

THE TUDOR TRUST

**Annual Report and Accounts
2008/2009**

Company number 5196041

Registered charity number 1105580

Annual Report and Accounts 2008/2009

Contents

Structure, governance and management	1
Trustees	1
Decision making	2
Day-to-day operation of the Trust	3
Trustees' report for the year ending 31 March 2009	4
Introduction	4
Grant-making policy	6
Review of grant-making activities	8
Looking ahead	17
Financial review	19
Charitable expenditure	19
Investment portfolio	20
Reserves	22
Risk management	22
Statement of trustees' responsibilities	22
Audit information	23
Financial statements	24
Independent Auditors' Report to the Members of The Tudor Trust	37
Statutory information (continuation of Trustee's report)	38

The Tudor Trust (Tudor) is an independent grant-making charitable trust which supports organisations working across the UK. We aim to support work which addresses the social, emotional and financial needs of people at the margins of society, and are interested in how organisations tackle these needs, and their root causes. We do not focus our funding on specific themes or programmes but instead aim to support a wide range of people and organisations working to achieve lasting change in their communities.

Tudor aims to be a helpful and flexible funder and we want to make grants in an imaginative, collaborative and straightforward way. We want to respond to organisations' real needs and priorities by offering advice and development support alongside grants and occasional loans.

Tudor is characterised by the high level of involvement of its trustees. Grants Committees and the Trustee Committee meet every three weeks and trustees are also involved in the assessment of initial proposals and often visit organisations.

Structure, governance and management

On 1 March 1955 Sir Godfrey Mitchell endowed a charitable trust with a gift of shares in the construction company George Wimpey, with the object that the trustees should be able to apply the funds to any charitable purpose. In 1979 this trust became known as the Tudor Trust. The Tudor Trust's governing document is its memorandum and articles. The Tudor Trust was incorporated as a company limited by guarantee on 1 April 2005, with all assets and liabilities of the previous Trust (charity registration number 206260) being transferred to the current legal entity on that date. The company is also a registered charity (charity registration number 1105580).

The Tudor Trust operates for the public benefit. Through our grant making we support work which addresses the multi-faceted needs of marginalised people and which builds stronger, more robust, communities. The trustees confirm that we have had regard to the Charity Commission's general guidance on public benefit when reviewing Tudor's aims and objectives and in planning future activities, setting grant-making policy and in making grants.

Trustees

The Trust's trustees are listed on page 38 of this report. The trustees are appointed by the Board of Trustees - the articles of association provide for a minimum of six, although there are currently fourteen trustees. In accordance with the articles, at the annual general meeting of the company in September 2008 one-third of the trustees retired from office and offered themselves for reappointment. Trustees over the age of 70 serve for a term of one year, retiring from office and offering themselves for reappointment at each annual general meeting.

The composition of the Board is kept under review and if a trustee retires, or additional trustees are required, steps are taken to recruit new members with the skills and experience to act as an effective trustee, usually via a direct approach and informal interview. No new trustees were appointed during the period under review.

An induction programme and trustee handbook are provided for all new trustees and as part of their induction a new trustee meets the Chair, the Board, the Director and other key staff and attends a Grants Committee as an observer. Trustees also receive updates and informal training through a regular newsletter, briefing papers, meetings and discussions and attendance at workshops, seminars and conferences.

Decision-making

The **Board of Trustees** meets three times a year and holds ultimate responsibility for the Trust. It agrees the broad strategy of the Trust and reviews and confirms policy decisions, ratifies grant approvals and discusses financial and investment issues. A number of committees, sub-committees and groups support the work of the Trust and are detailed here.

Committees of the Board

The **Trustee Committee** has seven members and reports directly to the Board. It meets every three weeks and reviews and develops grant-making policy, confirms grants and investigates and makes decisions on the more complex applications. The Trustee Committee also oversees the operation and activities of the Trust, whilst leaving the day-to-day decision-making to the staff team.

The **Investment Committee** has seven members and reports directly to the Board. It meets quarterly, focusing on the development and implementation of Tudor's investment policy, asset allocation and the performance of investments.

The **Tudor LankellyChase South West Partnership** brings together trustees and staff from the Tudor Trust and the LankellyChase Foundation with the aim of strengthening the capacity of voluntary sector groups working in the criminal justice field in the South West of England. The Boards of both Trusts have delegated grant-making powers to this partnership to enable those involved to share working practices, information and decisions. Minutes of all meetings of this committee are regularly submitted to the Board of both Trusts.

Groups and sub-committees reporting to the Trustee Committee

The **Grants Committees** report to the Trustee Committee and consider the majority of grants applications put before trustees. One or two Grants Committees meet every three weeks to make grants, in discussion with

staff, with three or four trustees taking part in each committee by rotation.

The **Audit Group** has five members and reports to the Trustee Committee, as do four special interest groups - the **Africa Group**, **Almshouse Group**, **Debt Group** and the newly-established **Sustainability Group**.

Day-to-day operation of the Trust

The trustees delegate the day-to-day activities and operation of the Trust to the Director and the Head of Resources, Grants Team Manager and Research and Information Manager. The Management Team implements policies and strategy on the trustees' behalf, giving direction and support to the staff team. The Trust's staff works in three teams: the Grants Team, the Information Team and the Resources Team.

- The **Grants Team** is responsible for the grant-making process through assessing new proposals, engaging with applicants, presenting applications to trustees and managing the grants portfolio.
- The **Information Team** is responsible for the effective management of Tudor's first-stage application process and for internal and external information, communication and research activity.
- The **Resources Team** maximises the effective use of the Trust's resources by managing its overall finances, investments, human resources and the office environment.

Trustees' report for the year ending 31 March 2009

Introduction

While we began the year under review in the grip of the credit crunch few could have predicted the sudden and steep global economic downturn which has had such an impact on both individuals and organisations. The voluntary sector has been hard hit with groups with very little financial room for manoeuvre trying to meet increasing levels of need. Tudor has of course been affected too with the value of our endowment reduced and projected income from investments falling.

While keeping the situation under close and regular review, the trustees decided not to reduce our grant making in response to financial pressures but to maintain our planned level of giving for the year. We have historically drawn on our capital as well as our income in order to make grants at the level trustees have felt is appropriate in the knowledge that Tudor does not have to preserve the value of its endowment in perpetuity. This means that we have the freedom to maintain our grant making during a difficult and uncertain period when trustees feel that our contribution as a responsive and flexible funder may be of particular value. This strategy will be kept under regular review.

Making the best use of our resources is essential and so thinking and discussion around using an element of the endowment for social investment continued throughout 2009. Tudor is keen to find ways, beyond grant making, of using the Trust's assets in the best interests of our beneficiaries, using our resources to generate a social as well as a financial return. To give some rigour to this we reviewed a number of models for assessing the social return on investment before the trustees came to the conclusion that we need to develop our own approach. We will be working to develop this further in 2010.

This was the third year of making grants under the guidelines first established in 2006 and we have worked hard to maintain the qualities of openness, flexibility and responsiveness that first inspired this new approach. We have continued to make grants which respond to the priorities of our applicants. This has sometimes led us into new areas - for example we made grants this year to organisations supporting victims of rape and sexual abuse and working with bereaved children - but we have also remained focused on our intention to support organisational development with a strong focus on core funding and the provision of additional support beyond a grant alone.

