

# **THE TUDOR TRUST**

Annual Report and Accounts  
2009/2010

Company number 5196041

Registered charity number 1105580

# Annual Report and Accounts 2009/2010

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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 being transferred to the current legal entity on that date. The company is also a registered charity.

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 37 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 on 23<sup>rd</sup> September 2009 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 relevant skills and experience, usually via a direct approach and informal interview. No new trustees were appointed during the year 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 management 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 Boards of both Trusts. The final meeting of this five year partnership took place on 23<sup>rd</sup> March 2010.

## Groups and sub-committees reporting to the Trustee Committee

**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 **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 ended 31 March 2010

### Introduction

2010 saw the addition of a new strand to our funding guidelines which established that Tudor is keen to support organisations 'which are thoughtful in their use of resources and which foster community resilience in the face of environmental, economic or social change'. This is not a 'tick box' requirement which all groups have to meet before we can consider making a grant. Some organisations may have already incorporated this type of thinking into their work. However with others this newly-articulated focus allows us to start a discussion on how they and their communities can manage uncertainty in a way that gives them greater resilience against unhelpful external factors including climate change, resource depletion and financial and social instability.

Continuing economic and political volatility meant that resilience was one of the themes of the year - both for Tudor and for voluntary and community organisations contending with a turbulent and challenging environment. On Tudor's part we maintained our commitment to giving at levels consistent with previous years, despite financial pressures, and continued to enhance our grant making with additional support where appropriate. Turning to the groups we fund we have been consistently impressed by the flexibility, resourcefulness and imagination they have displayed when faced with rapidly changing circumstances and increasing levels of need.

We continued to distribute grants in response to the priorities of our applicants. We are confident that they are best placed to know what the problems are and what to do about them. While this has sometimes taken us into new territory - for example we made grants for the first time this year to care farms and to sports organisations moving into focused community development work - our responsive approach also continually reminds us of the value of practical, seemingly 'ordinary', work done to high standards and with energy and enthusiasm. Over the year we made grants to many excellent forward-looking community centres, youth projects and family support organisations, all groups which play a vital role in maintaining the stability and strength of local communities.

We ended the year with very sad news: Similola Towry-Coker, one of Tudor's grants managers, died unexpectedly on 11<sup>th</sup> April. Simi will be greatly missed by Tudor's trustees and staff and our deepest sympathies go to her three daughters, Senami, Aminata and Khadija, and her sister Daphne. Simi joined Tudor five years ago and her great talent for insightful grant making and building a special rapport with applicants and grant holders was matched only by her heart, compassion, humour and grace. Simi supported grant holders both in the UK and Africa, and since her death we have been overwhelmed with messages from the groups she worked with saying how much they valued her as an advocate, confidante and critical friend.

As one London-based group working with young people wrote: “She gave us the best support, advice and criticism, all given with knowledge, wisdom and heart. She urged us always to think deeper, to push ourselves further in what we could be. Her visits always jolted us out of the everyday, fired us up with what more we could do and posed to us difficult but rewarding questions.”

We move into 2011 with the intention of ensuring that Simi’s legacy of wisdom, empathy and encouragement remains at the heart of Tudor’s grant making. We want to continue to be an approachable and flexible grant maker, listening and responding to the real needs of the organisations we support. Simi balanced an enthusiasm for new ideas with a deep commitment to well-founded, straightforward and effective work with vulnerable communities: this balance is something Tudor’s trustees and staff will work to maintain over the years ahead.

### 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 place throughout the year were introduced in April 2006 following a full review of our grant making which took place during 2005-2006. We will continue to work 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 year and the results will be introduced through new guidelines in April 2011.

The 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 do not focus our funding on specific themes or programmes. Instead 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 where appropriate 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 Tudor has the freedom to make grants to any constituted group, as long as the grant is used for charitable purposes and offers sufficient public benefit. When we consider making a grant to a group which isn't a registered charity the trustees ensure that the issues of charitable purpose and public benefit have been addressed to their satisfaction during the application process.

Over the year Tudor funded work across the UK which addressed the Trust's overarching aim of tackling the social, emotional and financial needs of people on the margins of society in many different ways. Although we make grants to organisations our ultimate beneficiaries are of course the thousands of individuals that these groups work with and support, rather than the groups themselves. While working with applicants and grant holders we are constantly aware they are acting as advocates for the people they support. It is important that their voices are heard during our decision-making process.

Our full grants list for 2009-2010 - available on our website [www.tudortrust.org.uk](http://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 activities for the public benefit

### Overview

Once again 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 around 300 grants (excluding staff grants and development grants) within the range of £17 million to £19 million. In the event we made 341 commitments (2008: 325) totalling £18 million (2008: £17.8 million), although when staff grants and development grants are taken out of the equation the total number of grants made reduces to 304.

When looking at our grant making in its entirety, the size of the average grant decreased slightly to £52,722 in 2010 (2009: £54,808). Discounting staff grants and development grants makes a significant difference however: looking just at the 304 core grants identified by trustees the average grant over the period under review is £58,868.

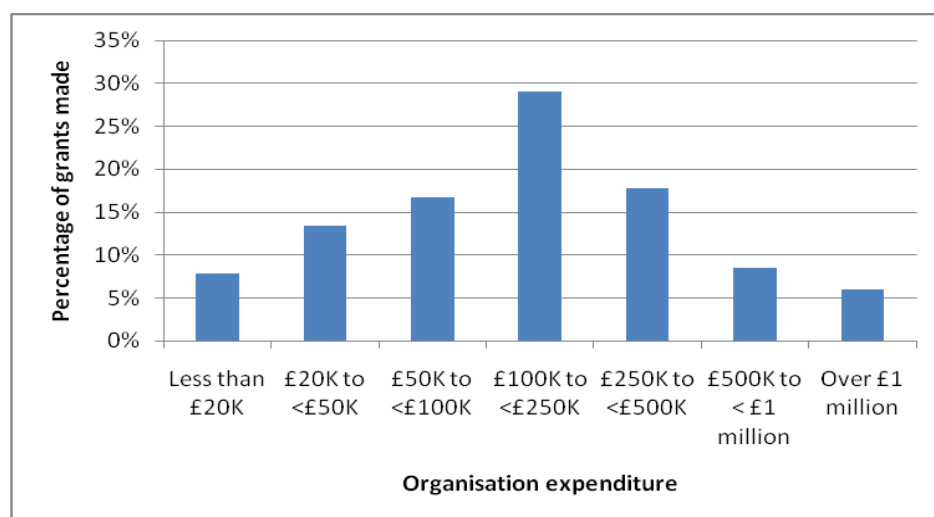
The number of applications received over the year dropped by 15% to just over 2,500 - a significant and perhaps surprising decrease. We have noted a downward trend in application numbers for a few years now: in 2007, following the relaunch of our guidelines, we received 3,660 applications but since then have seen a year-on-year decline. It is difficult to understand why application numbers continued to fall during a period of great financial pressure for the voluntary sector and at a time when information on funders is more widely available than ever before. It will be interesting to see whether the widely-anticipated cuts in public funding will have an impact on the number of applications received by charitable funders such as Tudor.

