



The LankellyChase Foundation

**Annual report and financial statements
for the year ended 31 March 2015**

The LankellyChase Foundation

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Legal and administrative information

The LankellyChase Foundation ('the Foundation') is a company limited by Guarantee and not having a share capital (no. 5309739). It is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the trustees of the charity for the purposes of charity law and throughout this report are referred to as the trustees.

The following details are for the year ended 31 March 2015 and also include changes up to the date on which the accounts were signed.

Trustees	Dame Suzi Leather (I)	Chair
	Andrew Robinson (A, I)	Vice Chair
	Hilary Berg	
	Morag Burnett (A, R)	
	Paul Cheng (I)	
	Martin Clarke (I, R)	
	Robert Duffy (R)	
	Jake Hayman (I)	Appointed 18 June 2014
	Victoria Hoskins (I)	Retired 18 June 2014
	Marion Janner (A)	
	Peter Latchford (R)	
	Clive Martin (A)	Retired 7 February 2015
	Jane Millar	
	Kanwaljit Singh (A)	Retired 7 February 2015
	Simon Tucker (I)	

Co-optee Jake Hayman (I) Appointed trustee 18 June 2014

(A) indicates members of the Administration Committee
(I) indicates members of the Finance and Social Investment Committee
(R) indicates members of the Audit and Risk Committee
Trustees attend the Grants Committee by rotation with a minimum of four trustees at each meeting. There is no maximum number and any individual Trustee has the right to attend any grant committee meeting.

Staff team	Julian Corner	Chief Executive
	Chantal Benjamin-Badjie	Communications Manager , from 8 September 2014
	Jessica Cordingly	Director of Social Innovation, from 5 January 2015
	Karen Crompton	Office Manager
	Alice Evans	Director, Systems Change
	Oliver French	Programme Support Officer, from 23 March 2015
	Duncan MacLean	Programme Support Officer, from 10 March 2015
	Ania Jeleniewska-Kaczmarczyk	Finance Officer
	Sara Longmuir	Director of Finance and Investment and Company Secretary
	Habiba Nabatu	Programme Support Officer
	Ovidiu Pascaru	Office Assistant, from 18 August 2014
	Lisa Reed	Interim Programme Director, Rights and Equalities (maternity cover), to 1 April 2015
	Cathy Stancer	Director, Equalities and Rights
	Dan Vale	Programme Director, Knowledge and Learning, to 26 September 2014
	Brian Whittaker	Programme Director, to 31 October 2014

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Principal office and registered office	Greenworks, Dog and Duck Yard Princeton Street London WC1R 4BH
Telephone	020 3747 9930
Website	www.lankellychase.org.uk
Company registration number	5309739
Charity registration number	1107583
Auditors	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
Bankers	The Royal Bank of Scotland PLC St Giles Oxford OX1 3ND Lloyds TSB Bank plc Market Place Didcot Oxfordshire OX11 7LQ
Legal advisers	Bates, Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH
Investment managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA CCLA Investment Management Senator House, 85 Queen Victoria Street London EC4V 4ET Ruffer LLP 80 Victoria Street London SW1E 5JL Sarasin and Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU

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Report of the trustees

The trustees present their report together with the accounts of The LankellyChase Foundation for the year ended 31 March 2015. The legal and administrative information on pages 2 and 3 forms part of this report.

Introduction

The unprecedented contraction in public expenditure is placing enormous pressures on public and voluntary sectors alike. In turn, those who have relied on their services in the past face an uncertain future. The challenge this presents is complex. Before austerity took hold, there was plenty of evidence to suggest that services for the most disadvantaged were far from ideal or could even be counterproductive. They were often delivered in a top-down and siloed way that missed those who needed help most. Therefore, the task facing both sectors cannot be to provide proportionately less of what was previously offered. It's a time for bold new approaches that learn from past failures and build on the best of what has gone before.

There seems to be a new energy being unleashed in people who are ready to challenge old models and think afresh about the relationship between the individual and the state. We want to tap into this new appetite for change and make sure it reaches, and is led by, those who have been let down by society, that is, those facing severe and multiple disadvantage (by which we mean people who are experiencing a combination of severe social harms, such as homelessness, substance misuse, mental illness, extreme poverty, and violence and abuse). With our independence and resources, we think LankellyChase can help generate and support ideas that can cut through previous limitations and cause people to rethink what is possible for our most disadvantaged citizens.

To help with this, we have arrived at three core methodologies that we believe complement and influence one another:

1. In the last quarter of 2014/15 we launched a new focus on **social innovation**: prototyping different aspects of the support and opportunities that can enable people to overcome severe and multiple disadvantage. At the heart of this we want to see considerably more weight given to the insights and creative contribution of people who have faced severe and multiple disadvantage.
2. Social innovation is a powerful and popular idea, but on its own it will not be enough to transform lives if wider systems (the way we fund, structure and evaluate services) do not also change. Therefore, we are continuing to develop our focus on **systems change** to ensure that innovative practice has an environment in which it can thrive and influence wider practice.
3. Our longstanding commitment to **equalities and rights** remains a crucial third focus, because innovations and improved systems can easily bypass minority groups as well as underplay the effect of structural inequalities on individuals. We continue to work with others to shine a light on services, systems and attitudes that knowingly or unknowingly fail to acknowledge structural inequality and that exclude or under-serve people whose needs are different from the majority.

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Underpinning these three methodologies, we have a growing conviction about the power of positive relationships as a driver of change. Our key lesson from the work we have supported in 2014/15 is that high quality relationships appear to be at the heart of the practice that people facing severe and multiple disadvantage find most valuable. Extending this principle further, the best outcomes from our grant-making activities are usually where we have developed excellent, reciprocal relationships. This has led us to ask whether society, and policy in particular, should reduce its reliance on interventions (reactive and transactional) and place a much stronger value on the relational (active and personal).

In 2014/15, we worked hard to reshape our vision, mission and values to ensure that we are modelling the kind of change that we want to see in the world, as well as thinking about the relationships we have with people seeking funding and those currently in receipt of funding (see *Objects of the Foundation* below). This report sets out our best attempt to describe who we believe ourselves to be, and we want it to act as a benchmark against which we will measure ourselves and be measured by others. Our aim is to shift our own attitudes and prejudices so that we are able to understand better the innate challenges of innovating, changing systems and overcoming inequalities both at individual and organisational level.

Our work in the year ended 31 March 2015

In 2014/15 we finalised our overarching strategy for LankellyChase around four key areas: People (the *who?*), Support (the *what?*), Systems (the *how?*), Attitudes (the *why?*). This framework is now strongly shaping our work and communications as well as our intended outcomes. Below we describe these areas and the strategic objective aligned to each.

<p>The lives of PEOPLE facing severe and multiple disadvantage are little understood by decision makers or the public. Or indeed by some in the voluntary and statutory sector. The prevailing view focuses on one need at a time, pathologises symptoms rather than understands causes, and ignores completely people's own lived experience. Policy and practice should be informed by a clear and nuanced understanding of who faces severe and multiple disadvantage, what causes this, and how people in this situation articulate their challenges and aspirations.</p> <p>Strategic objective: <i>To create a profile of people facing severe and multiple disadvantage that connects compelling personal testimony and evidence with authoritative quantitative data.</i></p>	<p>Where available, SUPPORT for people facing severe and multiple disadvantage tends to be limited to those in crisis, addresses single issues in isolation and is done to the person. Hence the experience of receiving support is often chaotic, too late and deeply alienating. Support for people facing severe and multiple disadvantage should be highly attuned to their actual needs, backgrounds and aspirations. A plurality of approaches should be available, owned and controlled wherever possible by the people themselves.</p> <p>Strategic objective: <i>To promote a plurality of approaches to supporting people facing severe and multiple disadvantage, while identifying and evidencing the core elements of effective support, and seeking to instil these in wider practice.</i></p>
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People facing severe and multiple disadvantage are denied positive support by risk-based **SYSTEMS** that measure only inputs and outputs, exclude the voice of the person themselves, seal out wider resources and manage demand with high eligibility thresholds. An abundance of positive support should be available to those at risk of or facing severe and multiple disadvantage, enabled by systems that engage people at the earliest opportunity, seek to draw in social capital, and emphasise the agency and capabilities of the person.

Strategic objective: *To change systems so that they become responsive to the reality of people's lives and open to a plurality of approaches from informal community support through to intensive professional intervention.*

People who face severe and multiple disadvantage are heavily stigmatised by societal **ATTITUDES** that are largely uncomprehending, intolerant and punitive. These attitudes shape and are shaped by the political response to the issue of severe and multiple disadvantage.

Attitudes to people facing severe and multiple disadvantage need to be characterised by an understanding of the immense challenges and harms people have experienced, an appreciation of their resilience, and a demand that they should be able to lead fulfilling lives.