In a challenging and sometimes hostile environment it is important that the smaller, under-resourced groups we support use their resources thoughtfully and start thinking about how they and their communities can be more robust and resilient in the face of financial and social instability, climate change and resource depletion. As ever, it is those on the margins of society who

will be most vulnerable. We see it as part of our role to help the groups we fund to start considering these issues, and so spent time in 2009 researching how we can best support groups to do this. Flowing from this, a new 'characteristic' explaining what we are looking for when we make grants will be added to our guidelines in 2010 - not as a 'green hurdle' which applicants have to jump to qualify for funding but rather as an opening for discussion and reflection on community resilience and sustainability.

We move into 2010 confident that our flexible and responsive style of grant making provides real and useful support to organisations and complements other, more targeted approaches in helping to maintain the strength and diversity of the community and voluntary sector. With strong strategic direction provided by the Board and Trustee Committee, the staff team has continued to take the work of the Trust forward with enormous commitment. However the best indicator of the value of Tudor's work is the groups we work with: we are proud to support so many vigorous, responsive and enterprising organisations which are committed to making a real difference to vulnerable people and the communities in which they work.

Grant-making policy

When Sir Godfrey Mitchell endowed the charitable trust in 1955 his intention was that the trustees should be able to apply the funds to any charitable purpose. The broad objects and powers contained in the trust deed, and carried through to the memorandum and articles of the company limited by guarantee, allow us to review regularly how we can make best use of the Trust's funds to achieve our objects.

The funding guidelines in operation throughout the year were introduced in April 2006 following a full review of our grant-making which took place during 2005-2006. During the period under review the trustees agreed to continue working to these broad guidelines until the end of March 2011. The funding guidelines and Tudor's grant-making approach and policy will be reviewed over the next two years and new guidelines will be introduced in April 2011 if the trustees feel that this is necessary.

The Tudor Trust's aims are set out in the funding guidelines:

Tudor aims to support work which addresses the social, emotional and financial needs of people at the margins of our society. We are interested in how organisations tackle these needs, and their root causes. We want to encourage growth, progression and development, not just keeping things as they are.

We are interested in encouraging people to use their own skills and abilities as a resource for change; to find new ways of tackling deep-rooted problems or to cope with and move on from difficult situations.

We want to fund a wide range of people and organisations working to achieve lasting change in their communities. Our role is to support and enable their visions, trusting the groups we fund to do the work that is needed.

Tudor works to meet these aims by making grants, and on occasion providing other forms of support, to groups which demonstrate some of the key characteristics outlined in our guidelines and whose work resonates with our aims. As we can apply our funds to any charitable purpose, we have the freedom to make grants to any constituted group, as long as the grant is used for charitable purposes and achieves public benefit. While we have always sought to ensure that this is the case, during the year under review we formalised our procedures for ensuring that the issues of charitable purpose and public benefit are addressed to the trustees' satisfaction when we are considering applications from groups which aren't charities.

Over the year Tudor funded work across the UK which addressed our overarching aim of tackling the social, emotional and financial needs of people on the margins of society in many different ways. Our ultimate

beneficiaries are of course not the groups we fund, but the thousands of individuals that these groups work with and support. We are constantly aware of this dynamic. Our full grants list for 2008-2009 - available on our website www.tudortrust.org.uk or on request from the office - shows how we have tried to meet Tudor's aims and objectives, and make the best use of our resources, through our grant-making.

Review of grant-making activities for the public benefit

Overview

The Board set a flexible budget at the beginning of the year and agreed that, as in previous years, funds to resource this would be drawn from both income and capital. It was the trustees' intention to make no more than 350 grants: in the event we made 325 commitments (2008: 392) to a total of £17.8 million (2008: £20.4 million). The size of the average grant continues to increase, standing at £54,808 in 2009 (2008: £52,103).

Our grant making in 2008 was at the upper end of our budget range for that year: as noted in last year's annual report we made more grants than planned (392 against an intention of 350). The reduction in grant expenditure in 2009 therefore represents a return to more sustainable levels, with the reduction in the number of grants made allowing us to engage fully both with applicants and grant holders. The level of our grant commitments in 2009 is comparable with that of 2007 (£17.9 million).

Perhaps surprisingly, given the external economic climate and the relative openness of our guidelines, the number of applications received continued to go down, dipping below 3,000. However it is encouraging to note that the proportion of 'eligible' applications continues to increase: our hope is that clear and straightforward funding guidelines, and easy access to advice over the telephone and via our website, will continue to reduce the number of applications from groups which aren't eligible to apply for funding.

	2009	2008
Number of applications	2,948	3,199
Number of eligible applications	2,619	2,801
Applications presented to committee	354	436
Number of grants made	325	392
Number of loans made	1	2
Total amount committed	£17,812,498	£20,424,500
Average grant	£54,808	£52,103

The 325 grants, and one loan, we made over the year addressed our ultimate aim of tackling the social, emotional and financial needs of people on the margins of society in many different ways. As we have no set funding priorities the sort of work we support is hugely varied - from an organisation supporting Gypsies and Travellers in Cornwall to a community launderette on an estate in Nottingham; from a self-help project for men in Derry to funding towards a new community building in Easterhouse, Glasgow. There is no common thread in terms of what these organisations do or who they work with - what they share is their energy, their strong foundations in their communities, a focus on inclusion, connection and integration and a clear sense of the difference they want to make.

Although we no longer fund under specific remit headings, we continue to

THE TUDOR TRUST

code our grants by subject area so that we can maintain an overview of the sort of work we are supporting, and compare projects working with specific client groups or addressing similar issues. The following table gives more detail on how our grants were allocated across these various thematic areas in 2009.

Grants by subject area: 2009

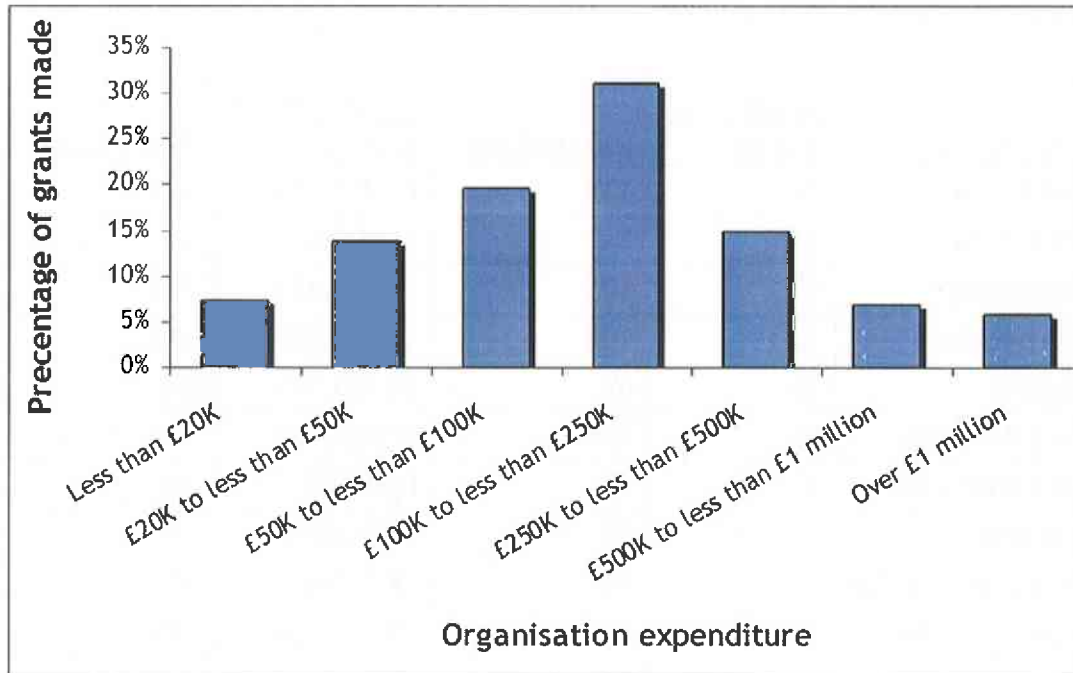
<u>Subject area</u>	<u>Number of grants</u>	<u>Percentage</u>	<u>Value of grants</u>	<u>Percentage</u>
Youth	44	13%	£2,762,150	15%
Older people	11	3%	£514,000	3%
Community	97	30%	£4,975,173	28%
Relationships	33	10%	£2,036,200	11%
Housing	22	6%	£1,055,375	6%
Mental health	40	12%	£2,097,550	12%
Substance misuse	6	4%	£450,000	3%
Learning	8	2%	£331,750	2%
Financial security	10	3%	£753,500	4%
Criminal justice	29	9%	£1,822,700	10%
Overseas	25	8%	£1,014,100	6%
Total	325	100%	£17,812,498	100%