	2010	2009
Number of applications	2,519	2,948
Number of eligible applications	2,296	2,619
Applications presented to committee	361	354
Number of grants made	341	325
Number of loans made	0	1
Total amount committed	£17,978,219	£17,812,498
Average grant	£52,722	£54,808

It is pleasing to note that the proportion of 'eligible' applications continues to increase - this year only 9% of applications received were ineligible (2009: 11%), comparing well with the Directory of Social Change's recent findings that over a third of applications to charitable trusts are ineligible. Our hope is that clear and straightforward guidelines, and easy access to advice over the telephone and via our website, will continue to help groups decide if they are eligible to apply for funding from Tudor, avoiding wasted time and effort.

A key feature of Tudor’s grant making is our interest in funding smaller, under-resourced organisations which offer direct services to people on the margins of society - our view is that it is often these smaller groups which are best placed to recognise and understand the problems within their communities and to reach the people most in need of support. As the following chart shows, in 2010 more than one in five of our grants went to organisations with an annual turnover of less than £50,000.

**Grants by organisation size: 2010**



We monitor the proportion of our grants going towards direct work with marginalised groups: in 2010 89% of our grants had this focus (2009: 90%). This interest in supporting direct services, and work which has grown out of real community need, has also led us to monitor the proportion of our grants going to either BME-led groups, or targeted work with BME communities. In 2010 12% of our grants by value went towards work identified by the grant holder as having a specific BME focus (2009: 11%).

The grants we made over the year all addressed our aim of tackling the social, emotional and financial needs of people on the margins of society, but in many different ways. Tudor does not have set funding priorities: we support the groups we fund in deciding what to do and how to do it and we see our role as offering some of the resources they need to achieve their aims. This means that our grants support a huge variety of organisations and work - from an organisation working with pregnant women and new mothers in a London prison to a community food project in Glasgow; from an organisation supporting young care leavers in Northern Ireland to a self-help group for survivors of sexual abuse in Nottingham.

Although we no longer make grants against set funding priorities, we still find it helpful to code our grants by subject area. This allows us to maintain an overview of the sort of work we are supporting, and compare organisations and projects addressing similar issues or working with particular groups of people. The following table gives more detail on how our grants were allocated across eleven broad thematic areas in 2010.

**Grants by subject area: 2010**

<u>Subject area</u>	<u>Number of grants</u>	<u>Percentage</u>	<u>Value of grants</u>	<u>Percentage</u>
Youth	39	11%	£1,949,000	11%
Older people	11	3%	£384,000	2%
Community	119	35%	£6,407,300	36%
Relationships	36	11%	£2,385,664	13%
Housing	42	12%	£1,090,275	6%
Mental health	34	10%	£1,981,750	11%
Substance misuse	8	2%	£563,000	3%
Learning	4	1%	£218,000	1%
Financial security	2	1%	£96,200	1%
Criminal justice	27	8%	£2,596,900	14%
Overseas	19	6%	£306,130	2%
<b>Total</b>	<b>341</b>	<b>100%</b>	<b>£17,978,219</b>	<b>100%</b>

This year more of our funding than ever - 36% by value (2009: 28%) - went towards work coded under our Community heading: this covers many of the indispensable local organisations Tudor has always been committed to supporting - community centres, local community development organisations, city farms and community gardens - as well as projects providing more targeted support: to sex workers, asylum seekers and refugees and victims of trafficking, for example.

Given our sense in previous years that grants made to London-based organisations which worked nationally or across a number of regions gave an inflated impression of the level of funding going to London, during the year under review we started to separately identify grants with a national or multi-regional focus. Over the year 13% of our grants by value went to organisations of this type, often supporting work with a specific 'community of interest' such as people with bi-polar disorder, people with eating disorders or male victims of domestic violence.

Despite this, London continued to receive significant levels of funding, with 27% (2009: 23%) of our grants by value going towards work in the capital. This is partly due to a particularly large grant of £1.35 million, made to the Family Centre Trust to build a new family visitors' centre at HMP Wormwood Scrubs: when this grant is omitted the proportion of funding going to London reduces to 21%.

Although Tudor is primarily a UK grant maker we also run a targeted grants programme promoting sustainable agriculture in sub-Saharan Africa: over the year 20 grants - 2% by value - went towards work overseas. The following table show the geographical spread of our grants in 2010:

**Geographical focus of grants: 2010**

<u>Region</u>	<u>No of grants</u>	<u>Value of grants</u>	<u>% by value</u>	<u>% of UK population</u>	<u>Grant per head</u> (UK only)
East Midlands	10	£337,000	2%	7%	£0.08
Eastern	7	£427,000	2%	9%	£0.08
London	71	£4,851,000	27%	12%	£0.68
North East	15	£842,464	5%	4%	£0.33
North West	38	£2,470,000	14%	12%	£0.37
Northern Ireland	6	£339,500	2%	3%	£0.20
Scotland	18	£838,000	4%	9%	£0.17
South East	22	£1,206,000	7%	14%	£0.15
South West	40	£1,260,475	7%	8%	£0.26
Wales	15	£715,200	4%	5%	£0.25
West Midlands	10	£655,500	3%	9%	£0.12
Yorkshire & the Humber	32	£1,354,000	8%	8%	£0.27
National/multi-regional	37	£2,365,950	13%	NA	NA
Overseas	20	£316,130	2%	NA	NA
<b>Total</b>	<b>341</b>	<b>£17,978,219</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>

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. In the year under review we attended funding events or met funding advisors in Gainsborough, Swansea, Greater Manchester, Burnley and Nottingham: with the exception of Manchester these are all areas from which we tend not to receive many applications, as reflected in the grants figures in the table above. Meeting potential applicants and advisors face to face is a useful way of raising awareness of Tudor as a grant maker and also helps to give us a sense of the wider, and sometimes very different, issues affecting voluntary and community groups across the UK.

Tudor has always been interested in funding capital projects, recognising that, entered into at the right stage in an organisation's development, owning a building can be a major factor in ensuring a secure and sustainable future. As noted in previous annual reports, however, we are not making as many 'pure' capital grants towards a building purchase or renovation as we have in the past; in 2001 15% of our grants went towards capital projects while in 2010 the proportion reduced to 7%.

