Esmée Fairbairn Foundation aims to improve the quality of life for people and communities in the UK both now and in the future. We do this by funding the charitable work of organisations who are building an inclusive, creative and sustainable society.

The Foundation is one of the largest independent funders in the UK. Last year we made grants of £40.5m towards a wide range of work in the Arts, Children and Young People, the Environment, Food and Social Change. We also have a £45m allocation to social investments for organisations with the aim of creating social impact. Our funds are generated by our investment portfolio, from which we aim to achieve a total return of RPI +4% on a rolling five-year average.
After years of trawling the land registry and chasing false starts we are thrilled to announce that we will be opening the UK’s first campus for young activists. From nightly meals and community meetings to round-the-clock youth programmes, this campus in the heart of Brixton will connect a new generation of young change-makers from across South London.

Advocacy Academy
In 2018 we focussed on two things: providing the best support we can for our partners in the sector through our grant-making and social investment; and thinking about our strategic direction for the next ten years.
2018 was a busy and productive year. We provided £40.5m (2017: £40.5m) in grant funding to 250 (2017: 271) remarkable organisations in the UK. We also supported 16 organisations (2017: 10) with £6.7m (2017: £3.3m) of social investments. Our endowment has performed well in a difficult environment thanks to careful stewardship, our maturing early stage and venture allocation and good diversification into quality managers; and we ended the year with a return of 4.2%. We also marked the first year of our new approach to investing in strategies with enhanced environmental, social and governance (ESG) impact and we continue to improve how we integrate ESG considerations across our whole investment portfolio.

We believe how we fund is as important to us as what we fund. Good foundation practice can help organisations be more effective and so this year we focused our efforts on improving what we offer and how we work. Our commitment to long-term, flexible support continues so that 71% of new funding agreed in 2018 was for core or unrestricted costs and 34% was for longer than three years. The number of applications we receive has dropped for the third year running from 2,755 in 2016 to 2,023 in 2017 and to 1,341 in 2018, meaning fewer organisations are wasting precious resources in preparing unsuccessful applications. Our Grants Plus support awarded £452k to 170 organisations; a record year to date.

We also believe that strengthening the sector’s resilience and infrastructure as a whole is essential. Therefore, we are working more closely with other funders and colleagues and it has been a pleasure to learn and develop alongside them in initiatives such as Act for Change, Creative Civic Change, LocalMotion and the Listening Fund. We have put a great deal of funding, time and resources into helping to build the digital and data infrastructure that the sector lacks and so sorely needs through our work with CAST, 360Giving, DataKind and Shift Design. And we have been excited to lead the work with IVAR and others to agree a better approach to grant reporting to reduce the burden on the organisations we fund.

We celebrated our 10 year anniversary of social investment with a celebratory event which coincided with the launch of our Insight Report reflecting on all that we have learnt over the last decade. This together with our Environment Insight Report and the initial work of our Leaving Care learning programme is teaching us a great deal about the realities in the sector and the role that we play.

2019 marks the last year of our current five year strategic plan and we spent a lot of time in 2018 thinking about our future direction by listening to partners and stakeholders. The very thoughtful Danielle Walker Palmour from the Friends Provident Foundation has often said that, as foundations, we should stop defining our impact by our marginal spend as grant-makers and recognise ourselves as asset-rich charities, judged by the overall use of all our resources. Through our consultations we have understood better the areas where we can truly add value across everything we do as an organisation. This has helped us ground our future strategy in knowing our place within the broader sector and learn how best we can contribute to it. A heartfelt thank you to all who are helping us on our journey.

Even if 2019 looks set to be a difficult and uncertain year, we will continue to support the magnificent organisations that work so hard to make the UK a more tolerant, prosperous and nature friendly place for all. We will also make sure all our resources are put to work to help them achieve this.

Caroline Mason CBE
Chief Executive
It has been another highly positive year for the Foundation. Our grant-making totalled £40.5 million, and £6.7 million of social investments were committed to during the year. The endowment’s value at the close of 2018 was £1.04 billion.

As illustrated elsewhere in the report, we continue to support a wide range of causes, all of which aim to improve the quality of life for people and communities in the UK. Our current strategic plan ends in 2019, and we are now engaged in a process of reviewing how, as a Foundation, we can have the most impact in the areas where we feel we can add most value. We should have more to report on this by the end of the year. Our Chief Executive's report has more detail on the progress we are making.

We have been increasingly engaged in assessing how we can leverage additional impact for our grantees, including through our Grants Plus programme where we fund additional training and consultancy support. I’m delighted that over 170 organisations received Grants Plus funding during the year, with a total spend of £452k.

Finally, I would like to thank my fellow Trustees and our wonderful executive team for all their dedication, enthusiasm and support over the year.

James Hughes-Hallett CMG
Chairman
During 2018 the Foundation approved £47.2 million in funding towards a wide range of work. The majority of our funding in 2018 was distributed through grants and we also made a number of social investments. We support work that focuses on the Arts, Children and Young People, the Environment, Food and Social Change.

**Funding Overview 2018**

<table>
<thead>
<tr>
<th>Total grant funding:</th>
<th>£40.5m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment total:</td>
<td>£1.04bn</td>
</tr>
<tr>
<td>Social investment (committed to):</td>
<td>£6.7m</td>
</tr>
<tr>
<td>Total number of grants made*:</td>
<td>250</td>
</tr>
</tbody>
</table>

*excludes TASKs and Grants Plus
Grants Plus

Total in 2018: **£452k**

In 2018 we spent £452k on Grants Plus work, supporting more than 170 organisations with training and consultancy to secure or increase the effect of our grants or social investments.

We arranged workshops in Darlington, London and Northern Ireland on impact and evaluation, income diversification and business development. **207** organisations we fund used our meeting rooms in King’s Cross with over **4,000** attendees.

**Merger Fund**

We have a Merger Fund that supports organisations in the early stages of thinking about merging with partner organisations. In 2018, 1 grant totalling £14,712 was made. To respect the confidential nature of these grants we do not list the individual recipient organisations.

**TASK Fund (Trustees’ Areas of Special Knowledge)**

Total in 2018: **£1.08m**

Number of grants in 2018: **112**

Grants are listed on pages 46 to 48.

**Social Investment**

We provide social investment in the form of different types of repayable finance to charities and other not-for-profit organisations with the aim of creating social impact. Investments and grants are listed on pages 43 to 45.

**Funding in partnership**

We sometimes work in partnership with other funders or organisations to target a particular region, community, or sector, or to help tackle a specific issue.

Grants are listed on pages 40 to 42.

<table>
<thead>
<tr>
<th>Grants by Sector*</th>
<th>Arts</th>
<th>Children and Young People</th>
<th>Environment</th>
<th>Food</th>
<th>Social Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total 2018</strong></td>
<td><strong>£8.6m</strong></td>
<td><strong>£9.7m</strong></td>
<td><strong>£8.9m</strong></td>
<td><strong>£2.5m</strong></td>
<td><strong>£9.4m</strong></td>
</tr>
<tr>
<td>62 – No. of grants 2018</td>
<td>218 – No. of grants AP</td>
<td>151 – No. of grants AP</td>
<td>134 – No. of grants AP</td>
<td>53 – No. of grants AP</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social Investments (Committed)</strong></td>
<td><strong>£1.2m</strong></td>
<td><strong>£1.5m</strong></td>
<td><strong>£950k</strong></td>
<td><strong>£3.0m</strong></td>
<td></td>
</tr>
<tr>
<td>3 – No. of SI’s 2018</td>
<td>0 – No. of SI’s 2018</td>
<td>4 – No. of SI’s 2018</td>
<td>2 – No. of SI’s 2018</td>
<td>7 – No. of SI’s 2018</td>
<td></td>
</tr>
<tr>
<td><strong>£2.3m – Total AP</strong></td>
<td><strong>£710k – Total AP</strong></td>
<td><strong>£5.6m – Total AP</strong></td>
<td><strong>£1.0m – Total AP</strong></td>
<td><strong>£22.8m – Total AP</strong></td>
<td></td>
</tr>
<tr>
<td>5 – No. of SI’s AP</td>
<td>4 – No. of SI’s AP</td>
<td>15 – No. of SI’s AP</td>
<td>3 – No. of SI’s AP</td>
<td>53 – No. of SI’s AP</td>
<td></td>
</tr>
</tbody>
</table>

*excludes TASKs and Grants Plus

AP = Active grant portfolio as at 31 December 2018
Ineligible applications: 55

Applications turned down at first stage: 984

Applications turned down at second stage: 52

Approved: 250

Grants by size 2018:
- £20k or less: 24
- £20.001-£60k: 56
- £60.001-£150k: 80
- £150.001-£300k: 67
- £300k+ or less: 23

Grants by type of support 2018:
- Core costs: £15.9m
- Unrestricted: £11.6m
- Project costs: £10.5m
- Delegated grant-making: £1.1m

Staff at Esmée Fairbairn Foundation: 31
Staff cost: £2.0m
Total number of grants currently active: 866

*excludes TASKs and Grants Plus
†A breakdown of funding decision committees can be found on page 54
We recognise the power of culture to bring communities together and give opportunity and visibility to people who may otherwise be marginalised. We want to support the artistic and financial sustainability of the sector and make sure that the widest range of people can participate.

**Funding priorities:**
- Art with a social impact
- Organisations at a pivotal point
- Supporting emerging talent

**Museums**
We also give grants to the museum sector through the Esmée Fairbairn Collections Fund, managed by the Museums Association.
Arts Overview

2018 Grants by funding priority

£8.6m
Approved in 2018

62
Total Grants

£5.4m
No. of grants 32
Art with a social impact

£1.7m
No. of grants 15
Organisations at a pivotal point

£1.5m
No. of grants 15
Supporting emerging talent

No. of applications received per priority 2018

146
Art with a social impact

112
Organisations at a pivotal point

79
Supporting emerging talent
**Arts Grants**

**Priority:** Art with a social impact

**Alchemy Film & Arts**
£88,500 (over 3 years)
Towards a community engagement coordinator post and creative learning programme, providing opportunities for local people to get involved in community filmmaking and develop their skills and potential.

**Artangel Trust**
£90,000 (over 3 years)
Towards the continuation of a programme that supports the touring of Artangel's Collection.

**Barbican Centre Trust Ltd**
£300,000 (over 3 years)
Towards improving access to arts and progression routes through a collaborative working model tested in three regions of England.

**Beacon Hill Arts CIC**
£43,445 (over 2.5 years)
Towards supporting filmmakers with disabilities to independently develop their practice, find audiences, reduce social isolation and challenge perceptions in the community by sharing their skills.

**Big Telly Theatre Company**
£110,000 (over 3 years)
Towards the costs of the Creative Shops Programme, developing cultural provision and capacity in areas of Northern Ireland lacking arts provision.

**Cardboard Citizens (CC)**
£180,000 (over 3 years)
Towards Cardboard Camps, a three-year programme with homeless and other vulnerable people in areas of low arts engagement across England.

**Clean Break Theatre Company**
£300,000 (over 4 years)
Towards unrestricted core costs during a period of change and expanded artistic output.

**Culture Coventry**
£284,871 (over 3 years)
Towards the continuation and development of the Creative Bridges programme that supports young adults with learning disabilities into further education, work or volunteering.

**Culture Squared**
£295,908 (over 3 years)
Towards a year-round programme for young people in the Bradford area (with an emphasis on young people aged 15-18), including events and activities at the Bradford Literary Festival.

**Farnham Maltings Association Ltd**
£339,575 (over 5 years)
Towards a programme that tests and creates new theatre in new places and forms, created with and for working-class and marginalised communities.

**Greenwich and Lewisham Young People’s Theatre**
£110,000 (over 3 years)
Towards establishing GLYPT as a focal point for emerging artists and companies to create an organisation that is driven, artistically and organisationally, from this work.

**Grimm & Co**
£156,000 (over 3 years)
Towards the costs of an operations manager to support the organisation to expand its programmes to reach the most vulnerable children in Rotherham.

**Knowle West Media Centre**
£60,000 (over 2 years)
Towards core costs to underpin a programme of work which will involve local people in creating change through engagement in arts and digital media technology.

**Local Trust**
£600,000 (over 3.5 years)
Towards Creative Civic Change, a new programme which will enable people to use arts and creativity to make positive changes in their community.

**My Life Films**
£146,800 (over 3 years)
Towards unrestricted core costs to improve the lives of people with dementia and their families.
National Youth Orchestra of Great Britain
£240,000 (over 4 years)
Towards NYO Inspire, a targeted programme of orchestral activity for advanced musicians in areas of greatest need.

Opera North Limited
£120,000 (over 3 years)
Towards a new scheme to engage disadvantaged communities in Leeds with the arts through a cross-city network of cultural organisations.

Orchestras For All
£90,000 (over 3 years)
Towards core costs to promote and support participation and learning in ensemble music making for children and young people who have barriers to accessing mainstream provision.

Playlist for Life
£142,560 (over 3 years)
Towards the salary of a Head of Operations to help scale the charity’s work nationally and increase awareness of personalised playlists in helping people with dementia.

Royal Collection Trust
£120,000 (over 2 years)
Towards a learning programme to enhance and increase the impact of nationwide exhibitions of drawings by Leonardo da Vinci.

Royal Shakespeare Company (RSC)
£492,300 (over 4 years)
Towards a new adult engagement programme, in partnership with theatres across England.

Sadler’s Wells Trust Ltd
£150,000 (over 5 years)
Towards the costs of the What Next? movement across the UK, which aims to articulate, champion and strengthen the role of culture in society.

Stratford Circus Arts Centre
£122,000 (over 3 years)
Towards the costs of the Creative Schools brokerage programme.

Synergy Theatre Project
£40,000 (over 2 years)
Towards unrestricted core costs to support enhanced progression for participants and develop a more resilient business model.