As ever, the largest proportion (28%) of our funding supported work under the Community heading. As well as encompassing community development work, community centres and other community facilities such as community gardens and city farms this heading covers work ranging from local food projects to support for refugees and asylum seekers.

Tudor has always had a strong focus on supporting smaller-scale organisations, and this continued in the year under review. Our interest in smaller groups arises from our commitment to supporting groups which are firmly rooted in the communities in which they are based and our sense that our funding and support can really make a difference to smaller groups which might struggle to bring in funding from elsewhere.

As the following chart shows, more than one in five of our grants went to organisations with an annual turnover of less than £50,000 with just 13% going to organisations with a turnover of more than half a million pounds.

Grants by organisation size: 2009



Given our interest in funding groups providing direct services to marginalised people, and on work which has developed out of real community need, we also monitor the proportion of our grants going to either BME-led groups or towards specific work with BME communities: in 2009 11% of our grants by value went towards work that was described by the funded organisation as having a specific BME focus (2008: 15%).

Tudor has a strong interest in funding capital projects, recognising that, in the right circumstance, owning a building can increase an organisation’s confidence and stability and can help secure its future. We are, however, making significantly fewer capital grants than we did a few years ago: in 2001 15% of our grants went towards capital projects while in 2009 only 6% of our grants were ‘pure’ capital grants. However alongside straightforward capital grants we made a number of grants over the year connected to current or future building projects - for things like a premises search, a feasibility study, the salary of a development worker to take forward a capital project or the running costs of a self-help housing organisation. When these sorts of grants are included in the capital category we are then looking at a rather more substantial proportion of our grants - 10% - going towards some aspect of a capital project.

The capital projects Tudor has supported over the years range from voluntary sector offices and community centres to hostels, rehabilitation centres and housing. Tudor’s long-term interest in the issue of affordable

housing developed in a new direction during the year under review as we worked with the Esmée Fairbairn Foundation and Venturesome to establish the Community Land Trust Fund, which was launched in September 2008. Through a Community Land Trust (CLT), local people acquire co-operative ownership of land with the intention of creating affordable housing which will benefit the local area and its inhabitants in perpetuity.

Although interest in the CLT model is strong and growing, CLTs have found it difficult to access both the technical support they need to help them develop their ideas and the development finance required to bring their plans to fruition. The Community Land Trust Fund has therefore been set up with the aim of helping to establish new Community Land Trusts and to support the development of affordable housing. Tudor is acting as the administrator for the feasibility and technical assistance components of the Community Land Trust Fund and has allocated £94,000 towards this; a further £656,000 has been invested in the Community Land Trust Investment Fund, held and managed by Venturesome.

Another area of long-standing interest for Tudor is prison visitors' centres: in the past we have funded the development of new centres at HMPs Belmarsh, Edinburgh, Featherstone and Holloway. During the year under review trustees agreed to finance the construction of a new family visitors' centre at HMP Wormwood Scrubs. The planned centre for Wormwood Scrubs represents a distillation of Tudor's experience in developing the previous project and our hope is that it will prove to be an exemplar for the future. The intention is that the new family visitors' centre will be open in early 2010, managed by Prison Advice & Care Trust for the first two years.

Over the year we maintained a balance of reactive and proactive grant making across the UK. London continued to receive a significant proportion of our funding, although at a reducing level when compared to previous years: 23% of our grants by value (2008: 25%; 2007: 27%) went to organisations based in the capital. However, this figure includes grants to London-based organisations which have a national or regional focus: adjusting our figures to take this into account gives a reduced percentage of 19%.

The following table shows how our grants were allocated by region in 2009. It is good to note that an increased level of funding went to Northern Ireland - 11 grants comprising 4% of our total commitment, compared with 5 grants making up only 1% of our commitment in 2008. This reflects our efforts to revitalise contact with groups in Northern Ireland through a regular programme of visits: during the period under review Tudor grants managers visited 14 organisations across the province over two three-day visits.

Grants by region: 2009

Region	No of grants	Value of grants	% by value	% of UK population	Grant per head
					(UK only)
East Midlands	14	£780,000	5%	7%	£0.19
Eastern	8	£482,500	3%	9%	£0.09
London	69	£4,076,900	23%	12%	£0.57
North East	10	£622,250	3%	4%	£0.25
North West	43	£2,150,875	12%	12%	£0.32
Northern Ireland	11	£776,200	4%	3%	£0.46
Scotland	23	£1,198,000	7%	9%	£0.24
South East	21	£1,143,400	6%	14%	£0.14
South West	42	£1,997,385	11%	8%	£0.41
Wales	13	£794,500	5%	5%	£0.27
West Midlands	13	£756,588	4%	9%	£0.14
Yorkshire & the Humber	32	£1,969,800	11%	8%	£0.40
Overseas	26	£1,064,100	6%	NA	NA
Total	325	£17,812,498	100%	NA	NA

Over the year a number of special interest groups made up of trustees and staff continued to focus their attention on Tudor's response to specific issues.

The **Africa Group** made 18 grants totalling £649,700 to organisations working to promote sustainable agriculture in sub-Saharan Africa. A particular focus of the group's grant making this year was the development of sustainable community buildings. One grant in this field was made to Build It International, a new organisation training communities in Zambia to construct sustainable low-cost buildings using stabilised soil block technology, with another going to Ram Cast CIC to support the development and ratification of regional standards for earth building within the 14 countries of the Southern African Development Community. Alongside its grant making the group's Africa-based consultant continued to provide intensive mentoring and capacity-building support to a number of sustainable agriculture organisations based in Kenya, Uganda and Zimbabwe.

The group also supported its second workshop, focusing on farmer-to-farmer training, in Uganda in June 2008, working closely with the Kulika Charitable Trust which hosted the event. The workshop brought together 64 participants from 15 organisations from Kenya and Uganda, including two facilitators and two Tudor representatives. Each organisation sent two staff

THE TUDOR TRUST

members (whether director, manager or field staff) and two farmer partners with experience of farmer-to-farmer learning: the range of participants greatly enriched the workshop and provided excellent opportunities for sharing knowledge and experience.