However we also made grants which, while not directly going towards bricks and mortar, were connected to a current or future building project. Taking into account these grants - towards things like a feasibility study for a new community land trust, the running costs of a housing co-op or the salary of a project worker to develop a new space - 14% of grants made over the year went towards some aspect of a capital project.

Alongside this, in 2010 14% of our grants by value went towards capital projects (2009: 5%), an increase almost entirely due to a major grant of £1.35 million towards the construction of a new family visitors' centre at HMP Wormwood Scrubs. Tudor has had a long-standing interest in visitors' centres and has funded the development of four new centres in the past: our hope is that this centre at will build on our previous experience and become an exemplar centre offering useful learning about the way to design and run visitors' centres. Having made the grant in July 2009 - to the Family Centre Trust, established by Tudor to promote family work within prisons - progress was frustratingly slow over the period under review. However work is now due to begin on site.

The Community Land Trust Fund (CLT Fund), launched in 2009 in partnership with the Esmée Fairbairn Foundation and Venturesome, builds on another established area of interest for Tudor, that of affordable housing. The CLT Fund was set up with the aim of helping to establish new Community Land Trusts, which allow local people to acquire land with the intention of creating affordable housing which benefits the local area and its inhabitants in the long term. Tudor is acting as the administrator for the feasibility and technical assistance components of the fund, and in 2010 18 grants were made to help fledgling CLTs develop an investment-ready business plan. In the period under review further contributions towards the Feasibility and Technical Assistance funds were made by CAF, the Nationwide Foundation and an individual investor, and a new website ([www.cltfund.org.uk](http://www.cltfund.org.uk)) was launched.

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

The **Africa Group** made 16 grants totalling £301,130 to organisations working to spread the concept of sustainable agriculture in sub-Saharan Africa. While the group made grants to a couple of new organisations - Grow Biointensive and the Rural Initiatives Development Programme in Kenya - most of its mainstream grants went towards the core running costs of organisations Tudor has known and supported for some time.

The group continued to run its capacity-building grants programme, with five small grants being made towards training, exchange visits within Africa or attending a conference or workshop. Alongside this the group's Africa-based consultant continued to support its grant making by providing support and mentoring to a number of sustainable agriculture organisations based in Kenya, Uganda and Zimbabwe. In addition, planning has begun for the group's third conference on farmer-to-farmer training, to be hosted by Manor House in Kenya in November 2010.

Towards the end of the year the **Almshouse Group** was pleased to see some progress being made towards the development of a co-housing scheme for older women. After an earlier partnership fell through the Older Women's Co-housing Company has partnered with the Hanover Housing Group which has purchased a site with the aim of establishing a 'stand-alone' co-housing scheme. The Almshouse Group is keen to be involved and is considering making a significant contribution to the development with the intention of ensuring it is an exemplar in terms of its design, environmental sensitivity and suitability for the women's needs - particularly the communal areas.

The **Debt Group** made no grants over the period under review, instead beginning a discussion on identifying strands of financial inclusion work which can be embedded in Tudor's mainstream grant making. The group is keen to find ways of supporting financial inclusion in rural settings and of retaining a 'local' component in financial inclusion work: sometimes the drive for growth means that this can be lost.

The **Sustainability Group** was established in 2009 to take the lead on developing Tudor's thinking on issues around sustainability and resilience and to find ways of incorporating this into Tudor's wider grant making. In the year under review the group was involved in developing a major grant of £250,000 for the National Communities Resource Centre to allow them to develop a new training programme, *Community Resilience in the Face of Climate Change*. These residential courses will support people from vulnerable communities to address issues including food, travel, health, community activities, local environment, energy and waste and local trading and shopping.

The group also maintained its focus on the topic of food, convening a very successful seminar which explored the links between food and social well-being. The day allowed community organisations, social enterprises and experts in the field to share their experiences and ideas on the role that local and sustainable food has to play in building resilience in local communities.

The **Tudor LankellyChase South West Partnership (TLC)** entered its fifth and final year. Over the year TLC made a total of eight grants to the value of £455,440 (£227,720 contributed by Tudor): over its lifetime the partnership made grants totalling £2.7 million. TLC made a last grant to CLINKS towards the salaries of staff working to develop the capacity of voluntary sector groups in the criminal justice field in the South West; this additional funding will allow the voluntary sector development team to continue to encourage communication and effective joint working through 2011, beyond the life of the partnership itself. The final meeting of TLC took place on 23<sup>rd</sup> March 2010; at this meeting the members of the partnership commissioned an external review to assess whether the partnership has met its original objectives, despite significant challenges, and whether working together in this way has been effective and a good use of resources.

### **Responding to need and providing useful support**

As a grant maker, Tudor achieves its aims primarily through the provision of financial support. Identifying and funding good organisations is the most important aspect of our work. But we are also keen to ensure that the decisions we take and the way we make and manage our grants provide useful support to the groups we fund. For example, we are keen to ensure that we are funding what organisations really want and need, that we are funding at an appropriate level and over a helpful period of time, and that relationships with our grant holders are as open and responsive as possible.

An important feature of the initial application process is quick decision making, and in 2010 it took an average of 19 days for us to assess a first-stage proposal and tell the applicant whether or not their application would progress to the next stage, well within the month we specify within the guidelines.

Following on from this it then takes an average of just over three months for a final decision to be made. However our sense is that a quick decision is not all that matters at this stage: in some situations it can be equally important to keep alongside applicants even if progress is slow. What we end up funding can change significantly as the application is developed: in 2010 grants managers reported that 21% of applications changed fundamentally as they worked with the applicant to develop a proposal which focused on the real needs of the organisation. Rather than withdrawing an application that is moving slowly we prefer to keep it open while an organisation thinks about how best to proceed. This can sometimes mean that it takes a long time to get to the point of making a decision, but our hope is that the end result is a grant that develops its work and helps strengthen the organisation.

Tudor has a particular focus on providing support to the whole organisation. We say in our guidelines that we want to respond to the needs and priorities identified by organisations themselves: this means that in the period under review an increased level of our revenue funding - 84% by value (2009: 80%) - went towards core organisational costs such as key salaries and general running costs, rather than towards specific project work. It is clear that sustaining the core of the organisation is a huge problem for many groups, leading to organisational and financial instability and an inability to plan for or invest in the future.

We understand that it can take time to find ways of tackling entrenched problems and so in some situations we can commit funding over a sustained period of time. This may be by making a single grant over a longer period - in 2010 38% of our grants were made over three years - or can be through continuation funding - 30% of the grants made over the year took forward an existing funding relationship (2009: 28%). While recognising the value of longer-term and continuation funding, Tudor also has a commitment to supporting new groups and in 2010 36% of the groups we supported had not had a grant from us before. We want to maintain this balance between engaging with new organisations and maintaining existing funding relationships, but recognise that this may become more challenging in the years ahead if more groups we are already funding start to encounter problems.