Strategic objective: *To create a shift in public and political attitudes so that the positive attributes of those facing severe and multiple disadvantage are widely appreciated, and intolerant responses are viewed as ignorant and discriminatory.*

In 2014/15 we supported work in all these areas; focusing mainly on the first three. The aim of this report is to look at what we said we would do, what we delivered, what we learnt and what we will do next year.

PEOPLE

In 2014 we said we would: ***Build profiles of different groups: adults with multiple needs, women, BME groups and young people***

What we did:

- We launched Hard Edges on 19 January 2015 – a quantitative profile of people in contact with a combination of some or all of the offending, substance misuse and homelessness systems. It was carried out by lead researchers at the Institute for Social Policy, Housing, Environment and Real Estate at Heriot-Watt University and we worked with a number of agencies to give them the opportunity to write blogs, interpret the data according to their position in the system and to share the publicity.

What we learnt:

- Hard Edges showed that this form of severe and multiple disadvantage disproportionately affects northern white men aged 25-45 but that people with these experiences live in every local authority in the country. Severe and multiple disadvantage is strongly associated with geographical areas of high poverty and with traumatic childhoods.

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- There is a danger of creating new groups or cohorts of stigma under the label severe and multiple disadvantage. It is important to keep in mind that these investigations are primarily intended to help us understand and describe the problem better. They are far from definitive and should not prescribe a new community of need.
- The impact of the research was strengthened because we worked with others in advance of its launch and shared the coverage with them. People with lived experience were also involved at the inception and latter stages, each time bringing a powerful perspective. In future research needs to involve them throughout.

Where it reached:

- The Hard Edges research was formally referenced in the Chancellor of the Exchequer's Budget 2015 (p30) in support of plans to extend the Troubled Families approach to other groups of people with multiple needs.
- The findings feature strongly in Addressing Complex Needs, the final report of the Ministerial Working Group on Homelessness.
- We have received a number of requests from local authorities and Government departments to present the data, demonstrating that the results of the research are feeding a perception that services need radical reform if they are going to meet needs in a much tighter fiscal environment.

What we will do:

- Build on the knowledge garnered through Hard Edges and our other funded research to create a vision of a continually transforming system.
- Continue to investigate other datasets because other people facing severe and multiple disadvantage are likely to emerge through alternative lenses, for example women, people from different black, Asian and minority ethnic (BAME) backgrounds, and younger and older people.
- Continue to use the findings from Hard Edges to raise the profile of severe and multiple disadvantage and use this to guide our work on systems change (see below).
- As an organisation with a national reach but based in the south east, we need to reflect on how we build networks and relationships in other parts of the UK.
- We have commissioned an experimental participative ethnographic piece of work that will help to bring the voices and experiences that lie behind the Hard Edges data to the fore. This is being delivered by the Innovation Unit and User Voice.

Women and Girls

What we did:

With Barrow Cadbury and the Pilgrim Trust, we funded and published a literature review to bring together the existing knowledge base on the lives of women and girls at risk of multiple harms, including homelessness, violence, offending and mental ill health: Women and girls at risk: evidence across the life course.

What we learnt:

- The review of available literature showed that many structural and individual risk factors – in childhood and adulthood - lead many women and girls towards the criminal justice system, secure psychiatric accommodation, chronic use of drugs and alcohol, prostitution, homelessness and other poor life trajectories.

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- 12-14 years is a risk moment for young women who have suffered trauma and abuse in childhood. This is the point at which they can begin to become isolated, to self-medicate and/or to self-harm.
- It is important to work in coalitions because it brings many different perspectives to an issue and speaks with a stronger voice. It also helps to evolve our learning as an organisation and gives us an additional accountability beyond the board of trustees.

What we will do:

- Extend the available evidence further by building a data profile that can describe in more concrete terms how severe and multiple disadvantage is experienced by women and girls. We have therefore commissioned a joint team from DMSS Research (who produced the literature review) and Heriot-Watt University to advise on the feasibility of building a statistical profile, bearing in mind that authoritative national data on women and girls are likely to be hard to source. This work has begun with a conceptual exercise to scope a definition of severe and multiple disadvantage in the lives of women and girls (for example, we anticipate experiences of abuse and violence throughout childhood and adulthood will feature strongly).
- If feasible, commission a statistical profile of women and girls facing severe and multiple disadvantage.
- Develop an alliance of opinion and expertise around this subject to lobby effectively, give a voice and tackle issues which lead to women and girls being put at risk. With Barrow Cadbury, the Pilgrim Trust and many other partners, we have now launched AGENDA, the alliance on women and girls at risk, which will be chaired by Baroness Lola Young.

Ethnic inequality in mental health

What we did:

- We have been carefully building an understanding of ethnic inequality in mental health, consulting with experts by experience, academics, clinicians and policy makers over the course of the year. During 2014/15, we have worked closely with Afiya Trust, Mind and the Centre for Mental Health to refresh our understanding of the issues that lie at the heart of this inequality. Together we commissioned Confluence Partnerships and the National Survivors and Users Network (NSUN) to consult a range of key stakeholders, and their findings are posted on our website.

What we learnt:

- There is a paucity of accessible, useful and appropriately granular data for activists and commissioners alike.
- This is a highly contested and sensitive area in which to work: there is a danger of stigmatising a group of people under the banner 'mentally ill'.
- People from BAME backgrounds are not a homogeneous group.
- This work will need careful planning and oversight using the full capacity and cooperation of experts, clinicians, academics and policy makers to help us.
- Building capacity and leadership in this area is a vital long-term goal if these issues are to be championed and if others are to be held to account.
- We need to find ways of bringing these issues into the mainstream, to ensure that universal services are genuinely being shaped to meet the needs of everyone.

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What we will do:

- Continue to build alliances and relationships with individuals, agencies and funders with a strong interest in this field.
- Commission the design and set up of a data observatory, which will bring together qualitative and quantitative data to provide a detailed and dynamic picture. This will necessarily explore the intersection of mental health with other dimensions of disadvantage.

Young People

What we did:

- In 2013, we began an Inquiry, led by the Social Research Unit Dartington (SRU), to look at the lives of young people facing severe and multiple disadvantage. Since then the lead researchers have been engaged in an iterative conversation with a large number of young people, frontline practitioners and policy and research experts.

What we learnt:

- Young people back away from services and offers of support which they do not trust or which do not offer solutions to the tough choices they face.
- There is no single *moment* of change. The process of turning your life around once you have become ensnared in disadvantage requires a considerable act of will and agency.
- Positive, consistent and trusted relationships with support workers are core to the change that young people facing severe and multiple disadvantage seek.
- The public systems that we have put in place to support these young people do not encourage such relationships, causing some good people to act against the values that brought them into the caring profession.
- A system built on relationships, particularly a core principle of 'relating without pity', will require wholesale change in the assumptions that most of us bring to the task of social change, including the way we think about outcomes and risk.

What we will do:

- Publish the inquiry to date and promote it through a range of communication activities, including: a major piece of writing on young people facing severe and multiple disadvantage, a historical review of the main public systems supporting young people facing disadvantage, a website with findings, insights and resources, including a short film, a conference to share the insights with key practitioners working in this area, and a communications strategy to get the findings to young people themselves.
- Support the Social Research Unit throughout 2015/16 to review and analyse the research literature on the effect of relationships in supporting young people facing severe and multiple disadvantage.
- Through our social innovation and systems change work, in particular, seek out and fund projects that support young people and their families facing severe and multiple disadvantage.

In 2014 we said we would: ***Build evidence reviews on the systemic, structural and life course factors that cause severe and multiple disadvantage***

What we did:

- We have funded Revolving Doors Agency to deliver a number of literature reviews as well as bring together a research network of academics and researchers within voluntary agencies working across relevant disciplines.
- We have continued to work with Hull Lighthouse, an organisation that works with women in street-based prostitution, to carry out qualitative research.
- Together Women Project undertook a year of exploratory consultation with girls and young women facing severe and multiple disadvantage across Yorkshire and Humberside including many from established and more recently-arrived BAME communities.
- We undertook an inquiry into prostitution to gain an increased understanding of its crossover with severe and multiple disadvantage, to map out existing practice, energy, tension and opportunities and to recommend a potential role and/or position.

What we learnt:

- From the work with Hull Lighthouse, we know that many of the women had childhoods in which they were unprotected and exposure to the world of prostitution was normalised. The early findings clearly show lives characterised by repeated and extreme abuse.
- Initial findings from the Together Women Project's work included the central role of smart phones and the internet in girls' lives, however excluded they were, the pervasiveness of sexual bullying and the sense of wasted potential as the most disadvantaged girls described a future 'career' path as a service user.
- It is helpful to focus on individual topic areas where we recognise there is contention – for example prostitution – or where we have an under representation in our grants process.
- Conducting research builds our networks, highlights the potential role that an independent funder could play and adds to the wider knowledge.
- We need to ensure in all of this work that the voice of the person with lived experience is central and is heard equally to professionals.

