

Paul Hamlyn
Foundation

Annual Report and Accounts

2023/24

phf.org.uk



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Cover image: Stay and Play event at Ort Gallery.
Photo credit: Anisa Fazal.

Building a just society

Over the past year, Paul Hamlyn Foundation has invested more resources than ever before in many excellent organisations and initiatives.



Jane Hamlyn CBE
Chair

This increase in our grant-making has come in response both to the growing needs and to the possibilities for change we see in each of our areas of work. We aim to continue this momentum over the coming years. A number of Major Grants reflect the culmination of extensive discussions with three organisations – YoungMinds, Royal Liverpool Philharmonic and Britten Pears Arts – whom we have supported for many

years and whom we know will deliver work of significant value to their respective communities.

The opportunity to achieve more by working together has led to important contributions to LocalMotion, an initiative based on long-term collaboration with communities in Carmarthen, Enfield, Lincoln, Middlesbrough, Oldham and Torbay. It has also boosted support for the Justice Together Initiative, which aims to ensure people who use the UK immigration system are able to access justice fairly and equally.

“This increase in our grant-making has come in response both to the growing needs and to the possibilities for change we see in each of our areas of work.

”

None of this would have been possible without the careful stewardship of our endowment, the relational grant-making we are known for, and the insight and knowledge of our teams in the fields in which we operate. Our commitment to embedding diversity, equity and inclusion deeply in our work has been strengthened by the wide range of voices involved in our discussions.

I would like to thank the entire team at the Foundation and our trustees and advisors for their commitment and energy over the past year. It is a pleasure to welcome two new trustees, Silaja Birks and Tom Palakudiyil, to the board. On the other hand, we will miss the contribution of Claire Whitaker, to whom we said goodbye after many years as a trustee and advisor.

Lastly, on behalf of the trustees, I would like to offer particular thanks to our Chief Executive, Moira Sinclair, who is stepping down in early 2025. Moira will hand over to her successor the important legacy of an

organisation which listens, learns and acts decisively to support social change. The respect in which she is held by our many colleagues and peers is testament to her decade of exceptional leadership.

Image: Fat Macy's.
Photo credit: Benoit Grogan Avignon.



Chief Executive's Statement

In November, we were able to host our Awards for Artists celebration in-person for the first time since 2019.



Moira Sinclair OBE
Chief Executive

In my opening remarks to the 200 people who joined us, I talked about how maintaining a focus on what is possible and creating moments of joy felt more important than ever amid geopolitical complexity, war and financial crisis, when we can otherwise feel collectively overwhelmed. And this theme has guided the Foundation's strategy and operations throughout the year.

Through extensive consultations, we have been reworking our programmatic funds, seeking to make our grant-making even more relevant, informed by those who know what will have an impact. In the commitment to make our communications as open as possible, we have found new ways to share our thinking and explain our decision-making. And in developing our website and brand to be more inclusive, our focus has always been on a contemporary philanthropy that is responsive, flexible and based on a shared vision to support social change.

“In the year I started, Paul Hamlyn Foundation spent just under £21 million on charitable activity; this year it will be £63 million.”

We know that there is real concern that we are witnessing not just short-term financial pain but an existential breakdown of non-profit business models. In this context, it feels increasingly critical that we continue our support for infrastructure and for organisations and individuals who are challenging the status quo and imagining different futures. There is little available resource for this kind of work, and I am grateful that Paul Hamlyn Foundation's trustees have maintained their appetite to innovate. This makes us one of a handful of UK grant-makers operating in this future-focused space as well as addressing the here and now.


£63m

Total spend of £63 million on charitable activity during 2023/24

On a personal note, I will step down in early 2025, so this will be my last contribution to an Annual Report and perhaps I am in a better position than ever to reflect. In the year I started, Paul Hamlyn Foundation spent just under £21 million on charitable activity; this year it will be £63 million. The scale of grant-making on its own is impressive, but for me it has been the shift to more purposeful and relational grant-making that I have been most proud of.

Of course, none of this is possible without a dedicated staff team who push us to do more and better, and who bring their intellect, knowledge and networks to help us in that endeavour. I would like to thank them all for their hard work and support for me, and I extend this to Jane Hamlyn and the trustees too. It has been a privilege to lead Paul Hamlyn Foundation for the last ten years. Our vision for a just society in which everyone can realise their full potential and enjoy fulfilling and creative lives moves me as much today as it did back in 2015. The powerful work of the people and organisations we support has never been more vital.



Image: Act Build Change.
Photo: Francis Augusto.

Objectives and Activities

Paul Hamlyn arrived in the UK as a migrant in 1933. He started his first bookselling business in 1949 and went on to make his fortune in publishing. When he died in 2001, he left most of his estate to the Foundation, creating one of the largest independent grant-making organisations in the UK.

Paul had a strong interest in social justice, challenging prejudice and opening up the arts and education to everyone, particularly young people.

The Foundation, in its current form, was incorporated in February 2004. The Objects of the Charity are to further such charitable purposes and to benefit such institutions as the trustees think fit.

We do this primarily through our grant-making and field-building activity, which:

- underpins charitable activity for public benefit in the UK and in India
- supports learning and sectoral development

- supports policy and influencing work to inform and innovate for the future

We work in collaboration with the organisations we support, increasingly awarding long-term and core funding. Our forward-thinking approach, which makes use of data and the thoughtfulness of our staff, is designed to maximise the long-term impact of our grants for the benefit of the wider public.