Drawing on the learning from our grant making is another way of checking that we are really responding to need and are supporting the groups we fund in a helpful and sensible way. Over the year we received 579 reports from groups we were supporting: summaries of these reports were recorded on our grants database and used to pull together our learning and give us a better sense of what works - and sometimes even more usefully what doesn't - in our grant making. The experiences of our grant holders, and our assessment of the effectiveness of the funding and other support we have provided, make our discussions with future applicants more productive, inform decisions on continuation funding and set the agenda for wider funding discussions within the Trust.

As a generalist grant maker Tudor supports a diverse range of organisations working across an incredibly wide range of issues in the field of social welfare. We recognise that this means we can't evaluate the overall impact of our grant making in terms of the 'difference' that our grants make to society as a whole. While we do of course use the lessons we learn from our grant making to improve what we do, an equally important part of our role is to support our

grant holders as they develop their own individual approaches to assessing progress, identifying measures of success and reporting on their achievements.

Our grants managers therefore aim to discuss these issues with all applicants, helping them, where necessary, to incorporate monitoring and evaluation into the heart of the organisation in ways which will contribute to their own planning and organisational development and which respect their individuality and diversity.

### **Making the best use of our resources**

Tudor aims to offer high levels of support and engagement where this is helpful and appropriate, both during the application process and after a grant has been made. Our investment in an organisation often goes beyond the purely financial, with Tudor's trustees and staff working to add value to our grant by providing support and advice. Sometimes all that is needed is the opportunity to discuss worries or challenging issues with someone removed from the day-to-day running of the organisation, but grants managers can also provide more focused support around issues such as recruitment, governance, funding and organisational development.

Tudor's grants managers aim to build a relationship with every group in their portfolio, working to develop an in-depth knowledge of each organisation and an understanding of the challenges it faces. Talking to applicants and grant holders face-to-face is always valuable: in the period under review almost a quarter of second-stage applicants were visited, 51 monitoring visits were completed and numerous meetings with applicants and grant holders took place at Tudor.

As a relationship develops, it sometimes becomes clear that a group needs more intensive or specialist support than we can offer directly. One way of providing this support is through a development grant - a small grant intended to help the group strengthen and develop a particular aspect of their organisation. Development grants are made in response to a need identified by the grants manager in discussion with the organisation: usually they go to groups we are already supporting. First introduced in 2008, development grants are now a key support tool for Tudor. Eighteen development grants were made during 2010, helping organisations to purchase specialist consultancy to address governance, financial, strategic planning or HR issues, carry out a feasibility study, find new premises or start work on a new approach to evaluation.

We also continued to work with the Institute for Voluntary Action Research (IVAR) during 2010, funding them to provide tailored practical support, with a focus on strategy, governance and sustainability, to the trustees and staff of organisations addressing a range of challenging issues. Nine organisations were supported over the year. IVAR's approach is to help organisations find their own solutions, rather than impose them, an approach which sits comfortably with our own intention of being an enabling and responsive, rather than prescriptive, funder.

Tudor has always been convinced of the value of groups sharing experiences and learning from each other and having contact with so many different organisations often gives us enough of an overview to suggest useful links and connections. Grants managers will sometimes put groups in touch with each other, perhaps where they feel that one could learn from the other's approach, or where they are grappling with similar issues and might find it useful to compare notes and discuss strategies.

The Sustainability Group's recent Food Day was about making introductions and facilitating discussion on a larger scale, bringing people who are working on issues of food and social welfare in many different ways together and allowing them to build new networks and gain inspiration from others in the course of an open and constructive discussion. In the year ahead we hope to develop this theme by using our development grants to help facilitate more exchange visits - something that has worked extremely well in Africa and which we'd now like to encourage amongst our UK grant holders.

Making the best use of our resources is not just about maximising the impact of every grant we make: Tudor's trustees are also determined to find ways, beyond grant making, of using the Trust's assets in the best interests of our beneficiaries and to generate a social as well as a financial return. We are committed to using a proportion of the endowment - up to 5% - for social investment. Work continued during 2010 on clarifying our strategic approach to social investment and on developing a structure for making and recording decisions and assessing the social and financial return on our investment.

Social investment was discussed at all three Board meetings over the year, and ultimately it was decided that Tudor does not wish to develop a dedicated social investment 'programme'. Our intention is rather to consider potential social investments on an individual basis, concentrating on investments which resonate with Tudor's approach and interests, as expressed in our funding guidelines, and where we believe that Tudor's involvement can really make a difference. Two new social investments - in the Gloucestershire Gateway Trust and SellaVenture - were made over the course of the year.

### Looking ahead

This was the fourth year of working to our current funding guidelines: in the year ahead we will be reviewing these guidelines, and looking again at how we support organisations, to see if any change of focus or approach is needed. We do not envisage wholesale changes - it is highly likely that Tudor will still be a generalist, and reactive, social welfare funder - but the trustees hope that a period of reflection will allow the Trust to enter 2011-2012 with a refreshed and relevant vision.

We have no doubt that the year ahead will be a challenging one for many voluntary and community organisations as cuts in national and local government spending begin to bite. Charitable funders will continue to have an important, if necessarily limited, role to play in sustaining the sector and Tudor's trustees have therefore decided to maintain our grant making at current levels over this financial year, subject of course to close and regular review by the Board.

Building on 2010's review, it is the trustees' intention to move ahead with social investment in 2011 with a clear sense of our sphere of interest and approach. Social investment lies on the continuum between investment and grant making, and it is our hope that we can make use of our experience in both these fields to make social investments which are as characteristically 'Tudor' as our grants. In addition, once the Trust's investment portfolio has been fully transferred to its new managers, the trustees will continue to consider alternative investment opportunities for this main portfolio, in line with our investment principles.

Over the year to come it is likely that we will need to focus on retaining our flexibility and willingness to listen if we are to respond effectively to the needs of organisations on the ground. We may, for example, need to find quicker, more 'light touch' ways of providing continuation support to good organisations which simply need some additional funding to get through a difficult period, or be open to supporting groups which are new to us in different, more imaginative, ways. The trustees are confident, however, that the staff team will continue to take the work of the Trust forward with skill, commitment and enthusiasm, inspired by the energy, creativity and determination of the groups we support.