The Belgrade Theatre Trust (Coventry) Ltd
£90,680 (over 1 year)
Towards the continuation of the Arts Gymnasium programme which engages older people and those with dementia in creative activity.
### Arts Grants

#### Priority: Art with a social impact (cont.)

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Priority</th>
<th>Amount</th>
<th>Duration</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Centre for Youth Impact</td>
<td>Art with a social impact</td>
<td>£25,000 (over 1 year)</td>
<td>Towards a project to produce a common outcomes framework for 10 Local Cultural Education Partnerships in the North West, and sharing that framework with other LCEPs.</td>
<td></td>
</tr>
<tr>
<td>The Choir with No Name</td>
<td>Organisations at a pivotal point</td>
<td>£60,000 (over 2 years)</td>
<td>Towards core and project costs to pilot a new choir model in London and Brighton in partnership with homeless sector organisations.</td>
<td></td>
</tr>
<tr>
<td>The Lowry Centre Trust Ltd</td>
<td>Organisations at a pivotal point</td>
<td>£71,700 (over 3 years)</td>
<td>Towards a new arts project working with young people experiencing homelessness.</td>
<td></td>
</tr>
<tr>
<td>The Manchester Men's Room</td>
<td>Organisations at a pivotal point</td>
<td>£149,828 (over 4 years)</td>
<td>Towards the salaries of the head of creativity and the director to improve outcomes for male sex workers, using art as the vehicle.</td>
<td></td>
</tr>
<tr>
<td>Ulster Orchestra</td>
<td>Organisations at a pivotal point</td>
<td>£48,000 (over 3 years)</td>
<td>Towards the Crescendo programme, working with disadvantaged communities and children in north and west Belfast.</td>
<td></td>
</tr>
<tr>
<td>Writing On The Wall</td>
<td>Organisations at a pivotal point</td>
<td>£154,500 (over 3 years)</td>
<td>Towards core costs to support the organisation’s work developing literature and literacy with diverse communities in Liverpool.</td>
<td></td>
</tr>
<tr>
<td>Arts &amp; Business NL</td>
<td>Organisations at a pivotal point</td>
<td>£20,000 (over 6 months)</td>
<td>Towards project costs for developing financial resilience of arts organisations in Northern Ireland.</td>
<td></td>
</tr>
<tr>
<td>Aurora Orchestra</td>
<td>Organisations at a pivotal point</td>
<td>£70,000 (over 3 years)</td>
<td>Towards core costs during a period of expansion and consolidation of the artistic and touring programmes.</td>
<td></td>
</tr>
<tr>
<td>Birmingham Hippodrome</td>
<td>Organisations at a pivotal point</td>
<td>£200,000 (over 3 years)</td>
<td>Towards the cost of new staff posts to enable the development of the Hippodrome Theatre Birmingham into a cultural body that engages all sectors of the community that it serves.</td>
<td></td>
</tr>
<tr>
<td>Calderdale Industrial Museum Association</td>
<td>Organisations at a pivotal point</td>
<td>£30,000 (over 2 years)</td>
<td>Towards a project manager to oversee volunteers and the transition of the Museum to full operation and as a key feature in Halifax’s heritage-led regeneration.</td>
<td></td>
</tr>
<tr>
<td>China Plate</td>
<td>Organisations at a pivotal point</td>
<td>£220,000 (over 4 years)</td>
<td>Towards the development of a new business model focused on national networks, building infrastructure in areas of low arts provision and increasing diversity of artists and audiences.</td>
<td></td>
</tr>
<tr>
<td>Company Three ('Islington Community Theatre')</td>
<td>Organisations at a pivotal point</td>
<td>£40,000 (over 1.5 years)</td>
<td>Towards core costs to investigate new ways of adapting the company’s model of making theatre in collaboration between young people and professional theatre-makers.</td>
<td></td>
</tr>
<tr>
<td>De La Warr Pavilion Charitable Trust</td>
<td>Organisations at a pivotal point</td>
<td>£100,000 (over 2 years)</td>
<td>Towards the Outlands network of ten partners, who will commission and tour experimental music across the UK.</td>
<td></td>
</tr>
<tr>
<td>Exeter Northcott Theatre</td>
<td>Organisations at a pivotal point</td>
<td>£133,113 (over 3 years)</td>
<td>Towards the salary of a new development and enterprise manager post to support the theatre’s business plan.</td>
<td></td>
</tr>
<tr>
<td>Hay Castle Trust</td>
<td>Organisations at a pivotal point</td>
<td>£160,000 (over 3 years)</td>
<td>Towards the managing director post during construction phase, opening to the public and use by the local community as an arts and learning centre.</td>
<td></td>
</tr>
<tr>
<td>Migration Museum Project</td>
<td>Organisations at a pivotal point</td>
<td>£200,000 (over 4 years)</td>
<td>Towards unrestricted core costs to support the ongoing work of the Museum and the establishment of a permanent Migration Museum for Britain.</td>
<td></td>
</tr>
<tr>
<td>Oily Cart Company Ltd</td>
<td>Organisations at a pivotal point</td>
<td>£58,883 (over 2 years)</td>
<td>Towards artistic and strategic transition costs for creative work with children with profound and multiple learning disabilities nationally.</td>
<td></td>
</tr>
<tr>
<td>Orchestra of the Age of Enlightenment</td>
<td>Organisations at a pivotal point</td>
<td>£90,000 (over 3 years)</td>
<td>Towards the salary of a new box office and data manager post, enabling OAE to establish its own in-house box office and improve its marketing and fundraising functions.</td>
<td></td>
</tr>
<tr>
<td>Stephen Joseph Theatre</td>
<td>Organisations at a pivotal point</td>
<td>£150,000 (over 3 years)</td>
<td>Towards a new post of creative producer, supporting the artistic programme and leading to stronger financial resilience.</td>
<td></td>
</tr>
<tr>
<td>The Civic, Barnsley</td>
<td>Organisations at a pivotal point</td>
<td>£183,000 (over 3 years)</td>
<td>Towards the costs of a community engagement programme to develop new audiences.</td>
<td></td>
</tr>
</tbody>
</table>
**Arts Grants**

**Priority:** Supporting emerging talent

- **An Lanntair**
  - £60,000 (over 3 years)
  - Towards an artist development scheme for isolated rural island communities.

- **Barbican Theatre, Plymouth**
  - £104,000 (over 3 years)
  - Towards the salary of a creative producer supporting the work of local and emerging artists.

- **Battersea Arts Centre**
  - £60,000 (over 2 years)
  - Towards the work of Artistic Directors of the Future, specifically the salary of a new general manager, plus funding towards the Up Next leadership programme.

- **Collective Encounters**
  - £120,000 (over 3.5 years)
  - Towards the costs of a Centre for Excellence in Participatory theatre, comprising a training programme for adults experiencing socio-economic disadvantage and a national network of small to medium-sized arts organisations.

- **Create Studios CIC**
  - £59,520 (over 2 years)
  - Towards a two-year digital media talent development programme for young graduates from diverse backgrounds, returning to Swindon.

- **DaDa Fest**
  - £178,865 (over 3 years)
  - Towards a professional development programme for emerging disabled and D/deaf artists.

- **Diverse City**
  - £90,000 (over 3 years)
  - Towards unrestricted core costs to develop the organisation’s business model and work towards achieving equal representation for artists with disabilities at all levels in UK performing arts.

- **Doncaster Performance Venue Ltd**
  - £105,000 (over 3 years)
  - Towards costs to grow and expand the talent development programme at Cast, nurturing world class talent in Doncaster.

- **Moving on Music**
  - £45,000 (over 2 years)
  - Towards a professional development programme for musicians and composers in Northern Ireland.

- **Regional Theatre Young Director Scheme (RTYDS)**
  - £260,000 (over 4 years)
  - Towards unrestricted core costs to consolidate a new model of support for aspiring and early career directors who face barriers to engagement with the theatre sector.

- **Serious Trust Ltd**
  - £165,000 (over 3 years)
  - Towards talent development programmes and progression routes for diverse musicians to grow sustainable careers in jazz and international music in the UK.

- **Sherman Cymru**
  - £59,870 (over 3 years)
  - Towards a programme introducing young people from low income backgrounds to playwriting and promoting diversity and access to artistic engagement across Cardiff and South Wales.

- **Spread the Word**
  - £105,000 (over 3.5 years)
  - Towards a talent development programme for emerging writers from backgrounds that are underrepresented within professional writing careers.

- **The National Youth Jazz Orchestra**
  - £60,000 (over 3 years)
  - Towards the development of seven regional partner academies around England offering jazz education to young people.

- **Toonspeak Young People’s Theatre Ltd.**
  - £58,500 (over 3 years)
  - Towards a Progression Programme for talented young people from disadvantaged areas including placements, mentoring and qualifications within the arts and creative industries.
Children and Young People

We believe in the potential of every young person. We fund organisations that seek to challenge the inequalities faced by those young people (age 0–25) who are currently missing out. We want to see the views of children and young people at the heart of organisations, and young people empowered to lead change.

Funding priorities:
- Addressing the root causes of low educational attainment and challenging behaviour
- Empowering young leaders
- Improving support for disadvantaged children and young people
- The rights of vulnerable children and young people
- Young People Leaving Care – a focused funding stream
Children and Young People Overview

2018 Grants by funding priority

£9.7m

Approved in 2018

51

Total Grants

2018 Grants by funding priority

£1.8m

No. of grants 11

Addressing the root causes of low educational attainment and challenging behaviour

£1.0m

No. of grants 2

Empowering young leaders

£2.7m

No. of grants 15

Improving support for disadvantaged children and young people

£1.1m

No. of grants 7

The rights of vulnerable children and young people

£3.1m

No. of grants 16

Young People Leaving Care - a focused funding stream

No. of applications received per priority 2018

198

Addressing root causes of low educational attainment and challenging behaviour

49

Empowering young leaders

43

Improving support for disadvantaged children and young people

25

The rights of vulnerable children and young people

45

Young People Leaving Care - a focused funding stream
Children and Young People Grants

Priority: Addressing the root causes of low educational attainment and challenging behaviour

**Children's University**
£164,453 (over 3 years)
Towards a children's inclusion manager post to expand a programme which increases children's life skills and ambitions into areas of deprivation in order to ensure greatest social impact.

**Ecologia Youth Trust**
£120,000 (over 3 years)
Towards the salaries of the director and fundraising manager of a programme that improves the well-being, confidence and positive engagement of young people in the Highland region through mentoring children in early years’ settings.

**Fight For Peace**
£250,000 (over 3 years)
Towards unrestricted core costs to address rising levels of youth violence in London and offer young people support to reengage with education and employment.

**Jamie's Farm**
£400,000 (over 4 years)
Towards the provision of core revenue support for the organisation while it expands and doubles its capacity.

**Khulisa**
£150,000 (over 3 years)
Towards the sustainability of an organisation aiming to break the cycle of violence by working with young people at risk of exclusion and offending to understand and tackle the root-cause of their behaviour.

**Roots of Empathy**
£60,000 (over 10 months)
Towards the growth of an organisation that uses a preventative approach in disadvantaged areas to support the development of children's social and emotional literacy.

**Spark Inside**
£150,000 (over 3 years)
Towards unrestricted core costs to support young people in the criminal justice system to reduce reoffending and create culture change within prisons making them more conducive for rehabilitation.

**The Sutton Trust**
£60,000 (over 17 months)
Towards a pilot project to test the importance of essential life skills, particularly self-regulation, in early years and develop effective practice within settings.

**Tutors United**
£60,000 (over 3 years)
Towards CEO salary costs to help the organisation expand its work to Birmingham and work with more refugee specific housing associations.

**West London Zone**
£150,000 (over 3 years)
Towards the expansion of a children's zone, improving outcomes for children through collective impact, and aiming to transform a community in the long-term.

**Forum for the Future**
£20,000 (over 8 months)
Towards a programme, delivered in partnership with youth organisations, to empower young people under-represented in decision-making to be part of the Civil Society Futures Inquiry.

**Paul Hamlyn Foundation**
£1,000,000 (over 3 years)
Towards the Act for Change Fund, supporting more young people to lead social change, providing resources for young people to challenge social injustice, find ways of overcoming inequality and give voice to issues they are experiencing.

**Spark Inside**
£150,000 (over 3 years)
Towards unrestricted core costs to support young people in the criminal justice system to reduce reoffending and create culture change within prisons making them more conducive for rehabilitation.

**The Sutton Trust**
£60,000 (over 17 months)
Towards the finance director and fundraising manager of an organisation which engages with boys and young men at key transition points in their lives in order to minimise young men's risks of entering a life of crime, mental illness and poverty and promote positive forms of masculinity to young men.
Children and Young People Grants

**Priority:** Improving support for disadvantaged children and young people

**Abienda**
£130,000 (over 3 years)
Towards the salary of the chief executive and commercial development leader of an organisation which delivers support to gang-affected young women and works to ensure services can more effectively respond to their needs.

**Ariel Trust**
£150,000 (over 4 years)
Towards unrestricted core costs to support the national roll-out of a grooming prevention programme for disadvantaged children and young people.

**Bright Futures**
£150,000 (over 3 years)
Towards work with young women vulnerable to and affected by sexual exploitation.

**Credu Connecting Carers**
£135,944 (over 3 years)
Towards a programme that supports young carers in rural settings using a coaching approach and sharing best practice across Wales.

**Family Action**
£150,000 (over 3 years)
Towards the organisation’s specialist education service to improve education experience and outcomes for adopted and permanently placed children.

**Leap Confronting Conflict (Leap)**
£600,000 (over 5 years)
Towards unrestricted core costs to deepen impact for young people experiencing conflict in their lives, developing partnerships to deliver collective outcomes and influencing policy and practice to stimulate system change.

**Llamau Ltd**
£210,000 (over 5 years)
Towards a strategic campaign to end youth homelessness in Wales, bringing together public, private and third sector partners to create change, as well as promoting early support to reach young people before crisis point.

**NWG Network**
£370,383 (over 3 years)
Towards core costs including the salaries of the chief operating officer and the network coordinator to support organisations and frontline workers tackling child sexual exploitation.

"We are fortunate to be supported by a group of care experienced young people who are skilled in evaluation, research and knowledge exchange practices. They work with us as young consultants to explore and test places and spaces, systems, processes and practices from the perspective of a marginalised young Scot."

**Young Researchers, Articulate Cultural Trust**
**Priority:** Improving support for disadvantaged children and young people (cont.)

**Street Teams**
£60,000 (over 3 years)
Towards developing and delivering innovative responses to issues facing children and young people experiencing all forms of exploitation and grooming.

**Tender Education and Arts**
£150,000 (over 3 years)
Towards the Chief Executive Salary and core costs to support further adolescent abuse preventative work with young people and to influence wider policy.

**Children and Young People Grants**

**Priority:** The rights of vulnerable children and young people

**The Wharton Trust**
£60,000 (over 2 years)
Towards the development and sharing of learning from the Hartlepool Young People's Foundation, which will work collaboratively to deliver a high-quality offer and improve outcomes for young people.

**University of Bedfordshire**
£282,078 (over 4 years)
Towards project costs to continue developing a contextual safeguarding approach for children and young people who encounter peer-on-peer abuse, working with the education and voluntary and community sectors to model and embed this approach.

**Children's Legal Centre (Wales)**
£150,000 (over 3 years)
Towards the development of the Children's Legal Centre Wales, providing reliable accessible information, advice and representation for children and young people in Wales.