The **Almshouse Group** continued to pursue its idea of creating an 'almshouse for the 21st century' through a partnership between an older people's co-housing group and a housing association. The end of the year saw some progress, with a proposal that the co-housing units could be placed within a wider general housing scheme currently under development in North West London. In the year to come the group will decide how Tudor can best support this project as it moves in a new direction.

The **Debt Group** made seven grants over the year, totalling £493,000. As well as providing support to groups undertaking practical, community-based work aimed at reducing over-indebtedness the group also made grants to two organisations working with young people on issues of financial literacy and capability in very different ways - Quaker Social Action and MyBnk.

A new group - the **Sustainability Group** - was established during the year. This group does not make grants but was established to develop the approaches and thinking on issues around sustainability and resilience which will feed into Tudor's wider grant making. So far the group's primary focus has been on the topic of food, although it has also looked at buildings/outside spaces and transport. The group has met with experts and visited a wide range of projects and organisations undertaking work in these fields.

Finally, the **Tudor LankellyChase South West Partnership (TLC)** entered its fourth and penultimate year. During the summer TLC held two well-attended events in Bristol and Exeter which influenced how the partnership's remaining funds could be used most effectively to encourage effective joint working between voluntary sector groups in the criminal justice field across the South West. Alongside this the CLINKS South West Development Worker, funded by TLC, continued building the capacity of voluntary sector groups, encouraging communication and co-operative working. Over the year TLC members visited and funded a wide range of groups across the South West, agreeing nine grants totalling £543,400 (£271,700 contributed by Tudor).

Assessing *how* we fund as well as *what* we fund

As a grant maker Tudor is keen to ensure that the sort of grants we make and the way we make them reflect the principles embodied in our funding guidelines. We have therefore developed systems which allow us to monitor both the *type* of organisations we fund, and the *way* we make grants, helping us to gather information which sits alongside and complements our more straightforward monitoring.

We say in our guidelines we want to make grants to groups providing direct services to marginalised groups: in 2009 90% of our grants went towards this sort of grassroots work (2008: 86%). Similarly, while we are keen to offer support to some groups in the longer term we also say that we want to support organisations which are new to us. In 2009, 40% of the groups we supported had not had a grant from us before - the remainder were almost evenly split between groups which had received a grant from Tudor at some point in the past and groups which received continuation funding. This seems to us to maintain an appropriate balance between engaging with new organisations whilst also maintaining existing funding relationships.

While we assess our performance against a number of grant-making objectives, over 2009 we focused on three key areas of our grant-making practice:

- **Engagement:** are we providing sufficient and appropriate levels of support to applicants and grant holders?
- **Whole-hearted, supportive funding:** do our grants provide organisations with the funding they need to do the job? Are we funding what they really want and need? Do our grants support the whole organisation?
- **Learning from our grant making:** are we learning from the reports we receive from our grant holders? Are we doing enough to support the organisations we fund to think carefully about monitoring and evaluation?

Engagement

One of Tudor's primary grant-making objectives is to offer high levels of support and engagement where this is helpful and appropriate, whether to potential applicants, applicants or to grant holders, with the aim of building stronger, more productive relationships.

- **Engagement before an application is made:** it is challenging for Tudor, as a national funder, to ensure that small local groups know about us and the sort of support we can offer. One way of raising awareness is to make sure that we are listed in relevant directories and databases, but personal contact is also important. Over the year

we attended funding events or met with funding advisors in Llandudno, Durham, Belfast and Lincoln - areas from which we have not traditionally received many applications - and took part in a specialist funding session aimed at small London-based BME groups. In addition, while we hope that our website and guidelines give potential applicants a clear idea of what we fund and how to apply, Tudor's Information Team is available to provide advice over the phone to those who need more help and support in putting their application together.

- **Engagement during the application process:** once an application has reached the second stage the applicant and their grants manager will work in partnership to develop it further. This usually involves an in-depth telephone assessment or a visit - 26% of second-stage applicants were visited in the period under review (2008: 21%). A distinctive feature of our application process is that the applicant doesn't have to request a specific amount of funding when they first apply - instead the intention is that the applicant and grants manager work together to develop a proposal, and a grant request, which focuses on the real needs of the organisation.

What we are asked to fund can often change too, with grants managers reporting that 21% of second-stage applications changed fundamentally as the application was developed. For example, while a small community group applied to us for funding to buy a property, after meetings and discussion they finally requested and were given a three year grant towards a part-time development worker's salary and running costs, including rent.

- **Ongoing engagement:** engagement continues once a grant has been made, with grants managers working to develop a more in-depth knowledge of the organisations we support. Knowing more about how an organisation works and understanding the challenges it faces has encouraged us to be more flexible in our grants management - we can look at options such as changing payment schedules or altering the use of a grant, where this will be of benefit to a group. Alongside this Tudor's trustees and staff aim, where possible, to provide support and advice where they can - whether by offering a different perspective on day-to-day challenges, making useful introductions or by providing more focused assistance on a particular issue such as recruitment, building design, governance or funding.

Where grant holders (and in some cases applicants) need more specialist or intensive support than we can offer directly, grants managers can recommend a development grant, or can link the organisation with a source of more specialist expertise. Piloted in 2008, Tudor's development grants became a key support tool in 2009 with 18 small grants being made in response to a need identified by a grants manager in discussion with an organisation. These grants

cannot be applied for, but are intended to help a group to strengthen and develop. In the year under review development grants helped organisations decide on the most appropriate legal structure, address governance and strategic planning issues, undertake organisational reviews, find new premises and in one case manage the process of change during a merger. We have also continued our relationship with the Institute of Voluntary Action Research (IVAR), funding them to provide bespoke developmental support to six organisations, focusing on strategy, governance and sustainability.

Whole-hearted and supportive funding

Tudor is interested in helping the groups we fund to stabilise, progress and develop and we are therefore committed to funding 'whole-heartedly' - to making constructive and flexible grants at a level which allows groups to go ahead and do the work that needs doing.

- **Grant size and profile:** our intention of providing a realistic and useful level of support to the groups we fund is reflected in the size of our average grant commitment, which continues to rise year on year. In 2009 the average grant was for £54,808, compared to £52,103 in 2008 and £45,005 in 2007. The increase in size of our average grant has been accompanied by an increase in the proportion of our grants going towards commitments at a higher level. In 2009, 59% of funds committed went towards grants of £70,000 or more (2008: 56%; 2007: 44%).
- **Core funding:** with our focus on supporting the whole organisation, and responding to the needs and priorities it identifies, it is perhaps not surprising that in the period under review the bulk of our revenue funding - 80% by value (2008: 74%) - went towards essential organisational costs, including key salaries and running costs, rather than towards self-contained projects. This kind of core support is always in demand, with groups seeking to achieve a position of organisational and financial stability from which they can plan for the future.
- **Funding over longer periods:** our funding guidelines recognise that it can take time to tackle deep-rooted problems or cope with and move on from difficult situations, and suggest that in some situations we may provide financial support over a sustained period of time. This can be through continuation funding - in the period under review 28% of the grants we made took forward an existing relationship - or by making a single grant over a longer period: in 2009 44% of our revenue grants were made over three years (2008: 43%). Reinforcing this, 39% of the two year grants made over the year followed straight on from an earlier grant, usually itself made over two or three years. So, in many cases, what appears to be a short-term grant may actually be a building block in a longer-term funding relationship.