What we will do:

- Continue to work with Revolving Doors Agency to hold a number of research network meetings as well as launch at least one literature review.
- Work with the Nelson Trust, whom we funded in 2014/15, to develop whole area responses to prostitution in two areas of Southwest England
- We will continue to focus on specific areas, as we have done with prostitution, either through commissioned, grant funded or in-house work.
- As we test the application of ethnography in delivering a clearer understanding of severe and multiple disadvantage, we will consider its application more widely in areas such as prostitution.

In 2014 we said we would: ***Develop an outline of our approach to expert voice and participation***

What we did:

- We identified a number of ways that people with lived experience could influence our work, from attending our Promoting Change Network residentials through to helping us develop the recommendations of Hard Edges. Recognising that this was a valuable, but limited start, we commissioned User Voice and Shaping Our Lives to help us think through how we could:
 - Bring the voice of people with lived experience into our work through employment and events, as well as on to our board
 - Give grants to people with lived experience to describe and shape the support and systems that they feel best meet people's needs
 - Support people with lived experience to be involved in changing systems.

What we learnt:

- Involving the voice of people with lived experience is an invaluable activity – each time people are involved they bring fresh insight, energy and a focus that enriches our work.
- There is considerable concern about stigma and the labels given to them by systems.
- There are few routes for people with lived experience to speak unmediated truth to those in positions of power and for their voice to be heard equally.
- Involvement is mainly confined to things as they are ('what kind of prison would you like?') rather than things as they could be ('what do you want for yourself?' or 'what would a reimagined system look like?').
- People with lived experience are hungry for change and want to be involved in delivering that change. They have few opportunities to do this.

What we will do:

- We will invite people with lived experience on to our Board of Trustees.
- We will work with people with lived experience to develop our network events and residentials so that we achieve a greater equality of exchange between people from different backgrounds.
- We will ensure that our new focus on social innovation draws strongly on the insights and capabilities of people with lived experience.
- We will grow the number of grants awarded directly to people with lived experience along with the appropriate level of support and development to enable them to succeed.

SUPPORT

We said we would: ***Promote a plurality of approaches to supporting people facing severe and multiple disadvantage, while identifying and evidencing the core elements of effective support, and seeking to instil these in wider practice***

We also said we would: ***Test the importance of key elements of effective practice (such as relationship-based support, the role of social and familial capital, the importance of personal choice and control)***

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What we did:

- A number of our grants focus on testing out new practice. We have continued to support a range of agencies delivering this kind of innovative work; including Transforming Choice in Liverpool, the partnership of Coventry Law Centre and Grapevine, Cathedral Archer and St Mary's Community Centre both in Sheffield.
- We think support works best at a community level and so have continued to fund local community-based work with Barca Leeds, Local Solutions, Edinburgh Cyrenians, and the holistic offer of women centres.
- We have funded Insight, led by expert citizen Nash Momori and based at Resolving Chaos. Insight offers support and challenge to organisations grappling with how to involve people with lived experience of severe and multiple disadvantage meaningfully in their decision making.

What we learnt:

- Consistent, supportive, loving and respectful relationships help people transform their lives
- Localised, trusted, personalised support is key to successful recovery
- Workers need clinical support because it can be tough tackling severe and multiple disadvantage
- No person is beyond support
- It is important to support smaller grantees to develop organisational structures (for example due diligence, communications) in order to help them achieve their stated outcomes
- It is challenging for agencies that are testing out new approaches, both because it challenges their own internal practice and because it can be hard to ensure sustainability when there is no market to fund the approach beyond the life of our funding.
- Our financial support is important and so too is our encouragement, our belief in them and the space we give them to reflect through our residential.

What we will do:

- Through our social innovation work develop different, more proactive ways to enable agencies/workers/people with lived experience to develop new ideas and practice.

We said we would: ***Build a network of pioneering practice to promote more powerful ways of preventing and addressing severe and multiple disadvantage***

What we did:

- In September 2014, we held another Promoting Change Network (PCN) residential. The network tested a different way to bring out the members' learning and to create an equal platform for discussion – story telling. This worked well and revealed the values, human stories and personal motivations that underlie the technical-speak that can often dominate the world of social care. Attendees at the residential ranged from commissioners and voluntary sector representatives to people with lived experience.

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What we learnt:

- The PCN is a powerful group from which different alliances are emerging and increasingly partnerships between grantees developing.
- The PCN provides a valuable reflective and supportive space for agencies across sectors to come together, learn, challenge and mutually support each other. These spaces are rare in today's climate.
- There is a tension between the need to hold a space to reflect and the desire to see large-scale change.
- The residentials have mainly been attended by invitees from the voluntary sector, which can limit divergent perspectives, such as commissioners and people with lived experience. To be truly powerful there needs to be an equal representation of people with lived experience and people from both the voluntary and statutory sectors who are committed, like us, to a desire for wider, deeper change.
- We need to support the network to grow between residentials.
- Beyond the PCN we need to also help create, build and join other networks and coalitions of the willing.

What we will do:

- Support a multiple needs summit in collaboration with Calouste Gulbenkian Foundation, Big Lottery and Making Every Adult Matter in April 2015
- Hold an *Equality of Exchange* co-designed with people with lived experience, commissioners and voluntary agencies.
- Identify ways to support ideas and pieces of work for change that emerge from the residentials.

We said would: ***Develop and deploy methodologies that can capture the value of this pioneering practice on its own terms***

What we did:

- We encouraged all grantees to build evaluation budgets into their proposals and supported them to commission and manage these evaluations. We have funded the Social Research Unit to identify the best evaluation methodologies that apply to the work we are funding.

What we learnt:

- Evaluations carried out by grantees are often isolated pieces of learning and the methodologies rarely capture the true implications of the work.
- The way that programmes and projects are monitored, learned about and evaluated often reflects the limitations of the system in which they operate.
- The evaluations focus on specific, targeted cohorts within discrete parts of the system and many have pre-determined definitions of the problem and of success. This limits their capacity to flex and respond as conditions change.
- Other aspects of the system are not motivated to get involved because the evidence does not help them see that this is part of their own problem or area of responsibility.

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What we will do:

- Work with the Social Research Unit on their analysis of our funded evaluations, and together build a more iterative, 'beyond outcome' evaluation framework that can capture the learning we need.
- Translate the new evaluation framework into new funded approaches to evaluation, both at a project and whole programme level.

SYSTEMS

Systems change is an emergent field of practice and there are a number of different approaches that might bring about fundamental change. It is a process not an end result, it focuses on showing what could be, rather than focusing on the issues within the existing system, and it is about exploring root causes rather than symptoms. During 2014/15 we sought to understand and identify the action that an independent funder can take to support and collaborate with others to change systems, focusing on five areas:

We said we would: ***Test how change methodologies can be used to shift multiple systems in whole localities***

What we did:

- We continued to support a number of agencies who are working in this way as well as funding new ones for example Wandsworth Community Empowerment Network, Civic Systems Lab in Lambeth and Birmingham, Foundation for Families in Greater Manchester and Yorkshire, Advice UK in Bradford and Barca Leeds.
- We have funded The Winch and Save the Children to test whether the concept of the Harlem Children's Zone can be applied to the UK.
- We have made a grant to Together for Mental Well Being to see how the provision of support at an earlier stage can mean that fewer people in mental distress call 999. Together are doing this by working with emergency services in York to identify frequent callers and to offer 7-days-a-week psychotherapy support. This will capture the failures elsewhere in the system, working with strategic leads across agencies to change the way other services provide support.
- We have also funded the Integrate Movement to use the learning from MAC-UK, the award winning charity working with young people with mental health problems, to work with a number of local areas to co-produce solutions through an interactive lab structure.

What we learnt:

- Civic Systems Lab work is showing the positive role that local communities can play in mutually supporting each other and developing their own ideas.
- For change to happen locally there are a number of pre-conditions that need to be in place: support of the frontline, middle management and senior levels across sectors, the ability and willingness to shift resources, both financial and people, and the desire to hear, learn and listen to what different approaches are telling agencies about existing practice.
- We need to take a more fundamental and ambitious approach to place-based work, one that puts the emphasis on working systemically and seeks to apply some of the principles that are emerging from our learning. This requires us to take a first principles look at the design of a new system and to connect afresh with the problem.

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- We need to embolden individuals and agencies to think more collectively and radically. At the heart of the approach there needs to be a clear purpose to tackle severe and multiple disadvantage but also a shared belief that if we get the process right, then we do not need to specify outcomes because the improvements will follow.