## Financial review

### Charitable expenditure

This year Tudor made grant commitments of £18.0 million against £17.8 million in 2009, across 341 grants (2009: 325). This includes a £1.35m grant to the Family Centre Trust towards the costs of constructing a new family visitors' centre at HMP Wormwood Scrubs as described in note 15 on page 34. Trustees agree a budget range for grants at the beginning of each financial year and the level of grants made this year falls within that range. Grant commitments due within one year have increased by £0.3m.

Tudor considers the real return of its portfolio when setting the budget range for the year bearing in mind both our current and future beneficiaries. Reflecting a policy adopted some years ago - a policy which is continually reviewed - Tudor's expenditure continues to exceed its income. Net charitable expenditure for the year was £9.0 million (2009: £5.1 million). Capital withdrawals are made from the expendable General Fund to bridge this shortfall. The trustees recognise that, in some years, this will result in the underlying value of the fund diminishing; however this year this has been slightly offset by the unrealised investment gains following a recovery in the investment markets.

Income earned on Tudor's investment portfolio this year (net of investment management fees) was 24% lower than in 2009. As a result of lower interest rates income fell principally from corporate bonds and other fixed interest investments although all areas were affected.

Perhaps surprisingly overall expenditure appears to have increased during the year from £17.9m to £18.6m. However this is mostly due to a reduction in the number of grants withdrawn during the year. Tudor has sharpened its approach to working with organisations with unspent grants and this appears to be resulting in fewer withdrawals - a welcome outcome which we can try to repeat next year. The level of grants withdrawn is at its lowest since 2001.

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.

The total cost of supporting Tudor's grant-making activities for the year was £966,000 (2009: £976,000). Professional support costs representing fees paid to external consultants and professional advisors in support of new grant applications and ongoing grant work increased to £175,000 this year from £142,000 in 2009. This is due to the professional costs incurred in developing the family visitors' centre at HMP Wormwood Scrubs. Contracts were completed on the centre shortly after the year end and work should start imminently.

## Investments

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 29. 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 ten years. It seeks to invest in companies that demonstrate socially responsible values and which offer the potential for sustainable growth in the future. 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 completed their review of the existing portfolio and are now moving the fund into new investment areas, in accordance with Tudor's investment principles. During the year Aviva was appointed as a dedicated SRI fixed income manager. Since the year end Sarasin has been appointed to hold a segregated global equities mandate. The portfolio will be managed and voted on according to the Bank Sarasin sustainable investment processes. We are in the process of transitioning this part of the portfolio.

The market value of Tudor's investments at 31 March 2010 was £259 million (2009: £223 million). The portfolio at this date comprised 52% UK equities, 35% fixed interest holdings, 11% in cash and 2% as social investments (in 2009: 47%, 47%, 4% and 2% respectively). Delays in investing cash into fixed interest holdings resulted in Tudor holding an unusually large cash balance at the year end. Tudor intends to hold the minimum balances possible for cash flow purposes in future years drawing on sales of gilts to meet cash flow requirements.

The fixed interest portfolio was made up of £93.4 million held in corporate bonds, gilts and floating rate notes with the balance of £14.6 million in a high income generating unit trust.

During the year Tudor's investments benefited from the general upturn in the financial markets resulting in unrealised investment gains for the year of £50m. The Investment Committee continues to monitor this and how Tudor's ongoing annual net expenditure will be financed.

## Social investments

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 £180,890 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. Following changes in the structure of the Fund during 2009 Venturesome is beginning to hold repayments from the original fund in an Innovation Fund and a Development Fund in a ratio of 1:2. The attrition rate of the fund is still lower than originally expected, proving the success of the model. The £400,000 underwriting facility was withdrawn during the year following agreement between Tudor and Venturesome that the facility had now fulfilled its purpose.

Tudor has held an investment in the Ethical Property Company since 2007. In 2010 the company revalued its shares at 80p per share resulting in a fall in the valuation of the shares held to £200,000. The investment has therefore been revalued in the 2010 accounts and a provision of £100,000 recorded.

The Triodos Opportunities Fund rebranded during the year and became the Triodos Social Enterprise Fund. The Fund has made one investment in Charity Business. In May 2010 Triodos made the decision to close the fund. Discussions have started with Tudor on the unwinding of the investment.

The Community Land Trust Fund held by Venturesome has experienced a slower than expected application rate for its community-based housing projects but is now picking up some momentum with the Fund nearly fully committed at the year end. Provisions and write downs have been made against both of these funds representing fees charged and provisions against loans (£48,000). A small amount of interest has also been received on both funds.

During the year Tudor entered into two further social investments: £110,000 in Gloucestershire Gateway Trust (GGT) and £75,000 in SellaVenture. GGT is seeking to build a motorway service area which in due course will provide training and employment opportunities for people disadvantaged in the job market and which will generate income to support local voluntary and community groups. SellaVenture will provide a website platform for organisations with charitable objectives looking to resource their work through crowd-funding.

The total value of social investments remains at £3.6 million due to provisions (2009: £3.6 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.

During the year the trustees continued to review social investment and the opportunities this offers to promote Tudor's aims. The Trust has earmarked up to 5% of the endowment as being available for social investment. We will continue to look for good examples of social investment and will seek ways of demonstrating the value of blended return.

### **Auditor**

Kingston Smith had acted as the Trust's auditor for five years. In line with good practice during the year the trustees agreed to review the Trust's auditor and invited six firms, including the current auditor, to submit their audit proposals. Three firms were shortlisted and interviewed and in November 2009 Baker Tilly was appointed by the Board to be the new auditor to the Trust. Baker Tilly will be formally appointed at the AGM in September.

### **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. At the year end the value of reserves held was £245 million.

### **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

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

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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.

## Audit information

In so far as the trustees are aware:

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

*Approved by the trustees of Tudor Trust on 30 June 2010 and signed on its behalf by:*

**Ben Dunwell**  
Chair

**James Long**  
Vice Chair

# Statement of Financial Activities

(incorporating an income and expenditure account)

Year ended 31 March 2010

THE TUDOR TRUST

	Notes	Unrestricted 2010 £000	Restricted 2010 £000	Total 2010 £000	Total 2009 £000
<b>Incoming resources</b>					
Incoming resources from generated funds					
Investment income	2	10,209	-	10,209	13,368
CLT Fund grant	16	-	81	81	125
<b>Total incoming resources</b>		<b>10,209</b>	<b>81</b>	<b>10,290</b>	<b>13,493</b>
<b>Charitable activities</b>					
Grants approved		17,818	160	17,978	17,812
Management of grants		948	18	966	976
Professional support costs		175	-	175	142
Grants withdrawn		(471)	-	(471)	(1,016)
<b>Total charitable expenditure</b>	4	<b>18,470</b>	<b>178</b>	<b>18,648</b>	<b>17,914</b>
Governance costs		17	-	17	16
<b>Cost of generating funds</b>					
Investment management fees		652	-	652	592
<b>Total resources expended</b>		<b>19,139</b>	<b>178</b>	<b>19,317</b>	<b>18,522</b>
Net expenditure for the year		(8,930)	(97)	(9,027)	(5,029)
Unrealised investment gains/(losses)		49,952	-	49,952	(63,270)
Provisions against social investments		(148)	-	(148)	(50)
Net movement in funds		40,874	(97)	40,777	(68,349)
Funds balance at beginning of year		204,573	248	204,821	273,170
<b>Funds balance at the end of the year</b>		<b>245,447</b>	<b>151</b>	<b>245,598</b>	<b>204,821</b>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 25 to 35 form part of these financial statements.