**UK Feminista**
£105,000 (over 3 years)
Towards tackling gender inequality among young people by embedding anti-sexist policy and practice in the primary and secondary education systems.

**Centre for Justice Innovation**
£60,000 (over 2 years)
Towards a programme that improves practice and roll out of youth arrest diversion schemes, and investigates whether BAME young people are equally supported through these schemes.

**Child Poverty Action Group**
£237,505 (over 3 years)
Towards the salary costs of a senior communications officer and associated costs to support the Policy Rights and Advocacy programme to reduce child poverty.

**Independent Parental Special Education Advice**
£168,000 (over 4 years)
Towards the salary of the Chief Executive of Independent Parental Special Education Advice (IPSEA) which works to improve educational support for children and young people with special educational needs and disabilities (SEND).

**Just for Kids Law**
£168,700 (over 3 years)
Towards the salary of a leaving care advocate and associated project costs to ensure young people leaving care obtain the support they need and are legally entitled to.

**Stand Alone**
£186,000 (over 4 years)
Towards unrestricted core costs of an organisation that supports vulnerable young people who are estranged or disowned from their family to ensure they can more easily access education, finance and housing.

**The Alliance for Inclusive Education (ALLFIE)**
£150,000 (over 3 years)
Towards unrestricted core costs to support an organisation led by disabled people which campaigns for inclusive education to improve outcomes for disabled young people.
Drive Forward worked with me so that I felt confident talking about my skills, understood how to prepare for an interview and gave me practice at doing this with professionals. I now feel able to express myself with confidence and also value my skills.

Andre, 22, care leaver  
Drive Forward Foundation
Priority: Young People Leaving Care – a focused funding stream (cont.)

Just for Kids Law
£195,000 (over 3 years)
Towards unrestricted core costs of an organisation that provides children and young people with direct legal support and advocacy, and also drives systemic change through strategic litigation and legal campaigns.

Leicestershire Cares
£114,458 (over 3 years)
Towards a social action programme, supporting looked after children and care leavers to be empowered to use their voice and act on key issues in their lives.

PhotoVoice
£166,395 (over 2.5 years)
Towards the costs of a participatory photography project, enabling young people to share their experiences to influence the design of services.

St Christopher’s Fellowship
£157,932 (over 3 years)
Towards work to improve transition experiences and outcomes for young people leaving residential care.

Staf (Scottish Throughcare and Aftercare Forum)
£92,835 (over 3 years)
Towards project costs to support the development of a benchmarking tool for relationship based practice with care leavers.

The Big House Theatre Company
£146,245 (over 3 years)
Towards the salary of the finance and operations director to support an expansion of the organisation’s artistic provision with care experienced young people.

University of Derby Theatre Limited
£168,596 (over 3 years)
Towards the further development of the Plus One arts partnership which works with and for children in care and care leavers in Derbyshire.

Voices from Care
£200,000 (over 4 years)
Towards the salary of a co-ordinator, evaluation and other project costs to increase young people’s access to a service that enables them to stay with foster carers longer and to improve it.

It’s been awesome to be part of a group and it’s been awesome making new friends. I just wanted to say that I feel like I’ve got a little stronger since this project and it’s helped me to express myself and I’ve really enjoyed it.

Element participant, 19
Element Creative Projects CIC
We believe that people are the key to tackling the environmental challenges we face today. We fund organisations who can move, engage and inform people, and connect with the bigger picture of policy-making, social justice, or quality of life.

**Funding priorities:**
- Connecting people with nature and environment issues
- Countering the effects of damaging activity
- Lesser known plants, animals and organisms
- Nature conservation on land and at sea
Environment Overview

2018 Grants by funding priority

£8.9m
Approved in 2018

Total Grants

<table>
<thead>
<tr>
<th>Priority</th>
<th>No. of applications</th>
<th>Grants commended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecting people with nature and environment issues</td>
<td>71</td>
<td>12</td>
</tr>
<tr>
<td>Countering the effects of damaging activity</td>
<td>45</td>
<td>16</td>
</tr>
<tr>
<td>Lesser known plants, animals and organisms</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Nature conservation on land and at sea</td>
<td>24</td>
<td>12</td>
</tr>
</tbody>
</table>

£2.9m | £2.8m | £750k | £2.4m

No. of grants | No. of grants | No. of grants | No. of grants
12 | 16 | 1 | 12

£750k
Environment Grants

**Priority:** Connecting people with nature and environment issues

**British Trust for Ornithology**
£300,000 (over 3 years)
Towards core costs as the organisation implements a more progressive way of working, supporting the wider conservation sector and taking on greater responsibility for tracking UK seabirds.

**ecobirmingham**
£150,000 (over 5 years)
Towards the salary and other costs of the director to inspire and support sustainable lifestyles and to work with partners to support environment infrastructure in Birmingham.

**Froglife**
£500,000 (over 5 years)
Towards unrestricted core costs to benefit amphibians and reptiles through better understanding, transforming landscapes and building Froglife’s track record of enabling people to engage with nature.

**Little Ouse Headwaters Project**
£99,000 (over 3 years)
Towards the restoration and expansion of a continuous corridor of fen along the Little Ouse for people and wildlife.

**Marine Conservation Society**
£240,000 (over 3 years)
Towards the salary and other costs of the Chief Executive during the first phase of a new strategy to place the organisation at the centre of conservation efforts to restore UK seas.

**Northern Ireland Environment Link**
£165,000 (over 3 years)
Towards core funding to help drive environmental policy in Northern Ireland.

**Plant Heritage**
£150,000 (over 3 years)
Towards the conservation manager to increase understanding and awareness of cultivated plants, and the threats to them.

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I feel privileged to work with the refugees and asylum seekers at Open Doors. It is very humbling to spend time with those who have experienced such hardship and to be able to extend them a warm welcome both to The Deep and to our city.

Jenny, Community Outreach Officer, The Deep
Environment Grants

Priority: Countering the effects of damaging activity

Sheffield and Rotherham Wildlife Trust
£250,000 (over 5 years)
Towards creating a network for nature in Sheffield and Rotherham which communities feel ownership of and to strengthen the organisation for the future.

Surfers Against Sewage
£200,000 (over 3 years)
Towards Plastic Free Communities, an initiative designed to unite and empower individuals, businesses, local government and community groups to reduce their collective plastic footprint.

Angling Trust
£250,000 (over 3 years)
Towards core costs to build on campaigns for freshwater and marine conservation and to strengthen the organisation for the future.

Ashden Sustainable Solutions Better Lives
£40,000 (over 1 year)
Towards the Ashden Award for UK market disruptors 2018 with a focus on innovation to improve renewable energy systems.

Bike for Good
£60,000 (over 3 years)
Towards unrestricted core costs to improve the uptake of cycling across Glasgow and enable more people to get involved in cycling projects.

CDP Worldwide
£491,180 (over 3 years)
Towards salary and additional core costs of engagement officer and disclosure support officer to support UK cities to measure and manage their climate impacts.

City to Sea CIC
£59,400 (over 2 years)
Towards the chief executive’s salary and other costs to enable the organisation to widen its influence on marine plastics prevention.

Hartlepower CIC
£50,000 (over 2 years)
Towards an energy advice and switching service tackling fuel poverty in Hartlepool.

The Deep
£200,000 (over 4 years)
Towards the costs of the organisation in furthering marine knowledge and conservation, and as a focal point for the community in Hull.

The National Forest Company
£312,330 (over 3 years)
Towards salaries and additional costs of the community management woodland officer and the woodland economy development officer to establish a model of largescale woodland driven regeneration to benefit communities.

Wildlife and Countryside Link
£331,752 (over 3 years)
Towards the cost of key staff to establish consensus amongst the environment NGO community in England, delivering effective, collaborative campaigns and influencing policy.

Ashden Sustainable Solutions Better Lives
£40,000 (over 1 year)
Towards the Ashden Award for UK market disruptors 2018 with a focus on innovation to improve renewable energy systems.

Hartlepower CIC
£50,000 (over 2 years)
Towards an energy advice and switching service tackling fuel poverty in Hartlepool.
Institute of Environmental Management & Assessment
£96,000 (over 2 years)
Towards the Broadway Initiative as it seeks to influence all parts of Government in the drafting and adoption of an ambitious Environment Bill, developing proposals and demonstrating support from industry and NGOs.

Iona Energy Ltd
£59,199 (over 1 year)
Towards the development costs of the Iona heat network.

Julié's Bicycle
£280,000 (over 4 years)
Towards the unrestricted core costs of an organisation expanding its work with the cultural sector to develop and implement policy for reducing environmental impacts.

Pesticide Action Network UK
£200,000 (over 4 years)
Towards unrestricted support to further PAN UK's work on reducing pesticide use and eliminating the most harmful by influencing councils, supermarkets and other stakeholders.

Social Business Brokers CIC
£19,997 (over 6 months)
Towards Social Business Brokers costs in developing a fully costed business plan for the Zero Waste Leeds initiative, considering sources of funding, earned income and sponsorship opportunities.

The Lancashire Wildlife Trust
£233,651 (over 4 years)
Towards core costs to inspire people about nature in Manchester, encourage involvement and bring a focus on nature in the development of a new strategic plan for the city.

The Open University
£280,000 (over 3 years)
Floodplain Meadow Partnership to further interest and protection of floodplain meadows and to better understand their role as a natural flood defence and other benefits.

The Trent River Trust
£150,000 (over 3 years)
Towards core costs to continue The River Starts Here to improve the water quality of brooks and engage communities and local business in their care.

The Wildlife Trust for Birmingham and the Black Country
£500,000 (over 5 years)
Towards nature conservation in urban settings in Birmingham and the Black Country, with a focus on seven priority wildlife corridor areas, and supporting people to take care of sites and nature locally.

Triodos Bank
£20,000 (over 3 months)
Towards the feasibility work on investable models for environmental enhancement.

Environment Grants

Priority: Countering the effects of damaging activity (cont.)

Plantlife – The Wild Plant Conservation Charity
£750,000 (over 5 years)
Towards core costs enabling Plantlife to embed their work in the conservation strategies of partner organisations and national agencies to ensure stronger futures for UK wild plants.
Environment Grants

**Priority:** Nature conservation on land and at sea

**Borders Forest Trust**
£150,000 (over 3 years)
Towards the salary and other costs of the chief executive and the programmes manager to restore and create biodiverse habitats in southern Scotland and to strengthen the organisation.

**Cotswolds Conservation Board**
£211,360 (over 3 years)
Towards the conservation, restoration and creation of limestone grasslands across the Cotswolds, securing their long term management through farming and community engagement alongside practical and educational activity.

**John Muir Trust Limited**
£148,881 (over 3 years)
Towards the salary and additional costs of the England and Wales development manager as the Trust extends its work from Scotland to England and looking at sustainable land management systems in the Lake District.

**Lincolnshire Wildlife Trust**
£176,458 (over 5 years)
Towards the salary and additional costs of the living seas sustainable development officer to enable the Wildlife Trusts to engage with government, agencies and developers on marine planning issues and ensure sustainable development in line with marine conservation.

**Rewilding Britain**
£186,000 (over 3 years)
Towards demonstrating a model for rewilding for the benefit of nature while also providing new opportunities for communities to flourish.

**Scottish Environment LINK**
£250,000 (over 3 years)
Towards the unrestricted core costs of an organisation supporting the environmental sector in Scotland, to secure best outcomes for wildlife, countryside, farming, and climate change and sustainability.

**Scottish Wildlife Trust**
£771,417 (over 5 years)
Towards Living Seas work in Scottish waters to include community engagement, advocacy and fisheries work.

**The Ecology Trust**
£49,500 (over 1.5 years)
Towards strengthening the environment sector through hosting an event for learning, collaboration and future planning amongst environment organisations active in the sector.

**The Sustainable Soils Alliance Community Interest Company**
£198,815 (over 2 years)
Towards core revenue funding, enabling the organisation to raise the profile of UK soil health and to contribute to the development of metrics for a new soil monitoring and improvement scheme for introduction post-Brexit.

**Third Generation Environmentalism Ltd**
£85,000 (over 1 year)
Towards the costs of a programme to make energy efficiency an infrastructure priority to tackle climate change and fuel poverty.

**Whitworth Art Gallery**
£220,000 (over 3 years)
Towards the costs of the cultural park keeper programme, bringing communities together through nature and creativity and strengthening other organisations to work on creative environmental projects.
Food

We believe there are ways to produce higher quality foods that are better for people, the environment and livestock. We support community involvement in food production, the development of a more positive policy position for sustainable food and diets, reduced use of harmful pesticides, herbicides, antibiotics and fossil fuels, and innovative practices that lead to more sustainable food and farming.

Funding priorities:
• Food and wellbeing
• Innovation in alternative approaches
• Working towards a more coherent food sector
Food Overview

2018 Grants by funding priority

£2.5m

Approved in 2018

15

Total Grants

Food and wellbeing

Innovation in alternative approaches

Working towards a more coherent food sector

Food and wellbeing

Innovation in alternative approaches

Working towards a more coherent food sector

No. of applications received per priority 2018

Food and wellbeing

Innovation in alternative approaches

Working towards a more coherent food sector

17

11

10

£269k

£533k

£1.7m

No. grants

No. grants

No. grants
Food Grants

Priority: Food and wellbeing

Community Supported Agriculture (CSA) Network UK
£60,000 (over 3 years)
Towards the salary cost of the project co-ordinator, to enable the strengthening of the support network for community supported agriculture in the UK.

Local Food Links
£60,000 (over 4 months)
Towards the revenue costs associated with a significant expansion of the service during the summer of 2018, including the establishment of a new hub kitchen.

Squash Nutrition
£148,950 (over 3 years)
Towards the unrestricted core costs of Squash Nutrition to enable it to continue to use food and food production to generate engagement and community cohesion in the Princes Park ward in Toxteth.

Durham Community Action
£19,990 (over 1 year)
Towards additional support to the innovative business-to-business local food hub, to cover the projected financial shortfall while the project moves towards becoming financially self-supporting.

Ecological Land Cooperative
£105,000 (over 3 years)
Towards the expansion of a network of agricultural smallholdings, providing opportunities for new entrants to farming and helping to revitalise local rural economies.

Growing Communities
£215,186 (over 3 years)
Towards developing the Better Food Traders brand, increasing the profile of traders selling sustainably produced goods, expanding the network; improving standards and providing an evidence base to increase reach to consumers and policymakers.

Tamar Grow Local CIC
£143,284 (over 3 years)
Towards core costs to enable Tamar Grow Local (TGL) to continue to create a resilient and sustainable local food system in the Tamar valley and support the development of similar initiatives elsewhere.