What we will do:

- Develop our place-based systems change work
- Commission a literature review of previous place-based approaches from which we can learn
- Build a national coalition of the willing across sectors for example Public Health, Local Government Association (LGA), other grant funders and key thinkers who would both support this approach and be open to the learning (this will be on-going, but with the aim of having it in place by the time we start to work in an area).

We said we would: ***Build a collectively-held vision of a continually improving system***

What we did:

- We have commissioned the Institute for Voluntary Action Research (IVAR) to synthesise the learning from all our funded projects. This will be a powerful learning process for LankellyChase as we start to articulate the sum of the learning from grantees.
- We have continued to support the work of the Institute for Public Policy Research (IPPR) to evaluate the learning from previous policy programmes as well as Synthesis to understand how complexity theory applies to severe and multiple disadvantage.
- We funded Making Every Adult Matter (MEAM) to lead a project, Voices from the Frontline, to increase the visibility of people facing severe and multiple disadvantage with politicians, civil servants and commissioners. Voices from the Frontline has worked directly with people facing severe and multiple disadvantage, and the practitioners who support them every day for a period of two years. Through workshops, interviews and survey research, the work captured the view of frontline staff and people with lived experience, and explored together how policy could better address the issues they identify.
- Hard Edges has helped to make the case for change, and collaborations such as AGENDA and the BAME work will help us collectively to develop a vision of a continually improving system.

What we learnt:

- There is no fixed end-point at which we can arrive. This is much more about supporting systems to develop behaviours and characteristics that permit them continually to evolve and change.
- Our work with Voices from the Frontline has been a good indicator of how differently service users and service providers view the challenges. Yet it also showed there is common ground between the two.
- Some organisations can be catalysts for change: what our funding has shown is that the innovative, more radical ideas have been coming from small organisations that are rooted in their community. Those who are leading the way have a strong grasp of their local community's needs but are positive outward-facing organisations. However they cannot do it alone.

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- Collaborative and collective action. The projects and organisations that are having an impact in multiple ways have a strong thread running through them: they share power, involve multiple players and work collectively and collaboratively. They are seeking positive integrated approaches where they are willing to suppress organisational vested interest for a wider collective good.
- The person is key: organisations that have really listened to and heard the voice of the person with lived experience have a more rounded approach.
- Plurality: there is no one solution, and no one sector holds all the answers. The solution that worked today might not work tomorrow.

What we will do:

- We need to synthesise the learning from our grantees, and work alongside them and others to develop a vision of a continually improving system.
- Commission an external partner to support us in capturing the learning from this work.
- Publish a summary of the learning from our funded projects that will be open to input from external stakeholders.
- Support the development of more coalitions and partnerships.
- Fund think pieces, economic costings work and other ways of building a collective vision.
- Develop and commission ethnographic research to capture the experiences of professionals working within systems.

We said we would: ***Build a field of people capable of analysing, disrupting and reshaping systems***

What we did:

- We commissioned The Point People to set up and deliver a programme that funds and supports six to eight frontline staff to identify the systems change that they would like to see, called System Changers. Often the vision of the future is held by senior officials, chief executives and think tanks. Important voices such as people with lived experience and those on the frontline are missed out. Yet they hold some of the deepest insights into the failures of current approaches.
- We have funded New Philanthropy Capital to produce an accessible report summarising all the available literature on systems change, with the aim of making the approaches accessible to many more players than a limited few.

What we will do:

- Identify and build relationships with system change thinkers within key public bodies for example the Local Government Association and the Public Sector Transformation Network. This relates to the national coalition of the willing referenced under our place-based approach.
- Launch the Systems Changers programme in partnership with The Point People.

We said we would: ***Test the effectiveness of a range of change methodologies***

What we did:

- We have funded Collaborate to work in partnership with agencies in Coventry and the New Local Government Network who will be developing a game to create a fictional local authority to help people from different sectors think creatively about how they can approach change locally. As well as the projects we have funded to test out different ways of changing systems, some of which we have outlined and identified above, what has become clear is that people are captured by existing systems and that it can be very hard for them to think creatively and differently. The work of Collaborate will test out different approaches that could be applied more widely.

What we learnt:

- People and agencies increasingly have the appetite for change, but are unsure of how to go about it and are trapped by the thinking of the existing system.
- It is a long and difficult process for people and organisations, not least because it requires cultural and behavioural change, as well as service re-design.
- Building bridges across agencies and levels requires effort and in some circumstances relationships to be rebuilt.

What we will do:

- Identify ways to capture and share the learning about change methodologies more widely.
- Continue to support different ways to test change methodologies.

We said we would: ***Build a network of decision makers willing to rethink and change systems***

What we did:

- In 2014/15, we have been building our contacts and relationships across national and local government. Our growing visibility is helping us reach new partners, but we still have limited partnerships with commissioners at local level.

What we learnt:

- Through Hard Edges and the work of others in the sector, there is a growing consensus emerging across Whitehall of the need to rethink approaches to the issue of severe and multiple disadvantage.
- Due to austerity, high staff turnover and a growing recognition that the current systems are not designed to respond to social problems in the 21st century, it is becoming apparent that there is an increasing appetite for radical change across a number of different sectors and levels. However, all are struggling to piece individual learning and ideas together to create a fundamentally different vision for the future.
- We are developing a growing understanding of the role that an independent funder can play in this field. We can give voice to challenges without the same fear of financial reprisal that others carry. We can fund small think and research pieces to fill gaps and we can use our convening role to bring together different players from across sectors and levels. However, we must do this in collaboration and partnership with others.

The LankellyChase Foundation

What we will do:

- With others, we will build or support others to build relationships with the influencers across key public and other bodies. Continue to build a compelling case for systemic change around severe and multiple disadvantage that gathers a groundswell of support.

ATTITUDES

We said we would ***Promote the positive role and contribution that society can make to addressing severe and multiple disadvantage. Work with others to ensure representatives of people facing severe and multiple disadvantage in different media reflect their lived reality and their strengths***

What we did:

- This is the area that is least developed. We have focused on building our internal communications capacity, including bringing in a Communications Manager. We have been redeveloping our visual identity and website to provide more of a platform and shared voice to promote the powerful work of our grantees and others.

What we learnt:

- Multiple disadvantage is not an easily understood concept in the same way that homelessness or domestic violence is. Audiences have become attuned to the siloed, or single issue story, or occasionally dual disadvantage may be referenced.
- Communicating the complexity of 21st century Britain will need us to work with opinion formers, influencers and the media. We have started this journey and found a limited awareness of multiple disadvantage – even within our own field.
- It is important not to create a new category or cohort of severe and multiple disadvantage, which makes the message a complex and difficult one.
- It is not an impossible task and we intend to use our research, projects, learning and insights to raise awareness and, more importantly, drive action to tackle and limit multiple disadvantage.
- Our engagement with people with lived experience has brought home to us just how crucial this strand of work is. We have repeatedly heard that labelling, stigma and discriminatory language and attitudes form a huge barrier to people's efforts to overcome disadvantage. In particular, negative stereotyping can often be internalised so that people can start to believe that they do not deserve a fulfilling life.

What we will do:

- There needs to be a sizeable shift in power towards people with lived experience so that they can own and shape their own stories and the language used to describe them.
- Commission a piece of work on media coverage of severe and multiple disadvantage to help develop our work on attitudes.
- Develop our communications strategy throughout 2015/16.
- Launch our new website and develop regular opinion forming blogs written by LankellyChase staff as well as guest bloggers.
- Continue to find ways to give voice to people with lived experience.

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Objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales. The trustees define the policies that underpin the Foundation's grant programmes and have agreed the following vision and mission statement. In 2014, we refreshed our values, as we do not want them to become merely words on a corporate web page. We want them to communicate our passion and inform our everyday relationships, belief systems and attitudes across the delivery of our work.

Vision

Our vision is of a society where everyone has the opportunity to live a rewarding life, where government and civic society respond with urgency and compassion to severe social harm, and where understanding and humanity characterise attitudes to those who are least advantaged.

Mission

We work to bring about changes in services, systems and attitudes that can improve the quality of life of people who face severe and multiple disadvantage.

Values

Determined: we are passionate about social change, believing that real change takes tenacity, kindness and commitment; we work with humility, knowing that there are no simple answers

Open: we are always open to new ideas and evidence, sharing whatever we learn; we build relationships based on respect, kinship and shared humanity

Reflective: we challenge assumptions - to find what really works; we seek continual feedback as a powerful learning tool.

History

The LankellyChase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. The two Settlers were business colleagues and from the start, the trusts had a shared administration. Over the years, they worked closely together, with their grant-making policies complementing each other. On 9 December 2004, the two trustee bodies amalgamated the trusts and the new LankellyChase Foundation was incorporated.