# THE TUDOR TRUST

## Balance Sheet

Company number: 5196041

As at 31 March 2010

	Notes	2010 £000	2009 £000
<b>Fixed Assets</b>			
Investments	6	255,622	217,208
Social investments	7	3,621	3,617
Tangible assets	8	1,408	1,448
		<b>260,651</b>	<b>222,273</b>
<b>Current Assets</b>			
Debtors	9	2,339	2,915
Cash at bank and in hand		5,279	2,896
		<b>7,618</b>	<b>5,811</b>
<b>Current liabilities</b>			
Creditors: amounts due within one year	10	(17,645)	(17,164)
<b>Net current liabilities</b>		<b>(10,027)</b>	<b>(11,353)</b>
<b>Total assets less current liabilities</b>		<b>250,624</b>	<b>210,920</b>
Creditors: amounts due after more than one year	11	(5,026)	(6,099)
<b>Net assets</b>		<b>245,598</b>	<b>204,821</b>
<b>Funds</b>			
Unrestricted funds			
General fund (expendable endowment)	12	250,142	266,134
Revaluation reserve (expendable endowment)	12	(4,756)	(62,048)
Designated funds	12	61	487
Restricted funds	12	151	248
		<b>245,598</b>	<b>204,821</b>

The financial statements were approved and authorised for issue by the Trustees of the Tudor Trust on 30 June 2010 and signed on their behalf by:

**Ben Dunwell**  
Chair

**James Long**  
Vice Chair

The notes on pages 25 to 35 form part of these financial statements.

**Cash Flow Statement**

Year ended 31 March 2010

	2010 £000	2010 £000	2009 £000
<b>Cash outflow from operating activities (Note 13)</b>		(19,586)	(20,277)
<b>Returns on investment and servicing of finance</b>			
Dividends received	5,018		6,563
Interest received	5,616		7,926
		10,634	14,489
<b>Capital expenditure and financial investment</b>			
Purchase of investments	(98,704)		(13,512)
Purchase of social investments	(185)		(1,156)
Proceeds from sale of investments	124,453		22,860
Purchase of fixed assets	(18)		(3)
		25,546	8,189
<b>Net increase in cash</b>		16,594	2,401
<b>Analysis of changes in net funds</b>			
<b>Cash at bank and in hand</b>			
At 1 April 2009		2,896	577
At 31 March 2010		5,279	2,896
Increase in the year		2,383	2,319
<b>Investment cash</b>			
At 1 April 2009		8,198	8,116
At 31 March 2010		22,409	8,198
Increase in the year		14,211	82
<b>Total increase during the year</b>		16,594	2,401

The notes on pages 25 to 35 form part of these financial statements.

## Notes to the annual accounts 2009/10

### 1. Accounting policies

#### a) Basis of accounts preparation

The financial statements have been prepared under the historical cost convention adapted for investments which are stated at market value and in accordance with the Companies Act 2006, applicable UK Accounting Standards and the Statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005. The Trust has availed itself of relevant provisions of the Large and Medium companies and groups (accounts and reports) regs 2008 and adapted the Companies Act formats to reflect the special nature of the charitable company's activities. In view of the level of investments held at the balance sheet date the trustees are of the opinion that the Trust is a going concern. The trustees consider going concern at each board meeting and are of the view that the Tudor Trust will remain a going concern in more than 12 months time.

#### 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 and capital gains tax granted by HM Revenue and Customs.

#### 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.

Designated funds are committed at the discretion of the trustees and currently only relate to the CLT Fund. Once the reason for designation has passed funds are transferred back to General Funds.

## 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

	2010 Total £000	2009 Total £000
<b>Dividends and Interest</b>		
Equity investments	5,068	5,701
Fixed interest	4,887	7,117
Unit Trust	33	32
Social investments	146	146
Bank interest	75	372
	10,209	13,368

### 3. Analysis of Grants by classification

	%	Number	2010 Total £000	2009 Total £000
<b>Grants by classification</b>				
Youth	11	39	1,949	2,762
Older People	3	11	384	514
Community	35	119	6,407	4,975
Relationships	11	36	2,386	2,036
Housing	12	42	1,090	1,055
Mental Health	10	34	1,982	2,098
Substance Misuse	2	8	563	450
Learning	1	4	218	332
Financial Security	1	2	96	753
Criminal Justice	8	27	2,597	1,823
Overseas	6	19	306	1,014
	100	341	17,978	17,812

A full list of grants is available from the Trust's website [www.tudortrust.org.uk](http://www.tudortrust.org.uk) or by application for a printed copy.

### 4. Resources expended

#### a) Charitable donations

	Number 2010	2010 £000	Number 2009	2009 £000
Grants approved during the year	341	17,978	325	17,812
Grants withdrawn or cancelled during the year	(22)	(471)	(38)	(1,016)
	319	17,507	287	16,796

4. Resources expended (continued)

b) Resources expended

	2010 Total £000	2009 Total £000
Management of grants		
Staff costs	672	659
Office expenses	110	130
Depreciation	56	58
Accommodation costs	37	35
IT costs	41	42
Trustee remuneration	41	40
Trustees' expenses	9	12
	<hr/> 966	<hr/> 976
Professional support costs	175	142

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	5	4
Auditor's remuneration	12	12
	<hr/> 17	<hr/> 16

The Trustees are reimbursed for out-of-pocket travel and subsistence expenses. The number of trustees who received reimbursement was 8 (2009: 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.

	2010 Total £000	2009 Total £000
James Long	20	19
Monica Barlow	18	18

These costs are included in the employment costs note. None of the other trustees received remuneration.

c) Net incoming resources for the year:

	2010 Total £000	2009 Total £000
This is stated after charging:		
Operating leases - plant and machinery	14	14
Auditor's remuneration	12	12
Depreciation	58	58

## 5. Employment costs

	2010 £000	2009 £000
Wages and salaries	563	541
Social Security costs	59	57
Pension costs	61	63
	<b>683</b>	<b>661</b>

The average full-time equivalent number of employees during the year was 14 (2009: 14).