The Real Farming Trust
£50,000 (over 2 years)
Towards a blended finance programme supporting community-based enterprises to grow and achieve longer-term sustainability in line with the principles of enlightened agriculture.

Food Grants

Priority: Innovation in alternative approaches

Models of land tenure such as what the Ecological Land Cooperative are doing are so important for getting young and new entrants into farming. With high land prices and planning policies that don’t favour small scale farmers and growers it is extremely difficult for people to start their own farming business without big capital or inheriting land.

Ashley, Farmer
Ecological Land Cooperative
Food Grants

Priority: Working towards a more coherent food sector

Church Action on Poverty
£302,224 (over 3 years)
Towards continuation funding for the End Hunger UK campaign - bringing together a coalition of partners to tackle food poverty in the UK.

Compassion in World Farming
£467,981 (over 3 years)
Towards the Alliance to Save our Antibiotics Campaign to reduce farm antibiotic use in the UK and EU.

Green Future Associates CIC
£19,000 (over 6 months)
Towards the cost of continuing the work to embed the potential of urban agriculture into strategic planning in Bristol and Manchester, and to further explore the potential in other areas.

Leith Community Crops in Pots
£60,000 (over 2 years)
Towards the continued development of the Crops in Pots food growing social enterprise in Leith during a period of change and development of new capital assets.

RSA
£19,976 (over 3 months)
Towards the production of a film about the impacts of the current food system on land use, rural employment, access to housing and rural services, in support of the Commissions first interim report, for release in autumn 2018.

Sustain
£500,000 (over 5 years)
Towards core revenue support that will enable Sustain to take forward its key strategic aims over the next five years.

Sustainable Food Trust
£300,000 (over 3 years)
Towards the costs associated with work that will inform and support the transition to more sustainable forms of agriculture.

We are most proud of the impact we have achieved through our Peas Please initiative which is aims to drive change across the food system to make it easier for everyone... We have secured pledges from 65 businesses, local authorities etc including the major supermarkets. In our first 8 months our pledgers helped us eat an additional 4.8 million portions of veg.
Social Change

A just and inclusive society benefits us all. We fund ambitious and challenging work that puts those who have been marginalised at the heart of creating change. We aim to give people the power to develop their own voices, shine new light on areas of need and challenge the cultures, systems and behaviours that stand in the way of change.

Funding priorities:

• Injustice - systemic change around injustice and inequality
• Participation - marginalised and excluded individuals and groups
• Place - revitalising community life
Social Change Overview

2018 Grants by funding priority

£9.4m
Approved in 2018

81
Total Grants

Injustice - systemic change around injustice and inequality
No. of applications received 2018
108

Participation - marginalised and excluded individuals and groups
272

Place - revitalising community life
73

Other
7

£4.4m
No. of grants 34
£3.0m
No. of grants 23
£1.7m
No. of grants 19
£255k
No. of grants 5

£9.4m
2018 Grants

£4.4m
34

£3.0m
23

£1.7m
19

£255k
5
Social Change Grants

Priority: Injustice – systemic change around injustice and inequality

After Adoption
£20,000 (over 6 months)
Towards continuation funding to enable the Breaking the Cycle project to become self-sustaining and reduce the incidences of repeated removal of children.

Anti Trafficking and Labour Exploitation Unit
£132,039 (over 3 years)
Towards core costs to support the legal needs of victims of trafficking.

Asylum Support Appeals Project
£135,000 (over 3 years)
Towards protecting asylum seekers legal rights to food and shelter.

Barrow Cadbury Trust
£20,000 (over 2 years)
Towards the cost of a secretariat for Funders for Racial Equality and its sister network CORE, the overall aim being to deliver change in its core network practice and in relationships between foundations and the race equality sector.

Beyond the Streets
£60,000 (over 2 years)
Towards Co-Directors’ salaries to enable Beyond the Streets to deliver support to those affected by prostitution and support a wider network of projects working on this issue.

Birth Companions
£160,000 (over 4 years)
Towards core funding to enable Birth Companions to improve the lives of pregnant women and new mothers facing severe disadvantage.

Birthrights
£150,000 (over 3 years)
Towards two new posts to support Birthrights to achieve better care for women in, before and after childbirth by promoting safe, respectful maternity care.

brap
£138,372 (over 3 years)
Towards core costs of an organisation challenging unfairness and exclusion.

Disability Rights UK
£134,000 (over 4 years)
Towards the unrestricted core costs of an organisation working to ensure disabled people have independence and control over their own lives.

Equality and Diversity Forum
£120,000 (over 3 years)
Towards continuation funding to strengthen EDF’s capacity to coordinate the equalities and rights sector and support policy makers to improve practice.

Family Rights Group
£167,400 (over 3 years)
Towards core costs to support an alliance of organisations working to improve support for kinship carers through strategic work.

Focus on Labour Exploitation (FLEX)
£130,303 (over 3 years)
Towards core costs, including contributions to the salaries of the director and research officer, to support work to end the exploitation of women in high risk labour sectors.

Freedom from Torture
£135,000 (over 3 years)
Towards the development of Survivors Speak Out (SSO), Freedom from Torture’s survivors’ advocacy and policy influencing network.

Fylde Coast Women’s Aid
£121,837 (over 3 years)
Towards the Stalking and Harassment Project, supporting victims in the North West of England and influencing wider change both locally and nationally.

Galop
£198,515 (over 3 years)
Towards three core roles to deliver work ensuring policy and service provision responds to the needs of LGBT survivors of sexual violence.

Generation Rent
£120,000 (over 3 years)
Towards core costs including the salaries of the director, policy manager and campaigns officer to reduce injustice and inequality for tenants in the private rental market.

Islington Law Centre
£150,000 (over 5 years)
Towards Migrants’ Law Project (MLP) which promotes fair treatment and access to justice for migrants, refugees and asylum seekers in the UK through the use of public law.

Karma Nirvana
£120,000 (over 3 years)
Towards unrestricted core costs to tackle honour based abuse and forced marriage by supporting survivors, professionals and influencing policy and practice.

Law Centres Network
£143,000 (over 3 years)
Towards the Head of Policy, who will deliver access to justice policy work and lead the development of LCNs’s external relations and advocacy work.

Medical Justice
£150,000 (over 3 years)
Towards work to expose medical neglect and support torture survivors and other detainees to challenge institutional injustice.

Migrant Voice
£181,514 (over 3 years)
Towards the salary of the Chief Executive and a Meet a Migrant Project Worker to lead on work giving voice to migrants and refugees to reduce media bias.

New Family Social
£150,000 (over 4 years)
Towards core costs to raise the profile of LGBT adopters/fosterers and enable the development and dissemination of best practice to reduce prejudice within the adoption/fostering systems and society.

Priorities:

- Social Change
  - Funding in Partnership
  - Social Investment
  - TASK Fund
  - Trustees’ Report
  - Accounts
  - Home

Children and Young People
Environment
Food
Priority: Injustice – systemic change around injustice and inequality (cont.)

**Northern Ireland Rape Crisis Association**
(Trading as Nexus NI)

£139,402 (over 3 years)
Towards work seeking to improve awareness about sexual violence in Northern Ireland and improve the response from professionals when victims disclose.

**Operation Black Vote**

£133,575 (over 3 years)
Towards core funding to support the organisation to address persistent race inequality.

**PAUSE**

£328,362 (over 3 years)
Towards core costs to develop a post ‘Pause’ support for women who have had children removed and taken into care and to ensure that their voices are heard in shaping the systems they encounter.

**Public Law Project**

£263,223 (over 5 years)
Towards core costs to improve access to public law remedies for those affected by poverty or disadvantage.

**Refugee Action**

£56,596 (over 8 months)
Towards development of a digital training platform for the Frontline Immigration Advice Project.

**Refugee Action**

£300,000 (over 5 years)
Towards systemic change and improvements for people seeking asylum by strengthening local organisations, sharing innovations and securing changes in government policy.

**Scottish Refugee Council**

£189,881 (over 3 years)
Towards unrestricted core costs supporting refugees in Scotland to access their rights, influence policy and practice and improve public attitudes towards refugees.

**Social Enterprise UK**

£35,200 (over 2 years)
Towards shared work with Investing for Good to develop an open data standard around social investment.

**Stay Up Late**

£107,250 (over 3 years)
Towards work to challenge inflexible support systems that restrict the lives of people with learning disabilities.

**The Fathers’ Development Foundation**

£8,800 (over 4 months)
Towards supporting the organisation to develop a clear theory of change.

**West Kensington and Gibbs Green Community Housing**

£10,000 (over 1.5 years)
Towards the production of a film and associated short videos that document the organisations' experiences and success, for a mainstream audience that also influences plans and policy responses elsewhere.

**Women for Refugee Women**

£10,000 (over 1 year)
Towards core costs to challenge the injustices experienced by women who seek asylum in the UK.

**A Way Out**

£105,000 (over 3 years)
Towards unrestricted core costs to support sex workers with complex needs and influence practice of mainstream services.

**Adfam National**

£300,000 (over 3 years)
Towards Adfam’s national development work to support families, practitioners and commissioners in each region.

**City of Sanctuary**

£200,000 (over 5 years)
Towards expanding the City of Sanctuary network making the UK a more welcoming place for those seeking sanctuary.

**Basis Yorkshire Ltd**

£199,928 (over 4 years)
Towards work supporting sex workers and young people who have been, or are at risk of sexual exploitation, ensuring their voices are heard and can influence policy and practice.

**CAST**

£400,000 (over 2 years)
Towards unrestricted core costs to build a co-ordinated approach to digital in the charitable sector, with charities better able to identify issues and opportunities and implement changes.

**Civil Exchange**

£40,000 (over 1 year)
Towards continuation funding for the costs of "Better Way", an initiative to convene leaders in the voluntary sector to generate new thinking on the future for charitable activity.

**Comic Relief**

£400,000 (over 2 years)
Towards a joint funding programme Tech Vs Abuse which supports organisations tackling violence against women and girls to develop tech solutions.

**CAST**

£400,000 (over 2 years)
Towards a joint funding programme Tech Vs Abuse which supports organisations tackling violence against women and girls to develop tech solutions.

**Priority: Participation – marginalised and excluded individuals and groups**

**A Way Out**

£105,000 (over 3 years)
Towards unrestricted core costs to support sex workers with complex needs and influence practice of mainstream services.

**Adfam National**

£300,000 (over 3 years)
Towards Adfam’s national development work to support families, practitioners and commissioners in each region.

**City of Sanctuary**

£200,000 (over 5 years)
Towards expanding the City of Sanctuary network making the UK a more welcoming place for those seeking sanctuary.
Community Catalysts CIC
£12,274 (over 4 months)
Towards the costs of the design and development phase of the Embracing Ageing project which takes a place-based approach to the issues of an ageing society.

Cranstoun
£95,782 (over 3 years)
Towards the salary of a development manager to extend and evolve the Men and Masculinities programme, a combined support service for perpetrators of domestic abuse with substance misuse issues, and their partners.

Fair for You CIC
£40,500 (over 6 months)
Towards the role of interim CFO for six months to increase organisational capacity in its growth phase.

Global Dialogue
£20,000 (over 1.5 years)
Towards the co-ordination and activity costs of the Migration Exchange network.

Help Refugees – Prism the Gift Fund
£19,200 (over 8 months)
Towards the Refugee Into Hub UK, a new approach to accessing information in the UK for refugees, asylum seekers and caseworkers.

HelpForce Community CIC
£60,000 (over 1 year)
Towards Place based community volunteering.

HERe NI
£60,000 (over 3 years)
Towards work to support lesbian and bi-sexual women in Northern Ireland and influence policy and practice to protect their rights and increase their visibility.

One25 Ltd
£200,000 (over 5 years)
Towards unrestricted core costs to continue to work with street sex working women in Bristol and to contribute to policy and practice both locally and nationally.

Prison Radio Association
£145,000 (over 3 years)
Towards the development of Straightline, an app and website supporting ex-offenders after release using the National Prison Radio model.

Priority: Participation – marginalised and excluded individuals and groups (cont.)

More than ever before our content was driven by people with lived experience. Former prisoner Carl Cattermole was a Gold ARIA award winner for best Podcast, for his work with us on Double Bubble.
Priority: Participation – marginalised and excluded individuals and groups (cont.)

The Involve Foundation
£40,000 (over 1 year)
Towards the costs of a programme that promotes the merits of stronger participative democracy in the form of citizen juries and assemblies.

The Involve Foundation
£60,000 (over 6 months)
Towards a contribution to the costs of organising and delivering a Citizens’ assembly to improve policy and engage the public to a greater degree in the political process.

Tonic Living CIC
£50,000 (over 1 year)
Towards the development costs of an LGBT+ older persons housing community prior to investment being raised.

Unlock
£250,330 (over 3 years)
Towards the continuation of work to challenge discrimination preventing those with criminal records entering employment.

Warwickshire Community and Voluntary Action (Rugby)
£149,518 (over 3 years)
Towards the costs of expanding a successful social-prescribing scheme that has supported the wellbeing of people in Rugby and Nuneaton to further areas of Warwickshire.

YoungDementia UK
£20,000 (over 4 months)
Towards the national development manager and additional costs to expand the organisation’s support to people affected by young-onset dementia across the UK.

Acts of Random Caring CIC (formerly Gatis Gardeners)
£45,656 (over 2 years)
Towards core cost supporting the development of a community space in Wolverhampton, creating community cohesion and building the capacity of the organisation to be self-sustaining.

Age UK Gloucestershire
£60,000 (over 3 years)
Towards the Community Activators, Community Conversers project - increasing conversations with older people in their neighbourhoods and establishing new well-being opportunities.

Barton Hill Settlement
£60,000 (over 2 years)
Towards unrestricted core costs of an organisation embedding, extending and developing its community anchor model across Bristol.

Féile an Phobail
£106,020 (over 3 years)
Towards the salary of the community engagement manager to increase and embed community engagement with groups from a diverse range of political, religious and ethnic backgrounds.

HCT Group
£170,000 (over 6 years)
Towards a social franchise pilot programme supporting local community transport operators across the UK.

Health for All (Leeds) Ltd
£191,808 (over 3 years)
Towards unrestricted core costs in support of the organisation’s role as a focal point for community action in Leeds.

Helpforce Community Trust
£60,000 (over 1 year)
Towards Place based community volunteering.

Social Change Grants
Priority: Place – revitalising community life
Isles of Scilly Transport Development Group CIC
£60,000 (over 1 year)
Towards the cost of developing a new community owned ferry service to promote connectivity for a remote and isolated community.