Structure, governance and management

The board of trustees administers the Foundation. The board appoints trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a trustee may, if agreed unanimously by the board, be asked to serve an additional four year term. The Chair is appointed by the trustees through external competition and serves for a maximum of two 3-year terms.

Periodically the board reviews the range of skills among trustees and may recruit new trustees to fill any gaps in the skillset of the board. New trustees are recruited through external competition. Appointments are made based on the skills that the board decides are required to manage the Foundation and develop its work.

The LankellyChase Foundation

An induction programme is arranged for new trustees. Involvement in external training (such as that offered by the Association of Charitable Foundations) is encouraged.

The full trustee board meets three times a year to manage the Foundation. In addition, a group of trustees meets at least twice a year to consider and decide upon major grant recommendations. The day-to-day administration is delegated to the Chief Executive who is supported by a staff team.

The trustee board has also established three sub-committees:

- The Investment Committee meets ahead of each board meeting to oversee the management of the Foundation's assets
- The Audit and Risk Committee also meets ahead of each board meeting to oversee the main risk and audit requirements
- The Administration Committee meets as required but at least once a year, to oversee the practical administration of the Foundation.

Risk management

The trustees are responsible for establishing and monitoring LankellyChase's internal control systems. They review the major strategic and operational risks at least annually and are satisfied that the system of internal controls currently in place is adequate, whilst recognising that it is designed to manage rather than eliminate risk. Internal controls are reviewed as part of the day-to-day management processes within the Foundation.

The trustees consider that the principal risk to LankellyChase is that of not fulfilling its core purpose to tackle social disadvantage. In order to mitigate this we review our strategy, grant-making practices and social investment approach regularly and seek feedback on our effectiveness through an independent grantee perception survey. We also accept that some of our grants and social investments might involve more risk than other charitable trusts might be comfortable with. However, we have management processes in place to manage those risks where possible and to learn from failures as well as successes.

Our ability to make grants and social investments is subject to the performance of our investments and therefore the unpredictability of the financial markets. To mitigate this risk the trustees have work with four investment management firms and review asset allocation and fund performance on a regular basis.

Inflation is a key risk for the investment portfolio but given that the portfolio is treated as long-term, short-term fluctuations in its value can be tolerated.

Public benefit requirement

The trustees aim to meet their public benefit responsibilities, as laid out in Section 17 of the Charities Act 2011, by using the Foundation's resources to support agencies that seek to enable some of the most disadvantaged people in our society to lead full and independent lives.

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Review of Grant Activity

To build on our learning over the past year, in 2015/16 we will be reviewing our grants process. More information about our current grant process is available [on our website](#).

Grants were awarded in the year as follows:

Organisation name	Grant amount £	Description
Anawim (The English Province of Our Lady of Charity)	177,882	To test an alternative model for treating mental ill health for women with multiple complex needs that does not stigmatise and forms an integral part of comprehensive provision to combat disadvantage.
Arts at the Old Fire Station	150,000	To provide a bridge between the arts and social care sectors and, for vulnerable adults, a route away from being defined purely as a service user towards being a contributor. Using art and the sharing of public space to develop personal resilience and create social networks, and get commissioners and service providers to acknowledge the benefit of enabling vulnerable people to be part of ordinary life, rather than confined to marginal specialist spaces.
Barrow Cadbury Trust	121,000	For core costs of AGENDA: the alliance for women and girls enabling hosting by the Young Foundation and recruitment of the Director and other key staff.
Birth Companions	9,517	For the completion of a strategic review of services.
Black Mental Health UK Ltd	5,000	To convene a roundtable meeting of Black families to feed their perspective into the Harris Review into self-inflicted deaths of 18-24 year olds in custody, and to produce a report.
Civic Systems Lab	50,000	To scale up work currently being undertaken by Civic Systems Lab to reorganise local community spaces and supportive networks for people (especially those at the margins of society) in Manchester, Clacton-on-Sea and Liverpool. To engage in a growth programme managed by the current staff team, enabled by the breathing space to think through systemic change outside the pressures of small, short-term, and survival-based tender work.
Civic Systems Lab	10,000	To support people with lived experience of severe and multiple disadvantage prototyping Civic Foundry projects.
Collaborate	34,934	To develop civic change projects that focus on creating new conditions for citizens and local government to work together to achieve broad and deep social outcomes by working more strategically.
Cripplegate Foundation	5,000	Towards the next phase of the Safety Net campaign.
Dapoma Ltd	4,250	For Nashiru Momori to work with the Young Foundation to produce a development plan and a

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Organisation name	Grant amount £	Description
		grant application that will be shared with LankellyChase.
Fairshare Educational Foundation (ShareAction)	150,000	ShareAction aims to transform the investment system to serve savers, society and the environment. The grant contributes to ShareAction's core costs over 3 years and will also help to develop the provision of training and support for vulnerable people on low incomes to take action for change.
Family Action	180,000	Single instalment grant to deliver and evaluate the effectiveness of an open door crisis grants programme to support individuals and families facing severe and multiple disadvantage.
Family Action	19,000	To deliver and evaluate the effectiveness of an open door crisis grants programme to support individuals and families facing severe and multiple disadvantage.
Family Rights Group	340,600	To build on the work started in the development phase of the Struggling Families Alliance, to: 1) influence how parents and carers, whose children are subject to, or at risk of, state intervention, are perceived and portrayed; 2) work in collaboration with families to influence law, policy, practice and service design and delivery in child welfare, child mental health, youth justice and our education systems. 3) enable families to have a voice in decision-making.
Holy Cross Centre Trust	150,000	To continue developing and evaluating <i>Discovery</i> , a new operating model that will build capability and emotional intelligence in both front-line workers and clients.
Homeless Link – Housing First	10,000	To establish Housing First as an accessible option to all chronically homeless people with complex needs across England.
Institute for Voluntary Action Research (IVAR)	129,000	Towards IVAR's core costs.
Institute of Education	124,181	To pilot new ways of working which maximise the potential of young people (up to age 23) facing severe and multiple disadvantage to represent their own experiences and views. To undertake longitudinal, participatory research with young people (including using outreach and relationship building techniques and new media); represent their experiences and views to policymakers and service providers; and provide training events and information for professionals such as teachers, social workers, police and probation workers.

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Organisation name	Grant amount £	Description
The Integrate Movement Ltd (Academy)	150,000	To scale access to the principles of a systems change approach that starts with the client at the heart of services.
Leeds Gate (Leeds Gypsy and Traveller Exchange)	233,114	To use the principles of asset based community development (ABCD) to carry out asset mapping with the Gypsy and Traveller community and representatives of local services to jointly identify assets held by the community and the services that impact on them. Then use the information and the relationships to trial co-produced solutions to five identified issues.
Love Barrow families - Cumbria Partnership Foundation Trust	90,000	To pilot a way of working which starts from the needs of families who were known to several agencies and services locally by reorganising commissioned services so that a team of workers from across adult and child services in health and social care are co-located. The service has been co-produced by families, frontline workers across all agencies and the local community.
Mayday Trust	190,000	To scale a statistically significant cohort of the Personal Asset Development model to seek evidence that it delivers improved long-term outcomes for individuals, enables them to thrive independently within their communities and provides a cost effective solution for commissioners and providers. The model offers personalised and flexible combinations of community based brokerage, advantaged thinking and intensive coaching support shaped by individual strengths and interests.
The Nelson Trust	150,000	To change public attitudes, policing, service provision and social policies to reduce the number of vulnerable women street sex working or harmed by off-street sex work in Gloucestershire and Wiltshire. To create the capacity for research, advocacy and social policy work within the Nelson Trust's existing programme of support for those involved in sex work. To bring together strategic leads to develop new approaches, map and understand the sex industry locally and impact on demand.
New Local Government Network	34,801	To prototype a new relationship between local government, the VCS and the community, which will help to ensure that vulnerable people continue to be supported despite the challenges of austerity.
New Philanthropy Capital	23,250	To map the landscape of systems change thinking as applied to social problems and the social sector and to provide a critical summary of what is currently known about systems change in order to inform those who are planning to take action in the area.