While we made one four year and one five year grant in 2009 we have made fewer 'one off' longer-term grants over the last few years than we thought we might, perhaps as these can seem a rather inflexible instrument given the rapidity of change in the sector and the way that organisations' fortunes and priorities can alter over time. We will, however, keep the possibility of making long-term grants under review.

Learning from our grant making

Tudor is a generalist grant maker in the field of social welfare, supporting a diverse range of organisations working across a huge range of issues. Given our wide-ranging approach it is clear that we can't evaluate the overall impact of our grant making or gain any real sense of the 'difference' our grants make to society as a whole. However this doesn't mean that we can't learn from our grant making, or provide useful support to our grant holders in their own monitoring and evaluation.

An area of particular focus during the period under review has been the provision of better levels of support to our grant holders in the area of monitoring and evaluation. We now aim to talk more constructively to all applicants at the second stage about how they can track their progress and report on their achievements in a way which contributes to their own development as an organisation. Rather than imposing a 'standard' approach to evaluation we want to work with groups at the level they are at; over the year to come we hope to pull together a range of approaches, resources and tools for groups to draw on whatever their position on the evaluation 'ladder'.

Looking ahead

While the external financial environment around us changed rapidly and unpredictably, in 2009 Tudor continued to work steadily, focusing on making good grants and providing useful support to organisations under the aegis of our now well-established guidelines. As noted, trustees held firm in maintaining grant making over the year at the planned level. It is also the trustees' intention to keep our grant making at similar levels over this financial year and the next, although this of course will be subject to close and increasingly regular review by the Board.

While it is extremely difficult to plan for the future amidst the volatility and uncertainty of global recession, the trustees' hope is that we can maintain our investment in vulnerable communities during this challenging period of financial and social turmoil. Indeed we believe new opportunities will emerge from a reassessment of the role voluntary organisations play in creating a healthy civil society.

Over the year to come we may need to think carefully about the sort of work most in need of our support - should we prioritise the maintenance of good existing services over new developments, for example? But whatever small adjustments we may make to our focus, our intention is that Tudor will continue to offer flexible support to excellent organisations which work carefully and imaginatively with people on the margins of our society, helping them to confront both the challenges they have always faced and the new ones now emerging.

Financial review

Charitable expenditure

This year Tudor made grant commitments of £17.8 million against £20.4 million in 2008; 325 grants were made this year 2008: 392. The average grant has increased to £54,080 from £52,103 in 2008. This fall in number of grants is in line with current policy. The guidelines launched in April 2006 made a commitment to fuller, longer-term funding. The level of grant commitments due within one year has fallen by £1.2m this year due to the fall in grant commitments mentioned above (2009 £17.0 million, 2008 £18.2 million) however this still, represents the fuller funding noted in 2007.

Tudor looks to maintain the real return of its portfolio whilst seeking to maximise the value of grants made available to the Trust's beneficiaries. Reflecting a policy adopted some years ago - a policy which is continually reviewed - Tudor's expenditure therefore continues to exceed its income. This gives a net charitable expenditure for the year of £5.1 million (2008: £6.4 million). Capital withdrawals are made from the expendable General Fund to bridge this. The trustees recognise that, in some years, this will result in the underlying value of the fund diminishing. Unsurprisingly this has been the case in 2009.

Income earned on Tudor's investment portfolio this year (net of investment management fees) was 10% lower than in 2008. This was mainly due to a number of floating rate notes maturing during the year and the effect of falling interest rates on the fixed income portfolio. Dividend income remained consistent with 2008 levels.

The total cost of supporting Tudor's grant-making activities for the year was £976,000 (2008: £963,000). A separate cost line introduced in 2008 is professional support costs which represents amounts paid to external consultants and professional advisors in support of new grant applications and ongoing grant work has increased to £142,000 this year from £61,000 in 2008. This is due to the initial costs incurred on developing the prison visitor centre at HMP Wormwood Scrubs.

The trustees set a budget for support and administrative costs at the start of each financial year. Actual expenditure against budget is monitored on a monthly basis during the year and reported to the Trustee Committee and the Board at regular intervals.

Investment portfolio

Tudor has adopted an investment policy for its expendable endowment which seeks to optimise performance through a diversified asset portfolio applying a medium risk strategy. This is reflected in its asset allocation as shown in Note 6 on page 31. The performance of the portfolio is monitored monthly and reviewed on a quarterly basis by the Investment Committee. At these meetings trustees discuss investment strategy and asset allocation with an independent advisor. Investment performance and market trends are discussed with the Trust's investment managers at regular meetings.

Tudor has operated a socially responsible investment policy for nearly nine years. It seeks to invest in companies that demonstrate socially responsible values and which demonstrate the potential for sustainable growth in the future. Trustees believe this positive long term approach to investing is a key part of the strategy for the portfolio. Negative screening, where industry sectors or companies are excluded from investment, may limit future opportunities - however some investments are not held as they are inimical to the work of the Trust.

In 2008 the Board adopted new Investment Principles. These aim to promote the mission of the Trust (supporting the social, economic and financial needs of people on the margins of society) rather than frustrate it. Over time, Tudor aims to invest all its assets in a way which is in line with the Trust's philanthropic principles and resonates with our grant-making strategy. In setting such a policy the trustees recognise the need to balance risk within the portfolio. Tudor considers itself to be a long-term social investor in ameliorating society's ills and so its financial investment should look for long-term performance rather than short-term gain. The trustees believe that taking a responsible, long-term approach to investment will ultimately improve returns.

The trustees have begun a review of the existing portfolio and moving into new areas of investment, in accordance with Tudor's new investment principles. At the Board meeting in March 2009 the trustees agreed to begin the process of appointing a dedicated SRI fixed income manager to the Trust following a selection process. This review of the portfolio will continue throughout the 2010 year. We will also continue to look for good examples of social investment and will seek ways of demonstrating the value of blended return.

The market value of Tudor's portfolio at 31 March 2009 was £223 million (2008: £296 million). The investment portfolio at this date comprised 47% UK equities, 47% fixed interest holdings, 4% in cash and 2% as social investments (in 2008: 54%, 41%, 5% and 1% respectively).

The fallout from the events happening in the financial markets has taken its toll on the portfolio this year; the unrealised investment losses are £63m. The Investment Committee is actively monitoring the effects of this with the investment managers. Monitoring cashflow has become key as Tudor's long term commitments still need to be met and we are wary of selling 'distressed' assets. In setting the grant commitment budget for 2010 the trustees are aware of the effects that this could have on the value of the endowment.

The fixed interest portfolio had £93.6 million held in corporate bonds, gilts and floating rate notes with the balance of £11.0 million in a high income generating unit trust.

During the year, the level of cash held on short-term deposit has increased compared to last year. A floating rate note matured on the last day of the financial year and this is being held for cashflow purposes. Interest achievable on short term deposits is currently very low. Other available funds are held in floating rate notes and the associated interest has helped the income yield. Tudor holds sufficient cash or near cash to fund the annual cash requirement arising from operations of the Trust, as and when expenditure exceeds income.