Onion Collective CIC
£150,000 (over 8 years)
Towards the community-led regeneration of East Quay in Watchet, Somerset.

Playing Out C.I.C.
£25,000 (over 1 year)
Towards project costs for resident-led groups to increase opportunities for more children to play outside regularly on the streets and spaces outside their home, as part of the national grassroots street play movement.

Resonance
£600,000 (over 5 years)
Towards core costs to enable new social investment products aimed at tackling critical social issues and to stimulate and catalyse the growth of community-owned organisations.

Royal Society for Public Health
£40,000 (over 1 year)
Towards the development costs of a new type of social investment fund focused on Birmingham.

Shift Foundation
£15,000 (over 9 months)
Towards the early scoping work for a larger project intended to lead to principles and design tools to help charitable and statutory institutions foster deeper and more sustainable relationships within communities.

Small Change (NI) Ltd
£15,000 (over 1 year)
Towards the development of a theory of change and social impact measurement to inform the work of two credit unions in Liverpool and Wigan.

Virgin Money Foundation
£15,000 (over 1 year)
Towards supporting charitable organisations wishing to consider working in collaboration with others, to help drive social change across the North East region.

Voluntary Organisation's Network North East (VONNE)
£5,000 (over 1 year)
Towards an initiative to increase understanding, engagement and uptake of social investment in the north east.

Association of Chairs
£100,000 (over 2 years)
Towards core costs to deepen and extend support for Chairs, develop the organisation's membership and build its sustainability.

Data Orchard
£57,973 (over 1 year)
Towards building non-profit sector data capabilities: Creating online tool for measuring data maturity, championing Data4Good cause in the UK non profit sector promoting through events and good practice/shared learning.

Institute for Voluntary Action Research
£7,000 (over 6 months)
Towards research into the role of philanthropy into making tech imaginable and usable for small voluntary organisations.

New Philanthropy Capital
£29,950 (over 1 year)
Towards updating, publication and dissemination of impact practice resources on theory of change and measurement frameworks, to be freely available to small and medium charities.
Conduits

When organisations have not yet developed rigorous financial and other processes we sometimes use a conduit to oversee the management of our funding or where we feel a grantee can benefit substantially from the additional resources that are available because of the relationship.

The following organisations received a grant via a conduit in 2018:

Note: these grants are also included in the grants listed on pages 9–38.

**Paul Hamlyn Foundation**
£1,000,000 (over 3 years)
Priority – Empowering young leaders
Towards the Act for Change Fund, supporting more young people to lead social change, providing resources for young people to challenge social injustice, find ways of overcoming inequality and give voice to issues they are experiencing. Paul Hamlyn Foundation and Esmée Fairbairn Foundation are working in partnership with the National Lottery Community Fund to deliver the Act for Change Fund. Both foundations are acting as match funders and are awarding grants on behalf of the #iwill fund.

**Virgin Money Foundation**
£15,000 (over 1 year)
Priority – Place – revitalising community life
Towards supporting charitable organisations wishing to consider working in collaboration with others, to help drive social change across the North East region.

**The Wharton Trust**
£60,000 (over 2 years)
Priority – Improving support for disadvantaged children and young people
Towards the development and sharing of learning from the Hartlepool Young People’s Foundation, which will work collaboratively to deliver a high-quality offer and improve outcomes for young people.

**Institute of Environmental Management and Assessment**
£96,000 (over 2 years)
Priority – Countering the effects of damaging activity
Towards the Broadway Initiative as it seeks to influence all parts of Government in the drafting and adoption of an ambitious Environment Bill, developing proposals and demonstrating support from industry and NGOs.
Funding in Partnership

The Foundation sometimes works in partnership with other funders or organisations to target a particular region, community, or sector, or to help tackle a specific issue.
Funding in Partnership

Association of Independent Museums
£75,500 (over one year made in 2018)*
Towards the continuation of the Sustainability Grants Scheme, which aims to improve the long-term resilience of small and medium-sized independent museums.
In 2018 12 grants were made totalling £41,871.

Battersea Arts Centre
£545,000 (over three years made in 2016)
Towards the continuation of the Community Touring Network, a partnership programme in areas typically associated with low levels of cultural engagement.
In 2018 32 grants were made totalling £166,000.

Comic Relief
£1,500,000 (over five years made in 2015)
Towards the salary costs of an evaluation and learning officer responsible for overseeing data collection and analysis on projects that are part of the five year Early Action Neighbourhood Fund.
In 2018 3 grants were made totalling £1,004,993.

Immigration Law Practitioners’ Association
£150,000 (over three years made in 2017)
Towards the costs of the Strategic Legal Fund which supports efforts to uphold and promote the rights of vulnerable migrant children and young people.
In 2018 16 grants were made totalling £159,805.

Museums Association
£3,941,914 (over three years made in 2016)
Towards the continuation of the Esmée Fairbairn Collections Fund, supporting museums to undertake projects that develop the use of their collections.
In 2018 11 grants were made totalling £1,137,815 to the following organisations:
- Museums Association: Esmée Fairbairn Collections Fund
- Bridport Museums Trust
  £101,100 over 36 months
- Canterbury Museums and Galleries
  £46,210 over 24 months
- Derbyshire County Council – Buxton Museum and Art Gallery
  £120,000 over 18 months
- Dylan Thomas Centre
  £118,850 over 36 months
- Glasgow Women’s Library
  £119,868 over 24 months
- Horniman Museum and Gardens
  £120,000 over 36 months
- Manchester Art Gallery
  £103,000 over 24 months
- Museums Worcestershire
  £113,100 over 36 months
- Nuneaton Museum & Art Gallery
  £119,711 over 24 months
- The Whitworth
  £88,976 over 24 months
- Wisbech and Fenland Museum
  £87,000 over 36 months

Dylan Thomas Centre
£118,850 over 36 months

Glasgow Women’s Library
£119,868 over 24 months

Horniman Museum and Gardens
£120,000 over 36 months

Manchester Art Gallery
£103,000 over 24 months

Museums Worcestershire
£113,100 over 36 months

Nuneaton Museum & Art Gallery
£119,711 over 24 months

The Whitworth
£88,976 over 24 months

Wisbech and Fenland Museum
£87,000 over 36 months

National Community Land Trust Network
£270,000 (over five years made in 2014)
Towards the continuation of the Technical Assistance element of the CLT fund enabling the establishment of a further 70+ CLTs and the building of over 600 new community owned affordable homes.
In 2018 76 grants were made totalling £57,000.

Paul Hamlyn Foundation
£1,000,000 (over three years made in 2018)*
Towards the Act for Change Fund, supporting more young people to lead social change, providing resources for young people to challenge social injustice, find ways of overcoming inequality and give voice to issues they are experiencing.
In 2018 7 grants were made totalling £687,200.

Plymouth Octopus Project +
£1,300,000 (over five years made in 2017)
Towards a place-based funding programme in Plymouth that will seek to coordinate and make the work of the local voluntary sector more effective and strengthen relationships and collaborative working within and beyond the voluntary sector in Plymouth.
During 2018 24 grants were made totalling £141,411.

*These grants are also included in the grants listed on pages 9–38.
South West Foundation
£192,500 (over five years made in 2015)
Towards a small grants programme benefiting grassroots organisations in rural areas.
In 2018 87 grants were made totalling £67,305.

The Baring Foundation
£200,000 (over three years made in 2016)
Towards a contribution to a Fund that will support effective use of the law and human rights based approaches to address systemic injustice within the UK.
In 2018 10 grants were made totalling £421,189.

The Blagrave Trust
£200,000 (over two years made in 2017)
Towards The Listening Fund – a delegated grant fund for organisations to explore how to use and integrate feedback from young people into their work.
During 2018 22 two year grants were made totalling £393,999.

The Rank Foundation
£391,000 (over three years made in 2016)
Towards phase two of the Hull Community Development Programme which aims to strengthen communities and help create a city that is a safer, happier and more productive place to live and work.
In 2018 61 grants were made totalling £29,446.

UnLtd – The Foundation for Social Entrepreneurs
£287,294 (over two years made in 2015)
Towards Solutions for an Ageing Society Awards Programme, which seeks innovative solutions that address the challenges of an ageing population, such as isolation and loneliness.
In 2018 27 grants were made totalling £116,642.

*These grants are also included in the grants listed on pages 9–38.
Social Investment

We provide social investment in the form of different types of repayable finance to charities and social enterprises, with the aim of creating social impact. Social investment is a different way of funding charitable activities.

Within our social investment portfolio we have a Land Purchase Facility, an Arts Transfer Facility and we also make a number of research and development grants. We look to complement our grant-making by investing in our funding sectors, as well as making investments which support the development of the social investment market and increase the total amount of funding available.
Social Investment

### Arts

#### Funding Priority
- **Art with a social impact**
  - **Arts & Culture Impact Fund**
    - £1,000,000 (over 10 years)
    - An investment towards the Arts & Culture Impact Fund, providing loans and other forms of investment to arts and culture organisations across the UK.

#### Other
- **Fuel Productions Ltd.**
  - £90,000 (over 1 year)
  - An investment towards the transfer of Barbershop Chronicles to the Roundhouse, as part of our arts transfer facility.

- **Theatr Clwyd Trust**
  - £90,000 (over 1 year)
  - An investment towards the transfer of Darling, I'm Home to the West End, as part of our arts transfer facility.

### Environment

#### Funding Priority
- **Countering the effects of damaging activity**
  - **Coigach Community Development Company**
    - £180,000 (over 12 years)
    - An investment towards a community wind turbine to provide a source of renewable energy and to ensure a stream of income to support the local community.

- **Iona Energy Ltd**
  - £250,000 (over 25 years)
  - An investment towards community-owned ground-source heat generation for the island of Iona.

#### Nature conservation on land and at sea
- **Staffordshire Wildlife Trust**
  - £148,500 (over 2 years)
  - Towards an investment in the purchase of Gun Hill, a moorland habitat, as part of our land purchase facility.

- **Woodland Trust**
  - £975,000 (over 2 years)
  - An investment towards the purchase of Ausewell Woods, Devon via our land purchase facility.

### Food

#### Funding Priority
- **Innovation in alternative approaches**
  - **Ecological Land Cooperative**
    - £500,000 (over 10 years)
    - An investment towards the expansion of a network of agricultural smallholdings, providing opportunities for new entrants to farming and helping to revitalise local rural economies.

- **The Real Farming Trust**
  - £450,000 (over 10 years)
  - An investment towards loan finance supporting community-based enterprises to grow and achieve longer-term sustainability in line with the principles of enlightened agriculture.

### Social change

#### Funding Priority
- **Participation – marginalised and excluded individuals and groups**
  - **East Lancs Moneyline**
    - £250,000 (over 2 years)
    - An investment towards the growth of its loan book.

- **Fusion Housing**
  - £100,000 (over 5 years)
  - An investment towards a social lettings agency supporting vulnerable people at risk of homelessness to access the private rental sector in West Yorkshire.

- **London Rebuilding Society**
  - £300,000 (over 7 years)
  - An investment towards a home improvement scheme supporting vulnerable older people living in dilapidated homes to access financial products to undertake appropriate construction works.

- **Mustard Seed Property Ltd**
  - £100,000 (over 7 years)
  - An investment towards the acquisition of property providing accommodation for people with learning disabilities in Cornwall.

### Social and Sustainable Capital
- **£2,000,000 (over 13 years)**
  - An investment towards a fund to enable charities and social enterprises to access housing under a low-risk model.

- **Tonic Housing**
  - £100,000 (over 5 years)
  - An investment towards an LGBT+ older persons housing community.

#### Funding Priority
- **Place – revitalising community life**
  - **HCT Group**
    - £200,000 (over 6 years)
    - An investment towards a social franchise pilot programme supporting local community transport operators across the UK.

- **Social investment-related grants**
  - In 2018 we made eight social investment-related grants totalling £874,699.
  - Note, these are included in the overall figures for grant-making.
2018 commitments

Social investment by sector committed in 2018

- **Children and young people**: £0 (Total 2018 £0, No. of Si’s 2018 0)
- **Food**: £950k (Total 2018 £950k, No. of Si’s 2018 2)
- **Environment**: £1.5m (Total 2018 £1.5m, No. of Si’s 2018 4)
- **Social change**: £3.0m (Total 2018 £3.0m, No. of Si’s 2018 7)
- **Arts**: £1.2m (Total 2018 £1.2m, No. of Si’s 2018 3)

Active portfolio of social investments at December 2018

- **SIB/PBR**: £600k (Total AP £600k, No. of Si’s AP 2)
- **Quasi Equity**: £480k (Total AP £480k, No. of Si’s AP 3)
- **Arts Transfer**: £255k (Total AP £255k, No. of Si’s AP 3)
- **Equity**: £453k (Total AP £453k, No. of Si’s AP 3)
- **Quasi Equity – ordinary shares**: £865k (Total AP £865k, No. of Si’s AP 4)
- **Loan – secured**: £5.4m (Total AP £5.4m, No. of Si’s AP 15)
- **Land Purchase Facility**: £3.1m (Total AP £3.1m, No. of Si’s AP 5)
- **Loan – unsecured**: £10.9m (Total AP £10.9m, No. of Si’s AP 32)
- **SIB/PBR**: £600k (Total AP £600k, No. of Si’s AP 2)

Social investment by product type

- **Social investment**: £32.4m (Total AP £32.4m, No. of Si’s AP 80)
- **Arts Transfer**: £255k (Total AP £255k, No. of Si’s AP 3)
- **Equity**: £453k (Total AP £453k, No. of Si’s AP 3)
- **Quasi Equity**: £480k (Total AP £480k, No. of Si’s AP 3)
- **Loan – secured**: £5.4m (Total AP £5.4m, No. of Si’s AP 15)
- **Land Purchase Facility**: £3.1m (Total AP £3.1m, No. of Si’s AP 5)
- **Loan – unsecured**: £10.9m (Total AP £10.9m, No. of Si’s AP 32)
- **SIB/PBR**: £600k (Total AP £600k, No. of Si’s AP 2)

Social change

- **£3.0m Total 2018**: 7 No. of Si’s 2018
- **£22.8m Total AP**: 53 – No. of Si’s A.P

Social investment by product type

- **£32.4m Total AP**: 80 – No. of Si’s A.P
- **£3.1m Total A.P**: 5 – No. of Si’s A.P

Children and young people

- **£0 Total 2018**: 0 No. of Si’s 2018
- **£710k Total A.P**: 4 – No. of Si’s A.P

Food

- **£950k Total 2018**: 2 No. of Si’s 2018
- **£1.0m Total A.P**: 3 – No. of Si’s A.P