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Organisation name	Grant amount £	Description
NSUN (National Survivor User Network)	2,400	To cover the costs of a consultant to support improvement in processes for paying people with lived experience.
Participle Ltd	50,000	A 6 month sabbatical for Hilary Cottam to reflect on Participle's work to date, produce an externally focused pamphlet and disseminate the learning.
Public Law Project	1,500	The grant will be used for liaison with Weber Shandwick, attending lobbying meetings with parliamentarians and drafting and finalising proposed amendments to clauses in the Criminal Justice & Courts Bill.
Resolving Chaos (Insight)	161,577	For hosting and supporting INSIGHT to create and test a transformational co-production model led by a group of people with lived experience of multiple and complex needs, which demonstrates that outcomes and support are significantly improved by redefining the power and influence that each party has within an organisation; creating a tested model that organisations will buy, ultimately repositioning the service user from being a passive consumer to an active shareholder of services.
ResultsMark Ltd	15,000	To develop a New Collaboratives Programme, which involves writing a prospectus, signing up founder supporters and developing a training/ operations manual for a new ambitious programme of collaborative, whole systems improvement for people with complex needs.
Revolving Doors Agency	84,900	To develop a Research Network for research into severe and multiple disadvantage that aims to: <ul style="list-style-type: none"> 1) collate and build the evidence base on severe and multiple disadvantage 2) develop a network of researchers across the academic, voluntary and public sector and from a wide range of disciplines who can contribute to the theoretical and evidential base necessary to improve the response to severe and multiple disadvantage 3) identify funding options and secure funding to sustain the network beyond the lifetime of this 2 year programme of work.
Save The Children	150,000	To establish Children's Communities in four disadvantaged local authorities and develop a pipeline of coordinated support which follows children from cradle to career and cuts across their family, school and community lives. To deliver systems changes which embed new partnerships and strategies at the local level, and which improve

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Organisation name	Grant amount £	Description
		outcomes in health and wellbeing, employment prospects, social relations, personal development and material wellbeing.
Social Finance	60,000	The grant is for the work on Ethnic Inequality in Mental Health.
Social Justice & Human Rights Centre Company Ltd (The Foundry)	1,875	A contribution to a commissioned review of the Foundry's four year project to create a centre of social justice in London.
Social Research Unit	247,000	To fund the work of the SRU over 30 months.
Social Research Unit	15,000	To support the two 3HAdvisors to develop and test a working prototype of an app that supports young people to access information about the availability and quality of services.
Social Spaces Studios Ltd (Civic Systems Lab)	50,000	To develop civic change projects that focus on creating new conditions for citizens and local government to work together more strategically to achieve broad and deep social outcomes.
Synthesis	10,000	To support the writing of a think-piece on the relevance of Complexity Theory for people facing severe and multiple disadvantage; what the various strands of Complexity tell us; and how it could help us to navigate and support change to the benefit of people with severe and multiple disadvantages.
Together Working for Wellbeing	151,170	To improve the response to excluded individuals experiencing mental distress coming into contact with emergency services in York.
The Winch	110,000	To establish the North Camden Promise Zone (NCPZ) to improve the life chances of local children and young people facing multiple disadvantage, and change the way in which these children are supported and enabled to fulfil their potential, improving long-term outcomes across education, mental health and wellbeing.
Women's Aid (Bristol)	15,000	For the development of the first phase of a proposed needs-led response to domestic abuse.
The Young Foundation	10,500	For Nashiru Momori and his associates at INSIGHT to design a business model for service-user delivery and to prepare a realistic delivery plan.
Total grants awarded	£3,677,451	

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Financial report

The trustees authorised a total budget (excluding investment management and social investment fees) for 2014/15 of £5,908,000 made up of:

- £4,947,000 programme costs
- £974,567 staff costs, governance and support

Total expenditure, excluding investment management, social investment fees and exceptional items, was £4,797,302. This was made up of:

- £3,893,037 programme costs. Two director roles were made redundant during the year and a new role, Director of Social Innovation, was created. This role was filled in January 2015. Because of this reorganisation and further development of the Foundation's strategy, it was decided to defer some of the projects until next year.
- £904,265 staff costs, governance and support.

There were exceptional items in the year:

- £5,940 of costs connected to the sale of the two properties in Harwell. These properties had been on the market since the Foundation's office relocated to London in June 2014 and were sold in the year, one in July and the second in September.
- There were HR costs, including redundancy payments, of the team reorganisation of £105,004.

Investment report

Spending policy

Trustees and staff regularly review progress against the Foundation's strategic aims and a work plan is agreed with the staff team. The work continues to be grouped in terms of People (Who), Support (What), Systems (How) and Attitudes (Why). Budgets are authorised annually for each major strategic area and the executive team return to the board with more detailed costings as the work plan is developed. At that stage trustees review and approve more detailed spending plans.

It is our strategy and mission that are the main determinants of each year's expenditure.

Investment policy

The trustees have the freedom to utilise the Foundation's capital, as well as its income, to achieve its goals.

In 2013 trustees agreed that they would not want to erode the value of the reserves below £100 million (in real terms) and were prepared to approve spending over 10 years (with a review after 5 years) that would reduce the value of the reserves to approximately this level. Any additional spend would have to be justified in terms of significant additional outcomes and value for money before it was approved.

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Investment management

The trustees engage four investment management houses to manage a portfolio of assets on a discretionary basis which had a value of £136 million at 31 March 2015 (2014: £124 million). These houses were chosen to complement each other and reduce style bias and manager risk. As such, they employ a range of strategies to meet investment objectives and report performance against stated benchmarks. In addition, the trustees measure long-term performance against the objective of maintaining the real value of reserves at not less than £100 million while being able to meet all the spending requests on projects and grants that are considered likely to help us to achieve our objectives. The underlying holdings are generally readily marketable and are either quoted on recognised exchanges or are authorised unit trusts or open-ended investment companies.

Investment portfolio

The investment portfolio contains the bulk of the Foundation's assets. Certain restrictions apply to all investment managers such as a ban on investing directly in companies the operations of which might significantly conflict with the Foundation's mission or adversely affect our ultimate beneficiaries, people facing severe and multiple disadvantage. Each fund manager has agreed asset allocation bands and performance benchmarks against which performance is reviewed.

The total value of the managed fund investments rose by £12 million, from £124 million in 2014 to £136 million in 2015 (2014: increase of £4 million).

Responsible investment

The Foundation is committed to investing its assets in accordance with the Principles for Responsible Investment (PRI) and expects its fund managers to adhere to the same code.

Trustees have reviewed the generally recognised areas of responsible investment to identify those that are most aligned to the Foundation's mission and ultimate beneficiaries.

A project was undertaken during the year to clarify the Foundation's values and determine whether they would affect the priorities for responsible investment. Subsequently, trustees debated embracing wider aspects of the Foundation's charitable values in pursuing ethical investments, rather than just the Foundation's UK-based mission. The board is continuously looking at ways to apply the principles that it holds dear to the Foundation's investment approach.

The next stage for 2015/16 is to investigate the implications of introducing wider ethical considerations into the management of the investment portfolio. The Foundation will then work with the fund managers to implement the new policy and aims to be more active in promoting these areas of responsible and ethical investment.

Performance

In 2014-15 parts of the world (predominantly the US and UK) showed more signs of economic recovery than other parts of the world. This proved profitable for equity investors in these regions which was reflected in the performance of the managed portfolio.

The capital value of the endowment portfolio increased over the year and the total return from the investments was in line with expectations.

The LankellyChase Foundation

Social investments

The Foundation will consider making social investments where they are closely aligned to our mission and where the financial support required is different to that needed by grantees.

Decisions about prospective social investments are made by the trustees who may take advice about individual investments and contracts if deemed necessary.

Achieving the maximum financial return is not the overriding consideration in making these investments and in reviewing their success. The trustees recognise that the returns from social investments come from a blend of social impact and the traditional investment measures of income generated and increase in capital value. Income and the maintenance of capital value is important to demonstrate that social investments can produce a financial return as well as a social return, but the primary reason for the Foundation making social investments is, as for grant-making, to advance our charitable mission. Social investments are reviewed for both social impact and on financial measures to inform impairment considerations.

Social investments at 31 March 2015 totalled £2,053,762 (2014: £2,009,697).

The Foundation remains part of a network of other foundations that are keen to advance the volume and profile of social and impact investing.

Reserves policy

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation. For simplicity, the Statement of Financial Activities (SOFA) now combines the endowment and unrestricted reserves in one column. This better reflects the nature of the capital.

As noted above, in 2013 trustees agreed that they would not want to erode the value of the reserves below £100 million (in real terms).

Trustees consider it prudent to hold cash of approximately twelve months' projected expenditure. This includes grants and social investments that are payable in the next 12 months, one year's staff costs, governance and support costs and the value of any purchases of office furniture or equipment that are anticipated within the next 12 months. This cash is held under the Foundation's direct control.