In the course of the year further adjustments have been made to the Venturesome patient capital loan. The loan is now included in the accounts at £186,082 written down from an original £400,000 investment. Venturesome's aim is to make creative loans to organisations where it is acknowledged there may be a higher risk of default. The attrition rate of the fund is still lower than originally expected, proving the success of the model. The £400,000 underwriting facility remains in place with Venturesome. During the year Venturesome reviewed their product offer. In confirming a three year extension to the agreement with Venturesome Tudor's trustees have agreed that funds repaid can be used for the Innovation Fund and the Development Fund in a ratio of 1:2. The transition of the underwriting facility is still being discussed.

During the year Tudor made two further social investments. An investment of £500,000 was made in the Triodos Opportunities Fund. This fund seeks to provide venture capital finance to social enterprises aiming to generate both a competitive financial return and a social return on investment. As has been described in the Trustees Report an investment of £656,000 was also made in the Community Land Trust Fund held by Venturesome. Further financial details on this investment are given in note 16. Provisions and write downs have been made against both of these investments representing fees charged and provisions against loans (£25,000). A small amount of interest has also been received on both funds.

The value of social investment in total is now £3.6 million (2008: £2.5 million) representing 2% of the endowment. There were no other changes in the value of Tudor's social investments throughout the year. We are committed to retaining these holdings to allow the organisations to demonstrate the social and financial value of the investment.

Reserves

Under the terms of the Trust Deed, the General Fund is expendable at the trustees' discretion. All unexpended funds are therefore held in the General Fund. It is the trustees' intention to continue monitoring the value of the General Fund in real terms to ensure that they can maintain the existing level of charitable giving for the foreseeable future.

Risk management

The trustees are responsible for establishing and monitoring internal control systems within the Trust. The trustees review the major risks which may impact on the operations of the Trust on an ongoing basis 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 on an ongoing basis as part of the day-to-day risk management process within the Trust.

The trustees consider the principal risk to the Trust is that of not fulfilling its core purpose: good grant making. Failure to maximise the opportunities afforded an independently-endowed grant maker would be damaging to the Trust's potential beneficiaries. In order to mitigate this we regularly review our grant-making practices and monitor and evaluate grants made.

Tudor's resources are also subject to the unpredictability of the financial markets. To mitigate this risk the trustees review the asset allocation and fund performance on a regular basis. Lack of resources would affect our ability to make available as much funding support as we might like and deliver the objectives set out in our funding guidelines.

Statement of trustees' responsibilities

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 company and of the surplus or deficit of the company for that period.

In preparing those statements, the trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Audit information

So far as each of the directors at the time the trustees' report is approved are aware:

- a) there is no relevant information of which the auditors are unaware; and
- b) they have taken all relevant steps 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.

Approved by the trustees of Tudor Trust, on 1 July 2009 and signed on its behalf by:

Penelope Buckler
Chair

James Long
Vice Chair

Statement of Financial Activities
(incorporating an income and expenditure account)
Year ending 31 March 2009

	Notes	Unrestricted 2009 £000	Restricted 2009 £000	Total 2009 £000	Total 2008 £000
Incoming resources					
Incoming resources from generated funds					
Investment income	2	13,368	-	13,368	14,978
CLT Fund grant	16	-	125	125	-
Total incoming resources		13,368	125	13,493	14,978
Charitable activities					
Grants approved		17,703	109	17,812	20,424
Management of grants		976	-	976	963
Professional support costs		142	-	142	61
Grants withdrawn		(966)	-	(966)	(763)
Total charitable expenditure	4	17,855	109	17,964	20,685
Governance costs		16	-	16	16
Cost of generating funds					
Investment management fees		592	-	592	722
Total resources expended		18,463	109	18,572	21,423
Net expenditure for the year		(5,095)	16	(5,079)	(6,445)
Unrealised investment (losses)		(63,270)	-	(63,270)	(27,502)
Net movement in funds		(68,365)	16	(68,349)	(33,947)
Funds balance at beginning of year		272,938	232	273,170	307,117
Funds balance at the end of the year		204,573	248	204,821	273,170

All incoming resources and resources expended derive from continuing activities.
The notes on pages 27 to 36 form part of these financial statements.

Balance Sheet
As at 31 March 2009

	Notes	2009 £000	2008 £000
Fixed Assets			
Investments	6	217,208	289,744
Social investments	7	3,617	2,525
Tangible assets	8	1,448	1,503
		222,273	293,772
Current Assets			
Debtors	9	2,915	4,037
Cash at bank and in hand		2,896	577
		5,811	4,614
Current liabilities			
Creditors: amounts due within one year	10	(17,164)	(18,409)
Net current liabilities		(11,353)	(13,795)
Total assets less current liabilities		210,920	279,977
Creditors: amounts due after more than one year	11	(6,099)	(6,807)
Net assets		204,821	273,170
Funds			
Unrestricted funds			
General fund (expendable endowment)	12	266,134	277,907
Revaluation reserve	12	(62,048)	(5,369)
Designated fund	12	487	400
Restricted fund	12	248	232
		204,821	273,170

The financial statements were approved by the Trustees of the Tudor Trust on 1 July 2009 and signed on their behalf by:

Penelope Buckler
Chair

James Long
Vice Chair

The notes on pages 27 to 36 form part of these financial statements.

Cash Flow Statement
Year ending 31 March 2009

	2009 £000	2009 £000	2008 £000
Cash outflow from operating activities (Note 13)		(20,277)	(18,706)
Returns on investment and servicing of finance			
Dividends received	6,563		5,660
Interest received	7,926		9,090
		14,489	14,750
Capital expenditure and financial investment			
Purchase of investments	(13,512)		(58,968)
Purchase of Social investments	(1,156)		-
Proceeds from sale of investments	22,860		62,607
Purchase of fixed assets	(3)		(1)
		8,189	3,638
Net increase/(decrease) in cash		2,401	(318)
Analysis of changes in net funds			
Cash at bank and in hand			
At 1 April 2008		577	592
At 31 March		2,896	577
Increase/(decrease) in the year		2,319	(15)
Investment cash			
At 1 April 2008		8,116	8,419
At 31 March		8,198	8,116
Increase/(decrease) in the year		82	(303)
Total increase/ (decrease) during the year		2,401	(318)

The notes on pages 27 to 36 form part of these financial statements.

Notes to the annual accounts 2008/09

1. Accounting policies

a) Basis of accounts preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, applicable Accounting Standards and the statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005. The Trust has availed itself of the provisions of paragraph 3(3) of schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charitable company's activities.

b) Investments

All investments are stated at market value. It is the Trust's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities (SOFA) only includes those unrealised losses or gains arising from the investment portfolio throughout the year. Disclosure is made in the investment note of the difference between the historic cost and the sale proceeds of the investments sold during the year.

Social investments are carried at cost less any provision for diminution in value. Such investments are subject to review, and any diminution is charged to the SOFA.

c) Investment income

Investment income is stated on an accruals basis and includes the related tax credit. The Trust has an exemption to income tax granted by the Inland Revenue.

d) Tangible fixed assets

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised on acquisition.

Freehold land is not depreciated. Depreciation is calculated to write-off the cost less residual value of tangible assets on a straight-line basis over their estimated useful economic lives as follows:

Freehold building	Fifty years
Furniture, fittings and equipment	Five to ten years
Computer equipment	Three to five years

e) Resources expended

i) Cost of generating funds

The fees due in respect of investment managers' services are charged against income as the cost of generating funds.