Environment

- **£1.5m Total 2018**: 4 No. of Si’s 2018
- **£5.6m Total A.P**: 15 – No. of Si’s A.P

Social change

- **£3.0m Total 2018**: 7 No. of Si’s 2018
- **£22.8m Total A.P**: 53 – No. of Si’s A.P

Arts

- **£1.2m Total 2018**: 3 No. of Si’s 2018
- **£2.3m Total A.P**: 5 – No. of Si’s A.P
TASK Fund
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<th>Organization Name</th>
<th>Amount</th>
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<td>Anna Freud Centre</td>
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</tr>
<tr>
<td>Royal Opera House Covent Garden Foundation Charity</td>
<td>10,000</td>
</tr>
<tr>
<td>RSPB (The Royal Society for the Protection of Birds)</td>
<td>2,500</td>
</tr>
<tr>
<td>Science Museum</td>
<td>5,000</td>
</tr>
<tr>
<td>Sheerness Dockyard Preservation Trust</td>
<td>15,000</td>
</tr>
<tr>
<td>Shelter</td>
<td>10,000</td>
</tr>
<tr>
<td>Snodhill Preservation Trust</td>
<td>7,500</td>
</tr>
<tr>
<td>South Downs National Park Trust</td>
<td>10,000</td>
</tr>
<tr>
<td>St Basils</td>
<td>15,000</td>
</tr>
<tr>
<td>St John's College, Cambridge</td>
<td>15,000</td>
</tr>
<tr>
<td>Sussex Community Foundation</td>
<td>15,000</td>
</tr>
<tr>
<td>The Anne Frank Trust UK</td>
<td>5,000</td>
</tr>
<tr>
<td>The Black Country Living Museum</td>
<td>15,000</td>
</tr>
<tr>
<td>The Cares Family</td>
<td>7,500</td>
</tr>
<tr>
<td>The Cartoon Museum (The Cartoon Art Trust)</td>
<td>5,000</td>
</tr>
<tr>
<td>The Charterhouse</td>
<td>5,000</td>
</tr>
<tr>
<td>The Children's Literacy Charity</td>
<td>15,000</td>
</tr>
<tr>
<td>The Country Trust</td>
<td>5,000</td>
</tr>
<tr>
<td>The English Concert</td>
<td>10,000</td>
</tr>
<tr>
<td>The English Music Festival</td>
<td>10,000</td>
</tr>
<tr>
<td>The Grange Festival</td>
<td>10,000</td>
</tr>
<tr>
<td>The Growing Space (Wincanton) Ltd</td>
<td>2,000</td>
</tr>
<tr>
<td>The Hebridean Trust Ltd</td>
<td>15,000</td>
</tr>
<tr>
<td>The John Smith Centre for Public Service</td>
<td>10,000</td>
</tr>
<tr>
<td>The Karta Initiative</td>
<td>15,000</td>
</tr>
<tr>
<td>The Lancashire Wildlife Trust</td>
<td>15,000</td>
</tr>
<tr>
<td>The Literature Prize Foundation</td>
<td>15,000</td>
</tr>
<tr>
<td>The National Trust</td>
<td>5,000</td>
</tr>
<tr>
<td>The Open Door</td>
<td>10,000</td>
</tr>
<tr>
<td>The Paul Cottingham Trust</td>
<td>10,000</td>
</tr>
<tr>
<td>The Renaissance Foundation</td>
<td>5,000</td>
</tr>
<tr>
<td>The Robin Hood Health Foundation</td>
<td>15,000</td>
</tr>
<tr>
<td>The Sixteen Ltd</td>
<td>15,000</td>
</tr>
<tr>
<td>The Sreepur Village</td>
<td>3,000</td>
</tr>
<tr>
<td>The Stroke Association</td>
<td>5,000</td>
</tr>
<tr>
<td>Tynesian Cinema</td>
<td>3,500</td>
</tr>
<tr>
<td>University of East Anglia</td>
<td>15,000</td>
</tr>
<tr>
<td>US Active</td>
<td>15,000</td>
</tr>
<tr>
<td>Watts Gallery</td>
<td>10,000</td>
</tr>
<tr>
<td>Wincanton Community Venture</td>
<td>13,000</td>
</tr>
<tr>
<td>Wolfson College</td>
<td>3,000</td>
</tr>
<tr>
<td>Woodland Trust</td>
<td>8,500</td>
</tr>
<tr>
<td>Young Minds Trust</td>
<td>7,500</td>
</tr>
</tbody>
</table>
Trustees’ Report
Esmée Fairbairn Foundation exists and operates for the public benefit. Through its grant-making and social investment it works to improve the quality of life throughout the UK. In determining its funding strategies and in the administration of the Foundation generally, the Trustees have paid due regard to the guidance published by the Charity Commission under section 4 of the Charities Act 2011.

In 2015 the Foundation launched its Strategic Plan 2015-19. A summary of this is on the Foundation’s website. The Foundation is currently developing its strategy for post 2019, and this will be launched by the end of the year.

The Foundation’s primary interests are the Arts, Children and Young People, the Environment, Food and Social Change. Pages 6 to 8 give an overview of funding.

The achievements of the Foundation and its impact on beneficiaries, as well as plans for future periods, are outlined in the Chief Executive’s report on pages 3 and 4, the Chairman’s Statement on page 5, the funding overview on pages 6 to 8, the funding priorities on pages 9 to 39, and details of funding on pages 9 to 48.

Financial policies
The Foundation’s finance and investment policies are intended to provide long-term stability and liquidity sufficient for the financing of the Foundation’s grants and social investments while maintaining the real value of the endowment.

The Foundation has an Investment Policy Statement that sets out the long-term investment objective, risk-profile, strategic asset allocation and investment restrictions. This is reviewed annually. The Foundation’s strategic asset allocation reflects a total-return objective without specific focus on income-generating investments. This approach means that we consider all sources of return, including interest, dividends, capital distributions from funds, and realised and unrealised gains and losses. Income alone would not usually meet all of our future spending needs.

Funding targets are arrived at with consideration given to the average value of the investment portfolio, but may be adjusted to take account of need and operational capacity. Funding targets may be over or under-spent in an individual year. The Foundation’s support and governance spend is set by reference to total spend levels to ensure it remains reasonable and proportionate.

All funds held by the Foundation are unrestricted and available to the Foundation to apply for the general purposes of the Foundation as set out in its governing document. The Foundation aims to achieve a total return of RPI +4% on a rolling five-year average in order to meet its spending requirements. At the year-end the value of reserves held was £997m.

Review of spending
During 2018 the Foundation spent £44.1m (2017: £44.6m) on grant-making and social investment. Support spend was £2.7m (2017: £2.5m), or 5.8% (2017: 5.4%) of our total spend. That is within our target of 7%.

Grant-making spend for the year was £40.5m (2017: £40.5m). We expect 2019 grant-making to be at a broadly similar level to that of recent years.

Social investments committed to in 2017 were £6.7m (2017: £3.3m) across 16 investments (2017: 10). Drawdowns during the year amounted to £3.6m (2017: £4.1m). At the end of the year the Foundation’s social investment portfolio was £17.1m (2017: £19.1m) with an additional £4.4m (2017: £4.7m) committed but not yet drawn. The drawn down limit for our social investment portfolio is £35m.
Investment review

The market value of the Foundation’s investments at the end of 2018 was £1.037 billion (2017: £1.030 billion), an increase of approximately £7.0m after spending. The portfolio’s total return of 4.2% in 2018 (2017: 7.0%) underperformed the Foundation’s long-term investment objective (RPI+4%) which was 6.8% for the year (versus 8.3% in 2017).

Looking back over one-year, three years, five years and since inception, the performance on an annualised basis of the portfolio against our long-term investment objectives is as follows:

<table>
<thead>
<tr>
<th>Annualised performance over</th>
<th>Actual return</th>
<th>Target return (UK RPI +4%)</th>
<th>Over/under performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>4.2%</td>
<td>6.8%</td>
<td>(2.6%)</td>
</tr>
<tr>
<td>3 years</td>
<td>8.9%</td>
<td>7.2%</td>
<td>1.7%</td>
</tr>
<tr>
<td>5 years</td>
<td>9.0%</td>
<td>6.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Since inception (2000)</td>
<td>6.7%</td>
<td>6.9%</td>
<td>(0.2%)</td>
</tr>
</tbody>
</table>

Our strategic target is to have 75% of our holdings in investments which will drive the long-term returns on the endowment (“return drivers”), 20% in holdings which will help to mitigate volatility over time (“diversifiers”) and a 5% allocation to cash for liquidity purposes.
Equity markets performed poorly during the year with the falls during Q4 being significant. The return drivers performance (up 8.3%) compared very favourably with its benchmark (the MSCI All-Companies world index) which was down 3.8% during the year.

Results in any one year need to be seen in the context of progress over longer time horizons. The weak performance of our global equity funds in 2018 (down 4.7%) follows a strong result in the preceding year (up 14%). Similarly, the strong performance of our private investments this year (up 34.8%) follows a modest rise of 2.8% in 2017.

A passive benchmark (consisting of 70% equities and 30% fixed income) has outperformed our RPI+4% benchmark in the years since the financial crisis. Central bank policies, in particular, have contributed to rising prices across most asset classes. But it was notable that this passive benchmark fell by 2.5% during 2018. As the cycle continues, it’s likely that there will be increased opportunities for active managers to create value.

Although the Foundation’s funding and operational costs are in sterling, the majority of our investments are not. We therefore run a passive currency hedging programme which reduces the impact of currency fluctuations on performance and has the effect of lifting the endowment’s effective exposure to sterling up from 26% closer to 40%. Nevertheless, the relative weakness of the pound versus the dollar was a positive contributor to performance over the period.

Where appropriate, we have been taking profits in our return driver holdings and reinvesting the proceeds into new diversifying investments. We remain focused on identifying those managers who can best manage our capital over the long term. Our private equity and venture capital managers, in particular, focus on investments which take a significant time to mature, the last return of capital from a fund being typically 10–15 years after the first investment.

We hope to find managers making investments in businesses which will be the success stories of the next decade. Technological advances in areas such as artificial intelligence, autonomous vehicles and renewable energy are providing interesting opportunities for early stage investors.

Current market conditions remain challenging and we find it difficult to identify assets which are significantly undervalued versus their historical averages. We remain cautious on areas such as fixed income in particular.
The portfolio's asset allocation at the end of the year was as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2018 %</th>
<th>2017 %</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equities</td>
<td>30.5</td>
<td>36.6</td>
<td>(6.1)</td>
</tr>
<tr>
<td>Emerging equities</td>
<td>5.8</td>
<td>5.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Private investments</td>
<td>32.0</td>
<td>24.1</td>
<td>7.9</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>11.5</td>
<td>10.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Diversifiers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low volatility funds</td>
<td>18.2</td>
<td>21.7</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Cash</td>
<td>2.2</td>
<td>1.4</td>
<td>0.8</td>
</tr>
<tr>
<td>Currency hedge</td>
<td>(0.2)</td>
<td>0.2</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

We believe that this approach is likely to improve alignment of the investment portfolio with its charitable objectives. It seeks to avoid narrowly focused strategies which may have meaningful exposure to controversial areas and will instead be open to involvement in strategies with enhanced environmental, social or governance impact.

We have a £25m allocation within our endowment that invests in funds looking to achieve enhanced environmental, social and governance (ESG) impact alongside financial return. This allocation is for funds which don't currently fit our criteria for mainstream investments due to size, focus or risk profile.

**Responsible investment**

We are aware that the Foundation's mission or its credibility may be undermined if we invest in businesses whose activities undermine our values and funding objectives.

Therefore, we follow a responsible approach to investment and are open to involvement with strategies with enhanced environmental, social and governance (ESG) impact as opposed to narrowly focused strategies which may have meaningful exposure to controversial areas.

We have a £25m allocation within our endowment that invests in funds looking to achieve enhanced environmental, social and governance (ESG) impact alongside financial return. This allocation is for funds which don't currently fit our criteria for mainstream investments due to size, focus or risk profile.

The Foundation is also a signatory to the United Nations’ Principles for Responsible Investment (PRI). This initiative brings together an international network of investors who are committed to putting six key principles into action. As signatories we will:

1) Incorporate environmental, social and corporate governance (ESG) issues into investment analysis and decision-making processes.
2) Be active owners and incorporate ESG issues into our ownership policies and practices.
3) Seek appropriate disclosure on ESG issues by the entities in which we invest.
4) Promote acceptance and implementation of the Principles within the investment industry.
5) Work with the PRI organisation and other signatories to enhance our effectiveness in implementing the Principles.
6) Report on our activities and progress towards implementing the Principles.

The PRI Initiative has quickly become the leading global network for investors to publicly demonstrate their commitment to responsible investment, to collaborate and learn with their peers about the financial and investment implications of ESG issues, and to incorporate these factors into their investment decision-making and ownership practices.

For example, a project to encourage large global food companies to reduce intensive factory farming practices and replace them with more sustainable solutions and products.

During 2018 we joined an investor coalition asking companies to set credible science-based targets in line with the long term climate goals set out in the Paris Agreement.

We also gave our backing to an initiative encouraging companies to address the issue of plastic pellet loss across their supply chains.
The Foundation's investment activities are its main financial risk. This risk is managed, with the support of investment advisers, through: regular review of our investment policy; management of strategic asset allocation; risk measurement and reporting; independent valuation and performance reporting; diversification across a broad range of asset classes, geographies, investment managers and investment strategies; and ongoing market and manager updates and due diligence.

The levels of manager concentration, currency exposure, leverage and liquidity are also key factors in managing the risks of the investment portfolio. Policies and restrictions to help manage these risks are included in the Investment Policy Statement.

The operation of Esmée Fairbairn Foundation is governed by a Charity Commission Scheme, dated 14 January 2002, which enables the assets to be applied by the Trustees at their discretion for general charitable purposes. The Charity Commission approved an incorporation of the Trustee body on 16 June 2008 in the name of The Trustees of Esmée Fairbairn Foundation. The Foundation is a charity registered in England and Wales, number 200051.

Trustee Board
The Foundation's Trustees are listed on page 68 of this report. The Trustee Board meets six times each year to set and oversee the delivery of the Foundation's strategy. A number of Trustee committees support the work of the Foundation throughout the year.

The Foundation has a clear organisational structure with documented lines of authority and delegation, which is reviewed regularly by the Audit and Risk Committee and the Trustee Board. The Foundation also has segregation of duties with regard to governance, management, grant-making, social investments, finance and investment. Procedures are in place for documenting decisions, actions and issues.