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Statement of responsibilities of the trustees

The trustees (who are also directors of LankellyChase Foundation for the purposes of company law) are responsible for preparing the report of the trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 24 June 2015 and signed on their behalf by

Dame Suzi Leather
Chair of Trustees

The LankellyChase Foundation

Independent auditor's report to the members of the LankellyChase Foundation

We have audited the financial statements of LankellyChase Foundation for the year ended 31 March 2015 which comprise primary financial statements and the related notes. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

The LankellyChase Foundation

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Catherine Sayer (Senior Statutory Auditor)
for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, London EC1Y 0TL

Date 24 June 2015

The LankellyChase Foundation

Statement of financial activities for the year ended 31 March 2015

	Note	Restricted fund £	Unrestricted fund £	Total 2015 £	2014 £
Incoming resources					
Incoming resources from generated funds					
Investment income	2	-	3,991,317	3,991,317	3,808,117
Donation: Northwood Trust		-	110,478	110,478	37,181
Other Income	15	35,000	5,238	40,238	16,643
Profit on sale of tangible assets		-	4,000	4,000	2,346
Total incoming resources		35,000	4,111,033	4,146,033	3,864,287
Resources expended					
Cost of generating funds					
Investment management fees		-	806,661	806,661	829,467
Social investment fees		-	3,222	3,222	2,952
Charitable activities					
Grant-making					
Grant expenditure	3	(510)	3,642,629	3,642,119	3,462,514
Programme-related costs	4	38,530	972,989	1,011,519	1,082,025
Governance costs	5	-	143,664	143,664	146,658
Exceptional items and reorganisation costs					
Reorganisation costs	9	-	110,944	110,944	823
Impairment in value of freehold buildings		-	-	-	23,000
Total resources expended		38,020	5,680,109	5,718,129	5,547,439
Net outgoing resources for the year		(3,020)	(1,569,076)	(1,572,096)	(1,683,152)
Other recognised gains and losses					
Unrealised gains on investments		-	11,766,948	11,766,948	4,268,886
Net movement in funds		(3,020)	10,197,872	10,194,852	2,585,734
Transfers between funds	17	3,020	(3,020)	-	-
		-	10,194,852	10,194,852	2,585,734
Fund balances brought forward at 1 April 2014		-	129,771,092	129,771,092	127,185,358
Fund balances carried forward at 31 March 2015		-	139,965,944	139,965,944	129,771,092
	Note 16				

All gains and losses in the year are included in the Statement of Financial Activities and arise from continuing activities.

The LankellyChase Foundation

Balance sheet
as at 31 March 2015

		2015		2014	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		115,470		534,527
Investments					
Managed funds	11		135,911,788		124,421,368
Social investments	12		2,053,763		2,009,697
			<u>138,081,021</u>		<u>126,965,592</u>
Current assets					
Debtors	13	629,037		137,606	
Bank and cash balances		<u>5,669,611</u>		<u>7,532,108</u>	
		6,298,648		7,669,714	
Creditors: amounts falling due within one year	14	<u>(3,220,674)</u>		<u>(3,338,652)</u>	
Net current assets			<u>3,077,974</u>		<u>4,331,062</u>
Total assets less current liabilities			141,158,995		131,296,654
Creditors: amounts falling due after more than one year					
Grants payable			<u>(1,193,051)</u>		<u>(1,525,562)</u>
Net assets			<u>139,965,944</u>		<u>129,771,092</u>
Funds					
Restricted funds	16		-		-
Unrestricted funds	15		139,965,944		129,771,092
	17		<u>139,965,944</u>		<u>129,771,092</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 June 2015 and are signed on its behalf by:

Dame Suzi Leather
Chair of the Board of Trustees

Company registration number 5309739

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015

1. Accounting Policies

Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, as amended for the revaluation of investments, and are prepared in accordance with the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities (issued in March 2005).

The Foundation has taken advantage of the provisions of the Companies Act and adapted the Companies Act format to reflect the special nature of the Foundation's activities.

Investment income

Income arising from listed investments is accounted for when received by the Foundation or its agents. Other investment income is recognised when receivable on an accruals basis.

Other income

Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is frequently the time of receipt.

Resources Expended

Resources expended are included in the Statement of Financial Activities (SOFA) on the accruals basis.

Costs of generating funds are the fees due in respect of investment managers' services as grossed up for any rebates received. Such rebates are charged during the year by the fund managers in respect of Collective Investment Schemes by way of adjustments to the valuation of asset purchases and sales.

Charitable activities are those costs relating to the grant making activities of the Foundation and include the grants and apportioned support costs.

Support costs are those related to all the activities of the organisation and are apportioned on the basis set out in note 6.

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Grants

The Foundation makes grants that are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Investments

Listed investments are stated in the balance sheet at market value. The Foundation maintains a 'mark-to-market' policy for all listed investments whereby the carrying value is updated to market value on a continuous basis. As a result, all gains and losses on listed investments are classified as unrealised. Unlisted investments are stated at cost less provision for diminution in value in the balance sheet.

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

Depreciation

Individual fixed assets of £500 or more are capitalised in the accounts at cost.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its anticipated useful life on a straight line basis. The following rates are applied:

Leasehold improvements	over the remaining life of the lease
Motor vehicles	25% per annum
Office furniture and equipment	25% per annum

No depreciation is included on the buildings as their residual values approximates to the cost at which it is included in accounts.

Pension costs

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

Funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation. For simplicity, the SOFA now combines the endowment and unrestricted reserves in one column. This better reflects the nature of the capital.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

Charity status

The charity is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Operating lease commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. Investment income

	2015	2014
	£	£
Listed investments	3,920,659	3,717,940
Interest on cash held as part of the investment portfolio	15,018	14,874
Bank interest	30,943	55,160
Social investment income	24,697	18,921
Feed-in tariff	-	1,222
Total investment income	<u>3,991,317</u>	<u>3,808,117</u>

The LankellyChase Foundation

**Notes to the financial statements
for the year ended 31 March 2015 (continued)**

3. Grant expenditure

Grants have been analysed by strategic area below, however most grants cut across more than one or two of these areas and, for grants that span a number of years, the focus of the work can also develop and change over time. The Foundation's approach is to encourage grant applicants to respond to what is needed locally rather than to restrict their work to one of these strategic areas.

	2015	2014
	£	£
Grants authorised during the year analysed by strategic area:		
Unrestricted fund		
People	214,081	-
Support	925,513	-
Systems	2,406,457	-
Cross-cutting	131,400	-
Promoting Change Network	-	2,815,301
Annual grants	-	70,000
Investment readiness grants	-	50,000
Practitioner studentships	-	15,000
Race equality in mental health	-	23,000
Research, policy and evaluation	-	62,213
Other	-	500,000
	<hr/>	<hr/>
Total grants authorised during the year	3,677,451	3,535,514
Cancelled grants	(34,510)	(73,000)
Returned grants (unrestricted)	(312)	-
Returned grants (restricted)	(510)	-
	<hr/>	<hr/>
Total grants payable	<u>3,642,119</u>	<u>3,462,514</u>

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

4. Other programme costs

	2015	2014
	£	£
Strategic areas		
People	26,195	-
Support	77,742	-
Systems	57,501	-
Cross-cutting	50,949	
Other programme costs		
Consultancy	-	174,302
Other grant-related costs	-	42,953
Impairment in value of social investment	-	50,000
	212,387	267,255
Support costs (note 6)	760,602	782,936
	972,989	1,050,191
Restricted costs		
Systems	38,530	-
Consultancy	-	31,834
	1,011,519	1,082,025

5. Governance costs

	2015	2014
	£	£
Legal expenses	2,628	10,398
Auditor's remuneration		
Current year provision	10,518	9,400
Prior year under-provision and VAT	4,620	9,925
Membership UNPRI	906	876
Chair and trustee recruitment	29,546	19,538
Trustee expenses	4,695	5,865
Trustee training	1,030	2,516
Trustee meeting costs	4,887	1,088
Other governance related administration expenses	322	61
Support costs (note 6)	84,512	86,991
	143,664	146,658

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

6. Support costs

The key elements of support costs are set out below. Costs are allocated on the basis of the proportion of staff time spent in each area.

	Grant support £	Governance £	Total 2015 £	Total 2014 £
Staff costs (note 7)	590,162	65,573	655,735	681,215
HR-related costs	9,810	1,090	10,900	13,706
Premises costs including utilities and repairs	73,219	8,135	81,354	47,781
Legal and professional costs (consultancy, HR support)	-	-	-	5,392
Travel, subsistence and hosting of events	8,012	891	8,903	19,385
Training and conferences	3,148	350	3,498	30,233
Subscriptions and memberships	14,061	1,562	15,623	10,813
Telephone, postage, stationery and printing	12,645	1,405	14,050	11,662
Website and IT costs	15,228	1,692	16,920	18,884
Bank charges	607	69	676	549
Exchange rate variance	-	-	-	(487)
Depreciation	33,710	3,745	37,455	30,794
Total at 31 March 2015	760,602	84,512	845,114	869,927
Total at 31 March 2014	782,936	86,991	869,927	

7. Staff costs

	2015 £	2014 £
Included in support and governance costs		
Gross salaries	537,856	478,750
Social security costs	59,384	56,920
SMP reclaimed	(2,359)	(5,817)
Pension costs - staff	57,509	51,166
Temporary staff	-	65,144
Pension paid to a former employee	-	14,567
Recruitment costs	3,345	20,485
	655,735	681,215

The number of employees with emoluments over £60,000 were as follows:

	2015 No.	2014 No.
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£90,000 - £100,000	1	1

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

The number of higher paid staff to whom retirement benefits are accruing under money purchase pension schemes was 2 (2014: 2). Pension contributions to a money purchase scheme for those earning more than £60,000 totalled £17,591 (2014: £17,211).