- ii) Charitable donations**
Grants awarded are charged in full against income when a grant has been approved by the Trustee Committee, irrespective of the time period it may cover. Grants awarded but unpaid at the balance sheet date are recognised as grant commitments under creditors. Grants withdrawn or cancelled in the year are credited against new grant commitments made in the same year.
- iii) Support costs**
Expenditure incurred in the course of grant making is shown as support costs. Resources utilised for this purpose are defined as staff time, office expenses, accommodation and IT costs.
- iv) Governance costs**
Governance costs relate to direct expenditure incurred in compliance with the constitutional and statutory requirements of the Trust.
- f) Exchange gains and losses**
All realised and unrealised exchange gains and losses on investments are accounted for in the SOFA.
- g) Leased assets**
The cost of operating leases is charged to the income and expenditure account as incurred.
- h) Pension schemes**
Contributions paid to the Trust's defined contribution pension schemes are recognised in the year in which they are payable.
- i) Funds**
All unexpended funds are held in the General Fund which can, under the terms of the Trust Deed, be used at the discretion of the trustees. Restricted funds may only be used for specific purposes in accordance with the donor's wishes.
- j) Company 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.

Notes to the Accounts

2. Investment Income

	2009 Total £000	2008 Total £000
Dividends and Interest		
Equity investments	5,701	5,762
Fixed interest	7,117	8,503
Unit Trust	32	36
Social investments	146	141
Bank interest	372	536
	13,368	14,978

3. Analysis of Grants by classification

	%	Number	2009 Total £000	2008 Total £000
Grants by classification				
Youth	13	44	2,762	2,731
Older People	3	11	514	806
Community	30	97	4,975	6,060
Relationships	10	33	2,036	2,147
Housing	6	22	1,055	1,344
Mental Health	12	40	2,098	2,455
Substance Misuse	4	6	450	677
Learning	2	8	332	546
Financial Security	3	10	753	722
Criminal Justice	9	29	1,823	2,053
Overseas	8	25	1,014	883
	100	325	17,812	20,424

4. Resources expended

a) Charitable donations

	Number 2009	2009 £000	Number 2008	2008 £000
Grants approved during the year	325	17,812	392	20,424
Provisions against/(released) social investment		50		(20)
Grants withdrawn or cancelled during the year	(38)	(1,016)	(36)	(743)
	287	16,846	356	19,661

4. Resources expended (continued)

b) Resources expended

	2009 £000	2008 £000
Management of grants		
Staff costs	659	629
Office expenses	130	139
Depreciation	58	77
Accommodation costs	35	33
IT costs	42	36
Trustee remuneration	40	35
Trustees' expenses	12	14
	976	963
Professional support costs	142	61

Professional support costs represent amounts paid to external consultants and professional advisors in support of new grant applications and ongoing grant work with beneficiaries where a higher level of engagement or expertise is required than can be supported by staff at the Trust.

Governance costs

Legal & professional fees	4	3
Auditor's remuneration	12	13
	16	16

The Trustees are reimbursed for out-of-pocket travel and subsistence expenses. The number of trustees who received reimbursement was 6 (2008: 6).

There is provision in the memorandum of association that no more than half of the trustee board can be offered reasonable remuneration. Members of the Trustee Committee are working over 50 days a year for the Trust. In order to sustain this the Board agreed to remunerate two trustees from 1 April 2006.

	2009 £000	2008 £000
	£	£
James Long	19	18
Monica Barlow	18	17

These costs are included in the employment costs note.

None of the other trustees received remuneration.

c) Net incoming resources for the year:

	2009 £000	2008 £000
This is stated after charging:		
Auditor's remuneration	12	13
Depreciation	58	77

5. Employment costs

	2009 £000	2008 £000
Wages and salaries	541	522
Social Security costs	57	55
Pension costs	63	60
	661	637

The average full-time equivalent number of employees during the year was 14 (2008: 14).

One member of staff received remuneration of between £60,001 and £70,000 (2008: 1). Pension contributions of £7,351 were made by the Trust on behalf of this employee.

6. Investments

	2009 £000	2008 £000
Market value of investments at 1 April	289,744	321,188
Purchases made during the year	13,512	58,968
Sales proceeds on disposal	(22,860)	(62,607)
Increase/(decrease) in investment cash held	82	(303)
Investment (losses) for the year	(63,270)	(27,502)
Market value of investments at 31 March	217,208	289,744
Cost at 31 March	279,256	295,113
Accumulated unrealised (losses) based on historic cost	(62,048)	(5,369)

Accumulated unrealised gains are based on historic cost

Analysis of market value

	2009 £000	2008 £000
UK equity investments	104,410	159,143
UK fixed interest investments	92,826	115,236
Overseas fixed interest investments	11,774	7,249
Cash on deposit awaiting investment held in the UK	8,198	8,116
	217,208	289,744

7. Social investments

	2009 £000	2008 £000
CAF Bank Limited	1,500	1,500
Charity Bank Limited	500	500
Venturesome	186	225
Ethical Property Company	300	300
Triodos Opportunities Fund	496	-
Community Land Trust Fund	635	-
	3,617	2,525

The investment of £1.5 million in CAF Bank Limited is held as 9.15% redeemable preference fully paid shares of £1 each.

The investment in Charity Bank Limited comprises £500,000 non-cumulative preference fully paid shares of £1 each.

Venturesome is part of Charities Aid Foundation. It offers charities an alternative source of financing to grant donations and bank loans. The original £400,000 investment was an interest free unsecured loan for an initial term of five years ending in 2008. During the year the trustees agreed that Venturesome could hold the funds for a further three years. The structure of the funds has changed and the trustees have agreed that as funds are repaid they will be used in Venturesome's new innovation and development funds. The total provided for is now £214,000 leaving continued investment of £186,000. This is in line with expectations.

The Trust owns 250,000 ordinary shares in the Ethical Property Company.

During the year the Trust invested £500,000 in the Triodos Opportunities Fund. The fund has two fundamental objectives: to generate a competitive financial return and generate a social return on investment. The fund identifies and invests in small to medium size private companies with growth potential and provides them with capital in order to assist and accelerate their growth. Movements on the fund represent interest received and management charges.

During the year the Trust invested £656,000 in the Community Land Trust investment fund held by Venturesome (see note 16). Movements on the fund represent interest receivable, management charges and provisions.

The value of the social investments at the end of year is shown at cost less amounts either provided for or written off by Venturesome. In the opinion of the trustees this equates to market value at the balance sheet date.

8. Tangible fixed assets

	Freehold land & building £000	Furniture, fittings & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 April 2008	2,145	108	137	2,390
Additions in the year	-	-	3	3
Assets written off	-	-	(17)	(17)
At 31 March 2009	2,145	108	123	2,376
Depreciation				
At 1 April 2008	699	60	128	887
Charge for the year	43	10	5	58
Assets written off	-	-	(17)	(17)
At 31 March 2009	742	70	116	928
Net book value at 31 March 2009	1,403	38	7	1,448
Net book value at 31 March 2008	1,446	48	9	1,503

9. Debtors

	2009 £000	2008 £000
Amounts falling due within one year		
Accrued investment income	2,537	3,659
Loans	351	350
Other debtors and prepayments	27	28
	2,915	4,037

In 2007 the Trust made a loan to the Comrie Development Trust to assist in the purchase of the Cultybraggan Army Base. The loan was in two parts. £200,000 of the loan is interest free for 18 months and is secured by a charge over the land. If the loan is not repaid in this time interest at 3% over prevailing base rate will be charged until it is repaid. The balance of £150,000 is unsecured and falls due for repayment in three years. It is also interest free as long as it is repaid within 3 years.