An induction programme is put in place for new Trustees.

Audit and Risk Committee
The Audit and Risk Committee reviews and recommends to the Trustee Board systems of internal control on financial and governance issues and oversees risk management. It also reviews the draft Annual Report and Accounts and meets with the Foundation's external auditors.

Finance and Administration Committee
The Finance and Administration Committee reviews and recommends to the Trustee Board annual budgets, staff remuneration and benefits. It also oversees major property, IT, governance and other projects.

The salaries of the senior management team are set by the Finance and Administration Committee and includes reference to peers and other comparators.

Investment Committee
The Investment Committee formulates investment policy, oversees its implementation, manages overall asset allocation, monitors investment performance and reports to the Trustee Board.

Nominations Committee
The Nominations Committee makes recommendations to the Trustee Board on the appointment of new Trustees.

Funding decisions
An Executive Committee takes decisions on grants up to £60,000. An Applications Committee, comprising Trustee and Executive members, takes decisions on grants up to £200,000 and social investments up to £400,000. All decisions on grants over £200,000 and social investments over £400,000 go to the Trustee Board.
In respect of the Trustees’ Annual Report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees’ Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees’ report confirm that, so far as they are each aware, there is no relevant audit information of which the Foundation’s auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Foundation’s auditor is aware of that information.

James Hughes-Hallett CMG
Chairman
Independent Auditor's Report
to the Trustees of Esmée
Fairbairn Foundation

We have audited the financial statements of Esmée Fairbairn Foundation ("the charity") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, Balance Sheet and Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:
• give a true and fair view of the state of the charity’s affairs as at 31 December 2018 and of its incoming resources and application of resources for the year then ended;
• have been properly prepared in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the charity in accordance with, UK ethical requirements including the FRC Ethical Standard.
• have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit
Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the trustees and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the organisation's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the charity’s future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for an organisation and this is particularly the case in relation to Brexit.

Going concern
The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees’ conclusions, we considered the inherent risks to the charity's business model, including the impact of Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.
Other information
The trustees are responsible for the other information, which comprises the Trustees' Report, Overview and Funding. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

• based solely on that work, we have identified material misstatements in the other information; or
• in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Trustees' responsibilities
As explained more fully in their statement set out on page 55, the trustees are responsible for:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Matters on which we are required to report by exception
Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Brown
for and on behalf of KPMG LLP,
Statutory Auditor
30 April 2019
Chartered Accountants
15 Canada Square
London
E14 5GL

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
### Statement of Financial Activities

**For the year ended 31 December 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and endowments from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>2</td>
<td>5,099</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>635</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>5,734</td>
</tr>
<tr>
<td>Expenditure on:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td>3 &amp; 5</td>
<td>3,358</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>4 &amp; 5</td>
<td>43,263</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>46,621</td>
</tr>
<tr>
<td>Net gains on investments</td>
<td>9</td>
<td>41,307</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td>420</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td></td>
<td>420</td>
</tr>
<tr>
<td>Funds at 1 January</td>
<td></td>
<td>996,898</td>
</tr>
<tr>
<td><strong>Funds at 31 December</strong></td>
<td>15</td>
<td>997,318</td>
</tr>
</tbody>
</table>

The notes on pages 60 to 67 form part of these accounts. The Foundation has no recognised gains or losses other than the net movement in funds for the year. The net income and resulting net movement in funds in each of the financial years are from continuing operations.

### Balance Sheet

**At 31 December 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>8</td>
<td>226</td>
</tr>
<tr>
<td>Investments</td>
<td>9</td>
<td>1,036,617</td>
</tr>
<tr>
<td>Social Investments</td>
<td>10</td>
<td>17,076</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>1,053,919</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>11</td>
<td>185</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>363</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>548</td>
</tr>
<tr>
<td><strong>Creditors:</strong> Amounts falling due within one year</td>
<td>12</td>
<td>(30,286)</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td></td>
<td>(29,738)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>1,024,181</td>
</tr>
<tr>
<td><strong>Creditors:</strong> Amounts falling due after more than one year</td>
<td>13</td>
<td>(26,793)</td>
</tr>
<tr>
<td><strong>Provisions:</strong> for liabilities</td>
<td>14</td>
<td>(70)</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>15</td>
<td>997,318</td>
</tr>
</tbody>
</table>

The notes on pages 60 to 67 form part of these accounts. The accounts were approved and authorised for issue by the Trustee Board on 30 April 2019.

Signed in the name and on behalf of The Trustees of Esmée Fairbairn Foundation:

James Hughes-Hallett CMG
Chairman
# Cash Flow Statement

For the year ended 31 December 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>18</td>
<td>(43,023)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from investments</td>
<td></td>
<td>5,099</td>
</tr>
<tr>
<td>Sale of investments</td>
<td></td>
<td>201,539</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td></td>
<td>(152,636)</td>
</tr>
<tr>
<td>Decrease/(increase) in investment cash</td>
<td></td>
<td>3,351</td>
</tr>
<tr>
<td>(Increase)/decrease in other investment balances</td>
<td></td>
<td>(10,765)</td>
</tr>
<tr>
<td>Cash (outflow)/inflow on derivative financial instruments</td>
<td></td>
<td>(6,376)</td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td></td>
<td>(33)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td></td>
<td>40,179</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash outflow to finance lease commitments</td>
<td></td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td></td>
<td>(4)</td>
</tr>
<tr>
<td>Change in cash in the year</td>
<td></td>
<td>(2,848)</td>
</tr>
<tr>
<td>Cash brought forward</td>
<td></td>
<td>3,211</td>
</tr>
<tr>
<td><strong>Cash carried forward</strong></td>
<td></td>
<td>363</td>
</tr>
</tbody>
</table>

The notes on pages 60 to 67 form part of these accounts.
Notes to the accounts

1. Basis of accounting and accounting policies

Legal status
The Foundation is a charity registered in England and Wales, number 200051. The operation of Esmée Fairbairn Foundation is governed by a Charity Commission Scheme, dated 14 January 2002, which enables the assets to be applied by the Trustees at their discretion for general charitable purposes. The Charity Commission approved an incorporation of the Trustee body on 16 June 2008 in the name of The Trustees of Esmée Fairbairn Foundation.

Basis of accounting
The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies including update bulletin 1 applicable from 1 January 2016.

The accounts have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’.

The Foundation meets the definition of a public benefit entity under FRS 102.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the valuation of investments and are discussed below.

The Trustees are satisfied that the Foundation has sufficient reserves and liquidity within the investment portfolio to continue as a going concern for the foreseeable future. Cash flow forecasts are regularly prepared; assets within the investment portfolio can be liquidated to meet short term requirements.

Incoming resources
Incoming resources are recognised in the Statement of Financial Activities in the period in which the Foundation becomes entitled to receipt. Dividend income and related tax credits are recognised from the ex-dividend date when they become receivable.

Resources expended
Direct costs of generating funds, charitable activities and support costs are charged to the relevant category or activity according to the area to which the expenditure relates. Support costs incurred that relate to more than one cost category are apportioned based on the number of full-time equivalent staff allocated to that activity. Grants are recognised as expenditure in the year in which they are approved and such approval has been communicated to the recipients, except to the extent that they are subject to conditions that enable the Foundation to revoke the award.

Pension
The Foundation operates a defined contribution group personal pension scheme for employees. The assets of the scheme are held separately from those of the Foundation. The annual contributions are charged to the Statement of Financial Activities.

Irrecoverable VAT
Irrecoverable Value Added Tax (VAT) is included in the Statement of Financial Activities within the expenditure to which it relates.

Taxation
The Foundation is considered to pass the tests for charitable status under FRS 102. The assets of the scheme are held separately from those of the Foundation. The annual contributions are charged to the Statement of Financial Activities.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the valuation of investments and are discussed below.

Grants are recognised as expenditure in the year in which they are approved and such approval has been communicated to the recipients, except to the extent that they are subject to conditions that enable the Foundation to revoke the award.

Pension
The Foundation operates a defined contribution group personal pension scheme for employees. The assets of the scheme are held separately from those of the Foundation. The annual contributions are charged to the Statement of Financial Activities.

Irrecoverable VAT
Irrecoverable Value Added Tax (VAT) is included in the Statement of Financial Activities within the expenditure to which it relates.

Taxation
The Foundation is considered to pass the tests for charitable status under FRS 102. The assets of the scheme are held separately from those of the Foundation. The annual contributions are charged to the Statement of Financial Activities.

The accounts have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’.
All other leases are operating leases. Operating lease annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

**Investments**

**Quoted investments**
Quoted investments are stated at market value at the balance sheet date. Asset purchases and sales are recognised at date of trade.

**Unquoted investments**
Unquoted investments are valued at the Foundation's best estimate of fair value as follows:
- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit.
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third party hedge fund administrators.
- Private equity investments are held through funds managed by private equity groups. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations from the private equity groups where:
  - i. the private equity group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or
  - ii. the private equity group provides valuations that comply with International Financial Reporting Standards or US GAAP.

Where a valuation is not available at the balance sheet date, the most recent valuation from the private equity group is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date.

**Derivative financial instruments**
Derivatives are recognised in the Balance Sheet at fair value. Where the Foundation uses forward currency contracts to reduce currency exposure in its investment portfolio the fair value of these forward exchange contracts is estimated by using the gain or loss that would arise from closing the contract at the balance sheet date. Managers of segregated funds may enter into derivatives as part of their portfolio risk management, fair values of these derivatives are provided by the fund managers.

**Social Investments**
Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Foundation is able to obtain a reliable estimate of fair value. Quoted investments are stated at market value at the balance sheet date.

**Realised and unrealised gains and losses on investments**
Realised and unrealised gains and losses on programme-related investments are included in ‘charitable activities’ within the Statement of Financial Activities.

Realised and unrealised gains and losses on all other investment assets are included in ‘Net gains on investments’ within the Statement of Financial Activities.

**Realised and unrealised gains and losses on foreign exchange transactions**
Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. All gains and losses on exchange, realised and unrealised, are included in the appropriate income or expenditure category in the Statement of Financial Activities.

**Provisions**
Provisions have been made for possible future liabilities arising from contracts entered into by the Foundation.

**Related party transactions**
Transactions with related parties are disclosed in the notes to these financial statements. The Foundation’s policy is for Trustees, Executive and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.
## 2. Income and endowments

<table>
<thead>
<tr>
<th>Income from investments</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td>2,408</td>
<td>2,950</td>
</tr>
<tr>
<td>Multi-asset investments</td>
<td>433</td>
<td>1,151</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>1,884</td>
<td>940</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>75</td>
<td>87</td>
</tr>
<tr>
<td>Investment cash and other investment balances</td>
<td>299</td>
<td>216</td>
</tr>
<tr>
<td><strong>Total income from investments</strong></td>
<td>5,099</td>
<td>5,344</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other income</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Income from social investments</td>
<td>631</td>
<td>772</td>
</tr>
<tr>
<td><strong>Total other income</strong></td>
<td>635</td>
<td>773</td>
</tr>
</tbody>
</table>

## 3. Expenditure on raising funds

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisers’ and custodian fees and borrowing costs</td>
<td>2,762</td>
<td>2,710</td>
</tr>
<tr>
<td>Direct staff and other costs</td>
<td>270</td>
<td>290</td>
</tr>
<tr>
<td>Support cost allocation</td>
<td>326</td>
<td>305</td>
</tr>
<tr>
<td><strong>Total expenditure on raising funds</strong></td>
<td>3,358</td>
<td>3,305</td>
</tr>
</tbody>
</table>

## 4. Expenditure on charitable activities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant funding</td>
<td>40,526</td>
<td>40,527</td>
</tr>
<tr>
<td>Direct staff and other costs</td>
<td>929</td>
<td>865</td>
</tr>
<tr>
<td>Support cost allocation</td>
<td>1,808</td>
<td>1,680</td>
</tr>
<tr>
<td><strong>Total expenditure on charitable activities</strong></td>
<td>43,263</td>
<td>43,072</td>
</tr>
</tbody>
</table>

Grants and Social Investments approved in the year are listed on pages 9 to 48 in the Annual Report accompanying these accounts.

## 5. Support cost allocation

<table>
<thead>
<tr>
<th></th>
<th>Raising Charitable activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Support staff costs</td>
<td>121</td>
</tr>
<tr>
<td>Premises, technology and other costs</td>
<td>205</td>
</tr>
<tr>
<td><strong>Total support costs</strong></td>
<td>326</td>
</tr>
<tr>
<td>Total support costs for the prior year</td>
<td>305</td>
</tr>
</tbody>
</table>

Total Trustees’ expenses of £16,981 (2017: £53,247) are included in support costs and in costs of generating funds. Expenses were reimbursed to 7 (2017: 8) Trustees during the year and were related to travel. The Trustees received no remuneration for their role as Trustee during this or the preceding year.
6. Staff costs

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,480</td>
<td>1,403</td>
</tr>
<tr>
<td>Social security costs</td>
<td>150</td>
<td>144</td>
</tr>
<tr>
<td>Pension contributions</td>
<td>199</td>
<td>172</td>
</tr>
<tr>
<td>Other staff related costs</td>
<td>154</td>
<td>181</td>
</tr>
<tr>
<td><strong>Total staff costs</strong></td>
<td><strong>1,983</strong></td>
<td><strong>1,900</strong></td>
</tr>
</tbody>
</table>

The Foundation operates a defined contribution group personal pension scheme and makes employer contributions of 12.5% when matched by a 5% employee contribution. Redundancy and ex gratia payments of £60,521 (2017: £18,904) are included within total staff costs.

The Foundation considers its key management personnel comprise the trustees and the senior management team. The senior management team consists of 5 (2017: 5) employees, 4.9 (2017: 4.3) on a full time basis. The total employment benefits including employer pension contributions of the senior management team were £449,629 (2017: £378,281). The Trustees are not remunerated.

The average number of employees during the year calculated on a full-time basis was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment management and oversight</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Funding</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Governance</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total number of employees</strong></td>
<td><strong>29</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>

The average number of employees during the year calculated on a head count basis was 31 (2017: 31).

The number of employees who received remuneration of more than £60,000 in the year was as follows:

<table>
<thead>
<tr>
<th>Conversion Boundaries</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 - £69,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£70,000 - £79,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£80,000 - £89,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£90,000 - £99,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£100,000 - £109,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£110,000 - £119,999</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

All the employees paid over £60,000 had employer contributions, equal to 12.5% of salary, made under the group personal pension scheme.