One member of staff received remuneration of between £60,001 and £70,000 (2009: 1). Pension contributions of £7,596 were made by the Trust on behalf of this employee.

## 6. Investments

	2010 £000	2009 £000
Market value of investments at 1 April	217,208	289,744
Purchases made during the year	98,704	13,512
Sales proceeds on disposal	(124,453)	(22,860)
Increase in investment cash held	14,211	82
Investment gains/(losses) for the year	49,952	(63,270)
<b>Market value of investments at 31 March</b>	<b>255,622</b>	<b>217,208</b>
Cost at 31 March	260,378	279,256
Accumulated unrealised (losses) based on historic cost	(4,756)	(62,048)

Accumulated unrealised (losses) are based on historic cost

### Analysis of market value

	2010 £000	2009 £000
UK equity investments	139,232	104,410
UK fixed interest investments	73,978	92,826
Overseas fixed interest investments	19,403	11,774
Cash on deposit awaiting investment held in the UK	22,409	8,198
Unlisted UK fixed interest investments	600	-
	<b>255,622</b>	<b>217,208</b>

## 7. Social investments

	2010 £000	2009 £000
CAF Bank Limited	1,500	1,500
Charity Bank Limited	500	500
Venturesome	181	186
Ethical Property Company	200	300
Triodos Social Enterprise Fund	485	496
Community Land Trust Fund	570	635
Gloucestershire Gateway Trust	110	-
SellaVenture	75	-
	3,621	3,617

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. Over the period of the investment the structure of the funds has changed and as funds are repaid they will be used in Venturesome's innovation and development funds. The total provided for is now £219,000 against an original investment of £400,000.

The Trust owns 250,000 ordinary shares in the Ethical Property Company. At the balance sheet date the company is in the process of making a further share issue and has valued shares at 80p.

The Trust has invested £500,000 in the Triodos Social Enterprise Fund. The fund 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. Note 17 discloses a post balance sheet event.

The Trust has 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.

During the year the Trust invested £110,000 in Gloucestershire Gateway Trust. This Trust is seeking to build a motorway service area which in due course will provide training and employment opportunities for people disadvantaged in the job market and which will generate income to support local voluntary and community groups. Note 17 includes an update on this investment.

The Trust invested £75,000 in SellaVenture during the year. This limited liability partnership will provide a website platform for organisations with charitable objectives looking to resource their work through crowd-funding. Tudor holds a 17.4% interest in the partnership.

The value of the social investments at the end of year is shown at cost less amounts either provided for or written off. In the opinion of the trustees this would not be materially different to fair value.

## 8. Tangible fixed assets

	Freehold land & building £000	Furniture, fittings & equipment £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 April 2009	2,145	108	123	2,376
Additions in the year	-	-	18	18
Assets written off	-	-	(19)	(19)
At 31 March 2010	2,145	108	122	2,375
<b>Depreciation</b>				
At 1 April 2009	742	70	116	928
Charge for the year	43	11	4	58
Assets written off	-	-	(19)	(19)
At 31 March 2010	785	81	101	967
<b>Net book value at 31 March 2010</b>	<b>1,360</b>	<b>27</b>	<b>21</b>	<b>1,408</b>
Net book value at 31 March 2009	1,403	38	7	1,448

## 9. Debtors

	2010 £000	2009 £000
<b>Amounts falling due within one year</b>		
Accrued investment income	2,110	2,537
Loans	200	351
Other debtors and prepayments	29	27
	<b>2,339</b>	<b>2,915</b>

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 was interest free for 18 months and was secured by a charge over the land. This was repaid during the year and the charge was released.

The balance of £150,000 is unsecured and is interest free as long as it is repaid by September 2010. Interest will be due at 3% above the prevailing base rate should this not be repaid. During the year a further £50,000 was lent to Comrie and is repayable with the £150,000 loan. Note 17 includes an update on the repayment of the loan.

10. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Grant commitments	17,288	16,970
Accruals	282	194
Investment in SellAVenture	75	-
	<b>17,645</b>	<b>17,164</b>

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

	2010 £000	2009 £000
Grant commitments	5,026	6,099

12. Movement in funds note

	Funds balances at start of the year £000	Income £000	Expenditure £000	Transfer of funds £000	Net investment (losses)/ gains £000	Funds balance at end of year £000
<b>Unrestricted fund</b>						
General fund	266,134	-	26	400	(7,488)	259,072
Revaluation reserve	(62,048)	-	-	-	57,292	(4,756)
Designated fund - Venturesome	400	-	-	(400)	-	-
Designated fund - CLT Fund	87	-	(26)	-	-	61
	<b>204,573</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>49,804</b>	<b>254,377</b>
<b>Restricted funds</b>						
Bibini fund	16	-	(16)	-	-	-
Emmanuel fund	116	-	(116)	-	-	-
Community Land Trust fund	116	-	(46)	-	-	70
	<b>248</b>	<b>-</b>	<b>(178)</b>	<b>-</b>	<b>-</b>	<b>70</b>
	<b>204,821</b>	<b>-</b>	<b>(178)</b>	<b>-</b>	<b>49,804</b>	<b>254,447</b>

Represented by:	Fixed assets £000	Net current liabilities £000	Creditors >1 year £000	Net assets £000
General fund	255,622	245,473	(5,026)	496,069
Designated fund	-	61	-	61
Restricted fund	-	151	-	151
	<b>255,622</b>	<b>245,685</b>	<b>(5,026)</b>	<b>496,281</b>

### General fund

Under the articles of association, Capital and Accumulated income are expendable at the trustees' discretion. The Trust has adopted a total return basis of investing. All unexpended funds are therefore held in the General Fund.

It is the trustees' current intention to monitor the value of the General Fund in real terms to ensure 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 the trustees agreed to offer Venturesome a £400,000 underwriting facility. In 2009 Venturesome restructured its funds and Tudor agreed that as funds were repaid they would be put towards these new funds (see note 7). In August 2009 it was agreed that the underwriting facility was no longer required having fulfilled its purpose and it has been released back into general funds.

#### *Community Land Trust fund*

Last 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). The fund balance has reduced as a result of activities during the year.

### Restricted fund

#### *Bibini fund*

This fund was 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. During the year the fund was expended as projects were funded in keeping with this remit.

#### *Emmanuel fund*

This fund was 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. During the year the fund was expended as projects were funded in keeping with this remit.