The average monthly number of staff employed during the year was 11 (2014: 9).

8. Transactions with trustees

Reimbursement of travelling expenses incurred for attending meetings and seminars during the year totalling £4,695 (2014: £5,865) was made to 7 trustees (2014: 9). No trustee received remuneration in the year or previous year.

9. Exceptional items

The Foundation's former office premises were sold in the year with associated costs of £5,940. The staff reorganisation in the year had a cost of £105,004.

10. Tangible assets

	Freehold property £	Leasehold improvements £	Furniture & equipment £	Total £
Cost				
Brought forward at 1 April 2014	731,965	131,399	50,706	914,070
Additions	-	-	19,398	19,398
Transfer between categories	-	2,450	(2,450)	-
Disposals	(731,965)	-	-	(731,965)
Carried forward at 31 March 2015	-	133,849	67,654	201,503
Depreciation				
Brought forward at 1 April 2014	330,965	22,528	26,050	379,543
Charge for the year	-	26,172	11,283	37,455
On disposals	(330,965)	-	-	(330,965)
Carried forward at 31 March 2015	-	48,700	37,333	86,033
Net book value at 31 March 2015	-	85,149	30,321	115,470
Net book value at 31 March 2014	401,000	108,871	24,656	534,527

The Foundation moved from its freehold property in Harwell, Oxfordshire in the prior year and the property was sold in the current year. The office was relocated to rented accommodation in London and the Foundation undertook extensive refurbishment work and those leasehold improvements were capitalised and are being written off over the life of the lease.

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

11. Investments – managed funds

The investments comprised:

	2015	2014
	£	£
Listed investments	130,546,368	118,828,802
Cash held as part of the investment portfolio	5,365,421	5,592,566
Total market value	135,911,788	124,421,368
Total cost value	116,243,627	113,535,729

Reconciliation of movements in investments:

	2015	2014
	£	£
Amounts brought forward	118,828,802	116,426,676
Add: additions to investments at cost	29,732,291	38,394,356
Less: disposals at carrying value	(29,781,673)	(40,261,116)
Add: net gain on revaluation	11,766,948	4,268,886
Amounts carried forward	130,546,368	118,828,802

The SORP requires that investments are revalued to their open market value at 31 March 2015. This value is the mid-price as quoted on a recognised stock market. The resulting revaluation gain is taken to the Statement of Financial Activities as an unrealised gain.

Investments held were as follows:

	2015	2014
	£	£
Investment assets in the UK	87,291,904	77,652,472
Investment assets outside the UK	48,619,885	46,768,896
Total investment assets	135,911,789	124,421,368

Holdings representing more than 5% of the portfolio valuation:

	Holding No.	Market value £	Proportion of portfolio %
At 31 March 2015			
Sarasin Sterling Bond	9,149,482	10,402,961	7.7%
Sarasin Sterling Bond	5,865,272	8,105,806	6.0%
At 31 March 2014			
Sarasin Sterling Bond	9,149,482	9,689,301	7.8%
Sarasin Sterling Bond	5,865,272	6,997,270	5.6%

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

12. Investments - social investments

The movement in social investments held by the Foundation during the year were as follows:

	Brought forward at 1 April 2014 £	Purchases in year/ (return of capital) £	Carried forward at 31 March 2015 £
Tregonwell Almshouses	10,954	(7,934)	3,020
East Lancashire Moneyline (ELM) Blackburn	200,000	-	200,000
Peterborough Social Impact Bond	320,858	25,002	345,860
Big Issue Invest	240,385	(35,502)	204,883
Charity Bank	200,000	-	200,000
Ethex	-	-	-
Social Justice and Human Rights Centre	600,000	(50,000)	550,000
Bristol Together CIC	250,000	-	250,000
Resonance Real Lettings Property Fund	187,500	62,500	250,000
Fair Finance	-	50,000	50,000
	2,009,697	44,066	2,053,763

A member of the LankellyChase Foundation Board sits on the Board of the Social Justice and Human Rights Centre. The Foundation invests in the Peterborough Social Impact Bond via Social Impact Feeder Ltd. The Foundation is committed to provide further investment in respect of the Peterborough Social Impact Bond, up to a total investment value of £500,000. At the balance sheet date the carrying value is £345,860 (2014: £320,858).

At the year-end the Foundation had committed to further social investments totalling £554,140, to be made within the year to 31 March 2016.

13. Debtors

	2015 £	2014 £
Other debtors	576,408	89,442
Prepayments and accrued income	52,629	48,164
	629,037	137,606

Included in other debtors is an amount of £3,725 (2014: £7,851) falling due after more than one year.

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

14. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	26,379	83,265
Grants payable within one year	2,929,510	3,063,169
Social security and other taxes	18,268	744
Accruals and deferred income	241,862	185,245
Other creditors	4,655	6,229
	3,220,674	3,338,652

Reconciliation of movement in grants creditor

	£
At 31 March 2014	
Grants falling due within one year	3,063,169
Grants falling due after more than one year	1,525,562
Total grants creditor	4,588,731
Prior years' grants cancelled in year	(34,510)
Prior years' grants paid in year	(2,800,652)
Creditor at year end relating to prior year grants	1,753,569
New grants awarded in year	3,677,451
Current year's grants paid in year	(1,308,459)
At 31 March 2015	4,122,561
At 31 March 2015	
Grants payable within one year	2,929,510
Grants payable after more than one year	1,193,051
Total grants creditor	4,122,561

15. Unrestricted funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation. For simplicity, the disclosure of the endowment and unrestricted reserves has combined these funds; the value of the expendable endowment, as shown in the Balance Sheet at 31 March 2014, has been disclosed as a transfer into unrestricted funds during the year.

	2015 £	2014 £
Amounts brought forward at 1 April 2014	3,311,321	768,039
Net (outgoing) resources	10,197,872	(776,184)
Transfer from expendable endowment	126,459,771	3,322,184
Transfer to restricted fund	(3,020)	(2,718)
Amounts carried forward at 31 March 2015	139,965,944	3,311,321

The transfer to the restricted fund was made to cover the excess of expenditure over income in that fund.

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

16. Restricted funds

The restricted funds related to AGENDA, the cross-sector alliance on women and girls at risk of severe and multiple disadvantage. This has been funded by LankellyChase with Barrow Cadbury Trust and Pilgrim Trust.

Costs incurred exceeded the funds held for this purpose; a transfer of £3,020 was made from unrestricted to restricted funds to cover the shortfall.

	2015 £
Amounts brought forward at 1 April 2014	-
Restricted income	35,000
Restricted expenditure	(38,020)
Transfer from unrestricted funds	3,020
Amounts carried forward at 31 March 2015	-

17. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	115,470	115,470
Fixed assets investments	-	137,965,551	137,965,551
Debtors	-	629,037	629,037
Bank and cash	-	5,669,611	5,669,611
Creditors: amounts falling due within one year	-	(3,220,674)	(3,220,674)
Creditors: amounts falling due after more than one year	-	(1,193,051)	(1,193,051)
Total at 31 March 2015	-	139,965,944	139,965,944
Total at 31 March 2014	-	129,771,092	129,771,092

The LankellyChase Foundation

Notes to the financial statements for the year ended 31 March 2015 (continued)

18. Financial commitments

At 31 March 2015, the Foundation was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other assets	
	2015	2014	2015	2014
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	2,388	57
Between two and five years	<u>68,283</u>	<u>67,830</u>	<u>4,733</u>	<u>4,081</u>
	<u>68,283</u>	<u>67,830</u>	<u>7,121</u>	<u>4,138</u>

19. Related party transactions

The Vice Chair of the Foundation, Andrew Robinson, is also Director of Market Development at CCLA Investment Management Limited (CCLA), one of the four fund management firms engaged by the Foundation to manage the investment portfolio.

CCLA managed funds totalling £13.3 million (2014: £11.5 million) on behalf of the Foundation at the balance sheet date and charged management fees of £87,539 (2014: £56,516) excluding VAT during the year.

The Foundation awarded a grant of £150,000 to Save the Children International, an organisation for which Simon Tucker, a trustee of the Foundation, acted as a consultant during the year.

The Foundation also awarded a grant of £110,000 to The Winchester Project (also known as The Winch), an organisation for which Simon Tucker, a trustee of the Foundation, will act as an unpaid advisor.