7. Auditor’s Remuneration

The auditor’s remuneration constituted an audit fee of £56,412 (2017: £57,492) and additional tax advisory work of £7,320 (2017: £7,320).
8. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Leasehold Improvements £’000</th>
<th>Office &amp; Computer Equipment £’000</th>
<th>Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2018</td>
<td>527</td>
<td>428</td>
<td>955</td>
</tr>
<tr>
<td>Additions in the year</td>
<td>-</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Disposals in the year</td>
<td>-</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>At 31 December 2018</strong></td>
<td>527</td>
<td>458</td>
<td>985</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2018</td>
<td>503</td>
<td>156</td>
<td>659</td>
</tr>
<tr>
<td>Depreciation charge for year</td>
<td>24</td>
<td>79</td>
<td>103</td>
</tr>
<tr>
<td>Accumulated depreciation on disposals</td>
<td>-</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>At 31 December 2018</strong></td>
<td>527</td>
<td>232</td>
<td>759</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td>-</td>
<td>226</td>
<td>226</td>
</tr>
<tr>
<td>At 1 January 2017</td>
<td>24</td>
<td>272</td>
<td>296</td>
</tr>
</tbody>
</table>

The net book value of assets held under finance leases included above is £8,840 (2017: £13,529) and the depreciation charge on these assets for the year was £4,689 (2017: £7,833).

9. Investments

### i) Market value

<table>
<thead>
<tr>
<th></th>
<th>2018 £’000</th>
<th>2017 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td>376,165</td>
<td>431,850</td>
</tr>
<tr>
<td>Multi-asset investments</td>
<td>45,551</td>
<td>95,527</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>14,407</td>
<td>24,949</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>580,269</td>
<td>461,768</td>
</tr>
<tr>
<td>Investment cash</td>
<td>12,221</td>
<td>14,510</td>
</tr>
<tr>
<td>Other investment balances</td>
<td>10,388</td>
<td>(377)</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>(2,384)</td>
<td>2,196</td>
</tr>
</tbody>
</table>

**Total market value of investments** 1,036,617 1,030,423

Investment cash includes all cash balances managed as part of the investment portfolio. Other investment balances include short term borrowing, collateral held with the counterparty to the forward currency contracts, accrued income, amounts receivable on investment sales and accrued investment costs.

The Foundation has entered into commitments to invest in hedge funds, private equity funds and venture capital funds. At the balance sheet date outstanding commitments totalled £105.7m (2017: £100.1m). The Foundation models its cashflows based upon the original commitment.

### ii) Purchases, sales, gains and (losses)

<table>
<thead>
<tr>
<th></th>
<th>Market value 2017 £’000</th>
<th>Purchases £’000</th>
<th>Sale proceeds £’000</th>
<th>Investment gain/(loss) £’000</th>
<th>Market value 2018 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity investments</td>
<td>431,850</td>
<td>36,533</td>
<td>(71,534)</td>
<td>(20,684)</td>
<td>376,165</td>
</tr>
<tr>
<td>Multi-asset investments</td>
<td>95,527</td>
<td>432</td>
<td>(41,853)</td>
<td>(8,555)</td>
<td>45,551</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>24,949</td>
<td>8</td>
<td>(10,219)</td>
<td>(331)</td>
<td>14,407</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>461,768</td>
<td>115,663</td>
<td>(77,933)</td>
<td>80,771</td>
<td>580,269</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,014,094</td>
<td>152,636</td>
<td>(201,539)</td>
<td>51,201</td>
<td>1,016,392</td>
</tr>
</tbody>
</table>
### 9. Investments (cont.)

#### iii) Reconciliation to book cost

<table>
<thead>
<tr>
<th></th>
<th>Book cost</th>
<th>Purchases</th>
<th>Proceeds</th>
<th>Investment gain/(loss)</th>
<th>Book cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Book cost and realised gains</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity investments</td>
<td>280,877</td>
<td>36,533</td>
<td>(71,534)</td>
<td>26,426</td>
<td>272,302</td>
</tr>
<tr>
<td>Multi-asset investments</td>
<td>82,728</td>
<td>432</td>
<td>(41,853)</td>
<td>2,661</td>
<td>43,968</td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>24,694</td>
<td>8</td>
<td>(10,219)</td>
<td>189</td>
<td>14,672</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>334,483</td>
<td>115,663</td>
<td>(77,933)</td>
<td>34,553</td>
<td>406,766</td>
</tr>
<tr>
<td>Total book cost</td>
<td>722,782</td>
<td>152,636</td>
<td>(201,539)</td>
<td>63,829</td>
<td>737,708</td>
</tr>
<tr>
<td><strong>Market value adjustment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gains/(losses)</td>
<td>291,312</td>
<td>-</td>
<td>(12,628)</td>
<td></td>
<td>278,684</td>
</tr>
<tr>
<td>Total</td>
<td>1,014,094</td>
<td>152,636</td>
<td>(201,539)</td>
<td>51,201</td>
<td>1,016,392</td>
</tr>
</tbody>
</table>

#### iv) Derivative financial instruments

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>(2,384)</td>
<td>2,196</td>
</tr>
<tr>
<td><strong>Derivative financial instruments total net positions</strong></td>
<td>(2,384)</td>
<td>2,196</td>
</tr>
</tbody>
</table>

#### v) Realised and unrealised gains/(losses) on investments

<table>
<thead>
<tr>
<th></th>
<th>Realised</th>
<th>Unrealised gain/(loss)</th>
<th>2018</th>
<th>2017</th>
<th>£'000</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td>26,426</td>
<td>(47,110)</td>
<td>(20,684)</td>
<td>52,288</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-asset investments</td>
<td>2,661</td>
<td>(11,216)</td>
<td>(8,555)</td>
<td>3,629</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income investments</td>
<td>189</td>
<td>(520)</td>
<td>(331)</td>
<td>410</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternative investments</td>
<td>34,553</td>
<td>46,218</td>
<td>80,771</td>
<td>1,963</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>63,829</td>
<td>(12,628)</td>
<td>51,201</td>
<td>58,290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash investments</td>
<td>635</td>
<td>427</td>
<td>1,062</td>
<td>(875)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>(6,376)</td>
<td>(4,580)</td>
<td>(10,956)</td>
<td>8,735</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total gains/(losses) on investments</strong></td>
<td>58,088</td>
<td>(16,781)</td>
<td>41,307</td>
<td>66,150</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gains in the prior year</strong></td>
<td>64,164</td>
<td>1,986</td>
<td>66,150</td>
<td>66,150</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### vi) UK and overseas holdings

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas listed</td>
<td>78,435</td>
<td>118,962</td>
</tr>
<tr>
<td>Overseas unlisted</td>
<td>264,447</td>
<td>312,888</td>
</tr>
<tr>
<td>UK listed</td>
<td>13,283</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>376,165</td>
<td>431,850</td>
</tr>
<tr>
<td><strong>Multi-asset manager investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK listed</td>
<td>20,401</td>
<td>57,533</td>
</tr>
<tr>
<td>Overseas listed</td>
<td>25,150</td>
<td>37,994</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,551</td>
<td>95,527</td>
</tr>
<tr>
<td><strong>Fixed income investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK listed</td>
<td>14,407</td>
<td>24,949</td>
</tr>
<tr>
<td>Overseas listed</td>
<td>14,407</td>
<td>24,949</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,407</td>
<td>24,949</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK unlisted</td>
<td>12,271</td>
<td>13,620</td>
</tr>
<tr>
<td>Overseas listed</td>
<td>558,489</td>
<td>446,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>580,269</td>
<td>461,768</td>
</tr>
</tbody>
</table>

Domicile of investment holdings is determined by the place of listing of the fund vehicle not of the underlying securities held therein.
10. Social Investments

<table>
<thead>
<tr>
<th></th>
<th>Market value 2017</th>
<th>Drawn</th>
<th>Repaid</th>
<th>Investment gain/ (loss)</th>
<th>Market value 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity investments</strong></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td></td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Fixed income investments</strong></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>(291)</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td></td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>(212)</td>
<td>£'000</td>
</tr>
</tbody>
</table>

Reconciliation of book cost to market value has not been disclosed as the market value of the portfolio is not materially different from cost.

Alternative investments comprise land and property, social investment funds and partnerships, revenue participation agreements and social impact bonds.

At the year end £4.4m (2017: £4.7m) of social investment had been committed but remained undrawn, and a further £4.2m (2017: £2.7m) was approved subject to agreement of terms, making a total promised of £8.6m (2017: £7.4m).

Social Investments approved in the year are listed on pages 43 to 45 in the Annual Report accompanying these accounts.

11. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments and other debtors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>185</td>
<td>188</td>
</tr>
</tbody>
</table>

12. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>30,286</td>
<td>30,521</td>
</tr>
<tr>
<td><strong>Accruals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>12</td>
<td>160</td>
</tr>
<tr>
<td><strong>Trade and other creditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Commitments due under finance leases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>30,143</td>
<td>30,328</td>
</tr>
</tbody>
</table>

13. Creditors: amounts falling due after one year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>26,788</td>
<td>25,681</td>
</tr>
<tr>
<td><strong>Commitments due under finance leases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td><strong>As at 31 December</strong></td>
<td>26,793</td>
<td>25,690</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 January</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 December</td>
<td>70</td>
<td>70</td>
</tr>
</tbody>
</table>

The provision relates to possible future liabilities arising from contracts entered into by the Foundation.
15. Reserves

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 January</td>
<td>£996,898</td>
<td>£971,008</td>
</tr>
<tr>
<td>Net income</td>
<td>420</td>
<td>25,890</td>
</tr>
<tr>
<td>Net movement in funds in the year</td>
<td>420</td>
<td>25,890</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>£997,318</td>
<td>£996,898</td>
</tr>
</tbody>
</table>

All funds held by the Foundation are unrestricted and available to the Foundation to apply for the general purposes of the Foundation as set out in its governing document.

16. Operating leases

At year end the Foundation had lease agreements in respect of property for which payments extend over a number of years.

<table>
<thead>
<tr>
<th>Total future minimum lease payments under non-cancellable operating leases for each of the following periods:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year;</td>
<td>£567</td>
<td>£425</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>£1,904</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total future minimum lease payments under non-cancellable operating leases | £2,471 | £425 |

17. Related party transactions

There were no related party transactions during the year or in the prior year.

18. Reconciliation of net income to cash flow from operating activities

<table>
<thead>
<tr>
<th>Net income for the reporting period</th>
<th>£420</th>
<th>£25,890</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation charge for the year</td>
<td>£103</td>
<td>£81</td>
</tr>
<tr>
<td>Gains on investments</td>
<td>£41,307</td>
<td>£66,150</td>
</tr>
<tr>
<td>Income from Investments</td>
<td>£5,344</td>
<td>£17</td>
</tr>
<tr>
<td>Decrease/(increase) in debtors</td>
<td>£972</td>
<td>£1,780</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>£3,608</td>
<td>£4,121</td>
</tr>
<tr>
<td>Cash outflow to social investments</td>
<td>£5,401</td>
<td>£4,894</td>
</tr>
<tr>
<td>Cash inflow from social investments</td>
<td>£212</td>
<td>£999</td>
</tr>
<tr>
<td>Increase in social investments provisions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(£43,023)</td>
<td>(£41,988)</td>
</tr>
</tbody>
</table>

Chief Executive’s Report
Chairman’s Statement
Funding Overview
Arts
Children and Young People
Environment
Food
Social Change
Funding in Partnership
Social Investment
TASK Fund
Trustees’ Report
Accounts
Home
Trustees, Senior Management Team, Committees and Advisers
As at 30 April 2019

Trustees
James Hughes-Hallett CMG
Chair
Edward Bonham Carter
Tom Chandos
Joe Docherty
John Fairbairn
Beatrice Hollond
Professor David Hill CBE
Sir Thomas Hughes-Hallett (to 23/03/2018)
Kate Lampard CBE
Dame Stella Manzie
Sir Jonathan Phillips
Eleanor Updale

Senior Management Team
Caroline Mason CBE
Chief Executive
James Wragg
Director of Operations
Matt Cox
Investment Director
John Mulligan
Director of Funding Development
Sharon Shea
Director of Funding

A full staff list can be found on the website.

Committees
Audit and Risk Committee
Sir Thomas Hughes-Hallett
Chair (to 23/03/2018)
Professor David Hill CBE
Chair (from 24/03/2018)
John Fairbairn

Finance and Administration Committee
James Hughes-Hallett CMG
Chair
Tom Chandos

Sir Jonathan Phillips

Investment Committee
Tom Chandos
Chair (to 31/12/2018, continues as Committee member)
Beatrice Hollond
Chair (from 01/01/2019)

Edward Bonham Carter
Joe Docherty (from 01/01/2019)
James Hughes-Hallett CMG
Caroline Mason CBE
Peter Readman (external)

Nominations Committee
James Hughes-Hallett CMG
Chair
John Fairbairn
Kate Lampard CBE
Sir Jonathan Phillips

Advisers
Auditor
KPMG LLP
15 Canada Square
London E14 5GL

Solicitors
Berwin Leighton Paisner
Adelaide House
London Bridge
London EC4R 9HA

DLA Piper LLP
160 Aldersgate Street
London EC1A 4HT

Investment Advisers
Cambridge Associates Ltd
Cardinal Place
80 Victoria Street
London SW1E 5JL

Custodian
JPMorgan Chase Bank, N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Bankers
Royal Bank of Scotland plc
London Victoria (A) Branch
119/121 Victoria Street
London SW1E 6RA
Our History

In 1961 Ian Fairbairn, a leading City figure, decided to endow a charitable foundation with the bulk of his holdings in M&G, the company he had joined some 30 years before.

M&G was a pioneer of the unit trust industry in the UK. It grew out of Ian Fairbairn’s determination that investments in equities, previously the preserve of the affluent, should be available to all — giving everyone the potential to own a stake in the nation’s economy.

His purpose in establishing the Foundation was two-fold. In the interests of wider prosperity, he aimed to promote a greater understanding of economic and financial issues through education. He also wanted to establish a memorial to his wife, Esmée, who had played a prominent role in developing the Women’s Royal Voluntary Service and the Citizens Advice Bureau. She was killed in an air-raid during the Second World War. Prior to Ian’s death in 1968 he indicated that the Foundation should support a broad range of charitable purposes.

Esmée Fairbairn’s sons, Paul and Oliver Stobart, also contributed generously to the Foundation established in their mother’s memory.

In 1999 the Foundation sold its holding in M&G as part of the company’s takeover by the Prudential Corporation plc. As a result, the Foundation’s endowment grew significantly in value as did the size and scope of the grants it was able to make.

Today, Esmée Fairbairn Foundation is one of the largest independent funders in the UK.