b>2019</b>	2018
	<b>£</b>	£
Cash in hand	<b>327,062</b>	247,227
	<b><u>327,062</u></b>	<b><u>247,227</u></b>

**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 8.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**19. Grants committed**

Grants committed during the year were as follows:

	£
A Living Tradition	3,000
Access - Supporting Migrants in East Anglia Ltd	10,000
ACE Cardiff	3,000
Acts Fast	5,976
Advance Brighter Futures	5,000
Advice Mid Wales	6,000
Age Concern Colchester	7,500
Age Connects Neath Port Talbot	6,000
Alternatives to Violence Britain	4,211
Amma Birth Companions	6,438
Annan & District Day Centre	3,250
Anorexia and Bulimia Care	12,000
Anxious Minds	5,200
Arts Together	9,000
As You Are Centre	4,360
Ascension Parochial Church Council	4,940
Avenue Multicultural Centre	6,000
Baobab Women's Project	5,000
Battle Scars	3,000
Beating Time	10,000
Befriended	5,000
Beloved	8,289
Bikes for Refugees Scotland	3,000
Birth Partner Project	5,437
Bridewell Organic Gardens	5,000
Brockworth Link	2,000
Burslam Jubilee Project	3,000
Charles Young Centre	3,500
Citizens Advice Bureau Fylde	8,000
City of Sanctuary Bradford	3,956
Code4000 UK CIC	5,000
Communicare in Southampton	12,000
Community Action Bolsover CIC	4,000
Community Care Collaborative	10,028
Community Chaplaincy Norfolk	6,000
Compas Charity	5,000
Cotswold Friends	5,000
Creative Options	5,000
Creative Sustainability CIC	5,000
Croft, Visitors' Support and Advice Centre	5,000
Daisy Programme	6,005
Earth for Life	3,000
Emmeline's Pantry	4,000
English+	4,005
Enterprise & Education Alliance	2,500
Ephrata Church Community	1,570

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**THE ALLEN LANE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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Equilibrium	<b>2,000</b>
Evergreen Hall	<b>5,690</b>
Family Tree Wirral	<b>3,000</b>
Forget-me-not Chorus	<b>6,000</b>
Friends for You	<b>1,500</b>
Friends of Erlestoke Prison	<b>3,386</b>
Generations Arts	<b>7,500</b>
Glencolin Residents Association	<b>2,000</b>
Good Neighbours in North Cardiff	<b>7,500</b>
Good Vibrations	<b>6,533</b>
Growing Together Levenshulme	<b>6,870</b>
Hand of Solace	<b>1,640</b>
Hanseatic Union	<b>6,083</b>
Harmony Community Choir	<b>2,000</b>
Hear Me	<b>3,000</b>
Helpful Bureau	<b>5,000</b>
Hollywood Shared Town	<b>700</b>
Hope at Home	<b>5,200</b>
Hope Springs Horticulture	<b>3,000</b>
Hub of Wishes	<b>4,000</b>
Hull Homeless Community Project	<b>5,000</b>
Hull Lighthouse Project	<b>6,000</b>
Imagine If Theatre Company	<b>5,000</b>
Imago Dei Prison Ministry	<b>5,000</b>
In Your Shoes	<b>5,500</b>
In2Out	<b>5,000</b>
Inclusion in Action	<b>3,500</b>
Inside Justice	<b>10,000</b>
Kent Refugee Help	<b>5,000</b>
Kintyre Link Club	<b>6,000</b>
Lawrence Street Pensioners Club	<b>1,500</b>
Leys Community Development Initiative	<b>2,000</b>
Lidget Green Elders Group	<b>1,865</b>
Margaret Carey Foundation	<b>6,000</b>
Margaret Clitherow Trust	<b>10,000</b>
Maryvale Community Project	<b>5,000</b>
Meeting Point	<b>6,000</b>
Memory Tree	<b>5,000</b>
Merseyside Somali Community Association	<b>5,000</b>
Micro Rainbow International	<b>5,000</b>
Mid Bedfordshire Citizens Advice	<b>5,000</b>
Millrace Furniture Restoration Coop	<b>3,000</b>
Mind Active	<b>6,000</b>
Mind Carrick	<b>5,000</b>
Moorland Star	<b>10,000</b>
Mother for Mothers	<b>10,000</b>
Movingsounds CIC	<b>4,500</b>
New to the UK	<b>2,500</b>
Next Steps	<b>7,571</b>
Northamptonshire Rape Crisis	<b>10,000</b>
Norwich International Youth Project	<b>6,000</b>
Nottingham Rainbow Project	<b>3,290</b>

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THE ALLEN LANE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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Older Citizens Advocacy York	5,000
Omega National Association for the End of Life Care	5,000
One Voice 4 Travellers	9,950
Open Door	5,521
Open Hearts Open Borders	2,000
Operation Emotion 2	5,000
Peer Support	7,488
Peer Talk Charitable Foundation	10,000
Penhill Lunch Club	2,000
Penrith and Eden Refugee Network	3,000
Piers Road New Communities Association	3,500
Presteigne & Norton Community Group	4,000
Prism Start.Org	3,500
Prison Fellowship Northern Ireland	5,000
Project MAMA	2,727
Refugee Rights Europe	5,000
Refugees at Home	5,000
Rekindle Home	7,000
Rita Project	2,000
Sandwell African Women Association	2,520
Signpost Inc	6,000
St Chads Sanctuary	7,500
St John's Day Centre for the Elderly	2,000
Suffolk Rape Crisis	5,000
Tarbert Soup Group	3,000
Teams and Bensham Community Care	4,000
The Club	1,000
The Night Shelter	9,000
Together Dementia Support	9,000
Tools for Self-Reliance Northampton	6,000
Town Break Stirling Group	10,000
Toxteth Women's Centre	3,000
Vee's Place	2,000
Voices	10,500
Volunteer Friends	4,232
Wag & Co North East Friendship Dogs	6,810
Wainman Trust	4,992
West Cumbria Domestic Violence Support	6,000
West Yorkshire Destitute Asylum Network	10,000
Without Walls Christian Fellowship	5,000
Wythenshaw Safespots	6,000
YOPEY	6,000
	<hr/>
	<b>731,233</b>
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