#### *Community Land Trust fund*

Last 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. Additional contributions were received during the year (see note 16)

## 13. Reconciliation of net outgoing resources to operating activities

	2010	2009
	£000	£000
Net outgoing resources for the year	(9,027)	(5,029)
Depreciation	58	58
Investment income	(10,209)	(13,368)
Other movements on Social investments	34	15
Loan to Comrie Development Trust	151	(1)
Movement in working capital:		
(increase)/ decrease in debtors	(2)	1
increase/(decrease) in creditors	163	(32)
(decrease) in grant commitments	(754)	(1,921)
<b>Cash outflow from operating activities</b>	<b>(19,586)</b>	<b>(20,277)</b>

## 14. Operating lease commitments

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

	2010 £000	2009 £000
Expiring within two to three years	14	14

## 15. Related organisations

Last year the Board agreed to finance the construction of a new family visitors' centre at HMP Wormwood Scrubs through a new charitable company, the Family Centre Trust, which will be entering the building contract. This will be FCT's first project. Tudor's director Christopher Graves and the company secretary Fiona Young are two of the three directors of this company. During the year Tudor committed a grant of £1.35m to FCT for the costs of developing the family visitor's centre. Construction work is due to start imminently.

The Tudor Trust is the sole member of the Family Centre Trust. All trustees are appointed by the Tudor Trust and in considering all future appointments at least three Trustees must be individuals who are neither directors of the Tudor Trust or employed by the Tudor Trust.

## 16. Community Land Trust Fund

Last 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 in 2009 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 in the 2009 year Tudor contributed £656,000 towards the fund.

During the current year Tudor received further contributions towards the Feasibility and Technical Assistance Funds totalling £81,250 from CAF, Nationwide and a individual investor.

## 17. Post balance sheet events

### Sarasin

During the year the Investment Committee agreed to transfer 70% of the UK equities portfolio managed by Henderson to a Global portfolio managed by Sarasin. The transition commenced on 11<sup>th</sup> June and took place through Bank of New York Mellon. Sarasin took over the management of the portfolio on 24<sup>th</sup> June.

### Family Centre Trust

On 14 June 2010 the contractors took possession of the site at HMP Wormwood Scrubs. Construction work is due to take place imminently.

### Triodos Social Enterprise Fund

In May 2010 Tudor was informed that Triodos Bank had taken the decision to close the Social Enterprise Fund. This was because the fund had not found a sufficient number of established social enterprises that were looking to raise equity capital in order to finance their growth plans. Tudor is now in discussions with Triodos regarding the unwinding of the investment. (Note 7)

### Social Impact Partnership

On 24 May 2010 the trustees agreed to invest £750,000 in the Social Impact Partnership. This will be managed by Social Finance and will pilot innovative interventions with ex-offenders leaving HMP Peterborough over a period of three years working with voluntary sector organisations.

### Comrie Development Trust

On 20 May 2010 the Trustee Committee agreed to convert £100,000 of the outstanding loan into a grant which would be matched by local fundraising by Comrie Development Trust. Exploratory discussions have started to consider how the remaining balance could be converted to a social investment. (Note 9)

### Gloucestershire Gateway Trust

On 19th April 2010 the investment agreement between Tudor, Gloucestershire Gateway Trust (GGT), Gloucestershire Gateway Trust (Operating) Limited and the Summerfield Trust was signed.

Following the completion of this process a further £140,000 was transferred to GGT taking the total social investment in GGT to £250,000. (Note 7)

## 18. Capital commitments

On 30th March 2010 the Trust placed an order to refurbish the office lift. The commitment was for £14,750.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TUDOR TRUST

We have audited the financial statements of The Tudor Trust for the year ended 31 March 2010 on pages 22 to 35.

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 auditor's 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**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' 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 judgments 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 of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

SUDHIR SINGH (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1<sup>st</sup> Floor, 46 Clarendon Road, Watford, Herts WD17 1JJ

21 July 2010

**Statutory information (continuation of Trustees' report)****The Tudor Trust**

Company Limited by Guarantee Number 5196041

Registered Charity Number 1105580

**Principal and registered office**

7 Ladbroke Grove

London W11 3BD

Telephone: 020 7727 8522

Fax: 020 7221 8522

Website: [www.tudortrust.org.uk](http://www.tudortrust.org.uk)**Trustees of the Tudor Trust**

Mary Graves

Helen Dunwell

Desmond Graves #

Penelope Buckler (Chair until 31 March 2010) \* ~

Christopher Graves \* #

Catherine Antcliff

Louise Collins

Elizabeth Crawshaw

Matt Dunwell \* #

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

Ben Dunwell (Chair from 1 April 2010) \*

Francis Runacres

Monica Barlow \*#

Vanessa James #

*Mary Graves, Helen Dunwell, Desmond Graves, Louise Collins, Christopher Graves and James Long retired from office and were reappointed on 23 September 2009.*

\* 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

Anna Cooper

Liam Clipsham

Ruth Crawley

Joanna de Havilland

Philippa Dove

Jascha Elliot

Eryl Foulkes ~

Christopher Graves \* #

Anne Lane

Nicky Lappin

Meena Mistry

Catriona Slorach

Similola Towry-Coker

Greg Winfield

Eman Yosry

Fiona Young \* #

Grants Manager

Information Assistant (left 7 August 2009)

Information Team Co-ordinator (started 19 October 2009)

Information Assistant

Resources Team Co-ordinator

Grants Manager

Information Team Co-ordinator (left 11 September 2009)

Grants Team Co-ordinator

Grants Manager

Director

Grants Team Manager

Research and Information Manager

Finance Officer

Grants Manager

Grants Manager (until 11 April 2010)

Information Assistant (started 3 August 2009)

Resources Officer

Head of Resources

**Bankers**

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

**Auditors**

Baker Tilly UK Audit LLP (Appointed to fill a casual vacancy on 25<sup>th</sup>  
1<sup>st</sup> Floor, 46 Clarendon Road November 2009)  
Watford WD17 1JJ

Kingston Smith (Until 25<sup>th</sup> November 2009)  
60 Goswell Road  
London EC1M 7QN

**Investment managers and advisers**

Aviva Investors (From 13<sup>th</sup> October 2009)  
No 1 Poultry  
London EC2R 8EJ

Henderson Global Investors Ltd  
4 Broadgate  
London EC2M 2DA

Rensburg Sheppards (Until 13<sup>th</sup> October 2009)  
2 Gresham Street  
London EC2V 7QN

Sarasin & Partners LLP (From 21<sup>st</sup> June 2010)  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU

**Global Custodian**

JP Morgan Chase Bank  
60 Victoria Embankment  
London EC4Y 0JP

**Solicitors**

Bates, Wells & Braithwaite  
2-6 Cannon Street  
London EC4M 6YH

Russell-Cooke  
2 Putney Hill  
London SW15 6AB