In January 2009 the Trust agreed that Comrie Development Trust could repay the £200,000 loan in October 2009. Interest is accruing on the loan from 1 March 2009.

10. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Grant commitments	16,970	18,183
Accruals	194	226
	17,164	18,409

11. Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Grant commitments	6,099	6,807

12. Movement in funds note

	Funds b/fwd £000	Income £000	Expenditure £000	Transfer £000	Net £000	Funds c/fwd £000
Unrestricted fund						
General fund	277,907	13,368	(18,456)	(94)	(6,591)	266,134
Revaluation reserve	(5,369)	-	-	-	(56,679)	(62,048)
Designated fund - Venturesome	400	-	-	-	-	400
Designated fund - CLT Fund	-	-	(7)	94	-	87
	272,938	13,368	(18,463)	-	(63,270)	204,573
Restricted funds						
Bibini fund	16	-	-	-	-	16
Emmanuel fund	216	-	(100)	-	-	116
Community Land Trust fund	-	125	(9)	-	-	116
	232	125	(109)	-	-	248
	273,170	13,493	(18,572)	-	(63,270)	204,821

Represented by:	Fixed Assets £000	Net Current Assets £000	Creditors > 1 year £000	Net assets £000
General fund	222,273	(12,088)	(6,099)	204,086
Designated fund	-	487	-	487
Restricted fund	-	248	-	248
	222,273	(11,353)	(6,099)	204,821

that they can maintain the Trust's existing level of charitable donations and meet its outstanding grant commitments over future years.

Designated fund

Venturesome

In 2006 year the trustees agreed to offer Venturesome a £400,000 underwriting facility.

This enables Venturesome to release more of their funds for loan financing and allow a greater proportion of the £186,000 included as one of Tudor's social investments to be used for loans (see note 7).

Community Land Trust fund

During the year the trustees agreed to set aside £94,000 towards the Feasibility and Technical Assistance funds held as part of the Community Land Trust fund (see note 16).

Restricted fund

Bibini fund

This fund is to be used for projects for young people in the Manchester area, especially of African, Caribbean and Asian origin following receipt of funds on the closure of the Bibini Centre for Young People.

Emmanuel fund

To be used for projects for people with substance misuse problems and/ or their children/ families principally (but not exclusively) in the Greater Manchester and adjacent areas. This follows receipt of funds on the closure of the Emmanuel Community charity.

Community Land Trust fund

During the year the Esmee Fairbairn Foundation contributed £125,000 towards the costs of operating the Feasibility and Technical Assistance Funds held as part of the Community Land Trust Fund and managed by Tudor.

13. Reconciliation of net outgoing resources to operating activities

	2009 £000	2008 £000
Net outgoing resources for the year	(5,079)	(6,445)
Depreciation	58	77
Investment income	(13,368)	(14,978)
Social investment provided/ (released)	50	(20)
Other movements on Social investments	15	
Loan to Comrie Development Trust	(1)	(350)
Movement in working capital:		
decrease/(increase) in debtors	1	(7)
(decrease) in creditors	(32)	(18)
(decrease)/increase in grant commitments	(1,921)	3,035
Cash outflow from operating activities	<u>(20,277)</u>	<u>(18,706)</u>

14. Operating lease commitments

The trust has the following annual operating lease commitments for office equipment:

	2009 £000	2008 £000
Expiring within one year	-	-
Expiring within two to three years	14	14

15. Related organisations

During the year the Board agreed to finance the construction of a new family visitors' centre at HMP Wormwood Scrubs. On 23 March 2009 a new company was established the Family Centre Trust to take on the contracts for this project. Tudor's director Christopher Graves and the company secretary Fiona Young are two of the three directors of this company. Tudor will make a grant to this charitable company for the costs of developing the family visitor's centre.

16. Community Land Trust Fund

During the year Esmee Fairbairn and the Tudor Trust agreed to set up the Community Land Trust Fund. The fund supports both the early stage development and construction of organisations developing affordable housing and community resources through the co-operative ownership of land by the local community.

The Fund has been split into three to reflect the different stages involved in establishing and developing a Community Land Trust. These three funds are a Feasibility Fund, a Technical Assistance Fund and an Investment Fund. Tudor is holding and managing the Feasibility Fund and Technical Assistance Fund and has received £125,000 from Esmee Fairbairn as a contribution to the Fund. Tudor has designated £94,000 towards this fund. Venturesome is managing the Investment Fund and during the year Tudor contributed £656,000 towards the fund.

Independent Auditors' Report to the Members of The Tudor Trust

We have audited the financial statements of the Tudor Trust for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and 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

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

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

Basis of Audit Opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st March 2009 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London EC1M 7AD
Date: 1 July 2009

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Statutory information (continuation of Trustees' report)

The Tudor Trust

Company Limited by Guarantee Number 5196041

Registered Charity Number 1105580

Registered office

7 Ladbroke Grove

London W11 3BD

Telephone: 020 7727 8522

Fax: 020 7221 8522

Website: www.tudortrust.org.uk

Trustees of the Tudor Trust

Mary Graves

Helen Dunwell

Desmond Graves #

Penelope Buckler (Chair) * ~

Christopher Graves * #

Catherine Antcliff

Louise Collins

Elizabeth Crawshaw

Matt Dunwell * #

James Long (Vice Chair from 1 April 2009) * # ~

Ben Dunwell *

Francis Runacres

Monica Barlow (Vice Chair until 31 March 2009) **

Vanessa James #

Mary Graves, Helen Dunwell, Desmond Graves, Catherine Antcliff, Matt Dunwell, Francis Runacres and Vanessa James retired from office and were reappointed on 3 September 2008.

* signifies membership of the Trustee Committee

signifies membership of the Investment Committee

~ signifies membership of the Tudor LankellyChase South West Partnership

Staff of the Tudor Trust

Laura Bowman

Pippa Brown

Liam Clipsham

Ruth Crawley

Joanna de Havilland

Amy Douglas

Philippa Dove

Jascha Elliot

Eryl Foulkes ~

Christopher Graves

Anne Lane

Nicky Lappin

Meena Mistry

Catriona Slorach

Similola Towry-Coker

Eman Yosry

Fiona Young * #

Grants Manager

Information Assistant

Information Assistant

Resources Team Co-ordinator (started 6 January 2009)

Grants Manager

Resources Team Co-ordinator (left 24 October 2008)

Information Team Co-ordinator

Grants Team Co-ordinator

Grants Manager

Director

Grants Team Manager

Research and Information Manager

Finance Officer

Grants Manager

Grants Manager

Resources Officer

Head of Resources

Bankers

Barclays Bank plc
Marble Arch Corporate Banking
PO Box 32016
London
NW1H 2ZH

Auditors

Kingston Smith
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London
EC1M 7AD

Investment managers and advisers

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4 Broadgate
London
EC2V 7QN

Rensburg Sheppards
2 Gresham Street
London
EC2V 7QN

Solicitors

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138 Cheapside
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Putney
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