Image: Football Beyond Borders, Sedgehill girls – Yaneva.
Photo credit: Richard Lister.



Our vision

A just society in which everyone, especially young people, can realise their full potential and enjoy fulfilling and creative lives.

Our mission

To be an effective and independent funder, using all our resources to create opportunities and support social change. We partner with inspiring organisations and individuals to make sure that people facing disadvantage are at the heart of leading change and designing solutions to overcome inequality.

Trustees have considered the Charity Commission's guidance on public benefit and believe that the Foundation's objects and aims are in alignment with the public benefit requirements of the 2011 Charities Act. The Trustees' Report demonstrates the activities of the Foundation and how they meet the principles as defined in the Act. In particular, the strategic report outlines the Foundation's spend of c.£57 million on grants in 2023/24. All our grants are assessed to ensure they deliver public benefit and charitable purpose.

In 2023/24, a number of our funds underwent strategic reviews to make sure they were responsive to the needs of our partners and stakeholders. While these reviews did not change the overall mission and vision of our work, they did help us refine the purpose of some of our funds and our approach to making funding decisions. We look forward to seeing how these strategic reviews shape the work we do in 2024/25.

Funding priorities

Our funding priorities remain consistent with our current strategy, written in 2020. These are:

- investing in young people
- migration and integration
- arts access and participation
- education and learning through the arts
- nurturing ideas and people
- creating opportunities for people and communities in India

Our commitment to social justice underpins all these priorities. We are particularly interested in supporting individuals and organisations that share this commitment, and in funding work that:

- strengthens civil society
- supports social innovation
- champions people's voice and agency
- responds to digital transformation
- responds to the climate emergency

Grant-making policy

The Foundation will consider all applications that fall within our funding priorities and meet our funding criteria, and where our due diligence process has not identified any unacceptable issues. We only fund work that is charitable, as defined by the Charity Commission for England and Wales.

In addition to accepting applications from organisations and individuals to our open funds (these can be found on our website), we have a number of funds which are invitation-only and are awarded on an annual basis to a small cohort of organisations that meet our funding criteria.

Details of all the grants made for the year ended 31 March 2024 can be found on our website at phf.org.uk/news-and-publications/grants-awarded-2023-24

The year in numbers

This year, we awarded more money in grants than ever before.

Number of grants



265

We approved a total of 265 grants from decisions on 1,202 applications

Value of our grant-making



£57.1m

We gave out grants totalling £57.1 million over the 2023/24 financial year

Applications



22%

% of applications approved

We received more than 1,000 applications for funding this year, approving a quarter across our funds. These figures do not include enquiry calls which take place for some funds before a written application is submitted.

UK funds

871 applications totalling

£128.9m

India funds

182 applications totalling

£1.8m

Total

1,053 applications totalling

£130.7m

Funding racial equity

As a funder committed to anti-racism, we record and report how much of our funding serves racialised communities, in terms of both the leadership of the organisation and the people they support.

40 grants totalling

£6.2m

Work delivered by communities experiencing racial inequity

84 grants totalling

£13.8m

Work delivered for communities experiencing racial inequity

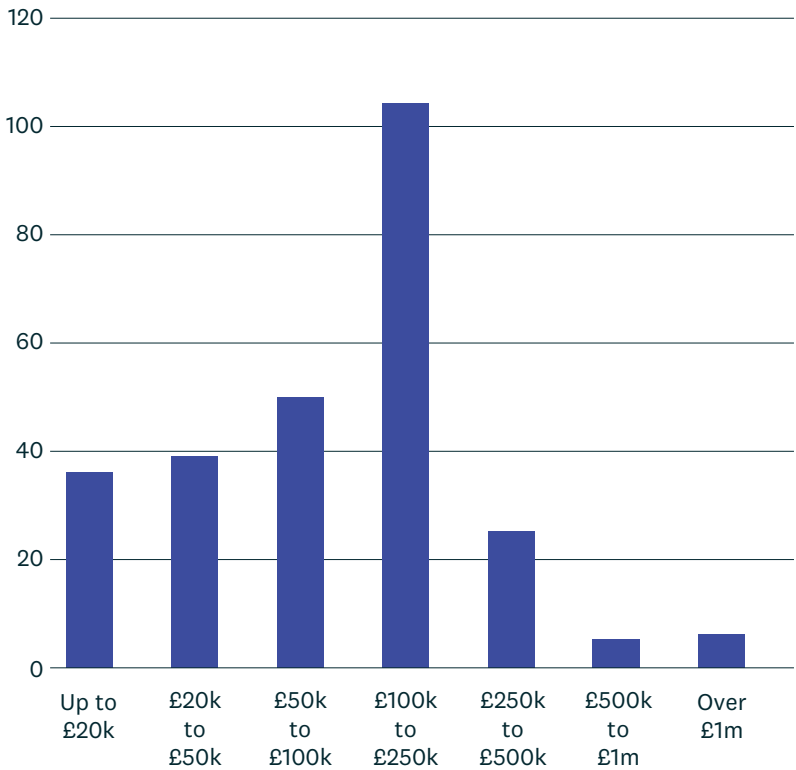
36 grants totalling

£4.9m

Work by and for communities experiencing racial inequity

Number of grants awarded by grant value

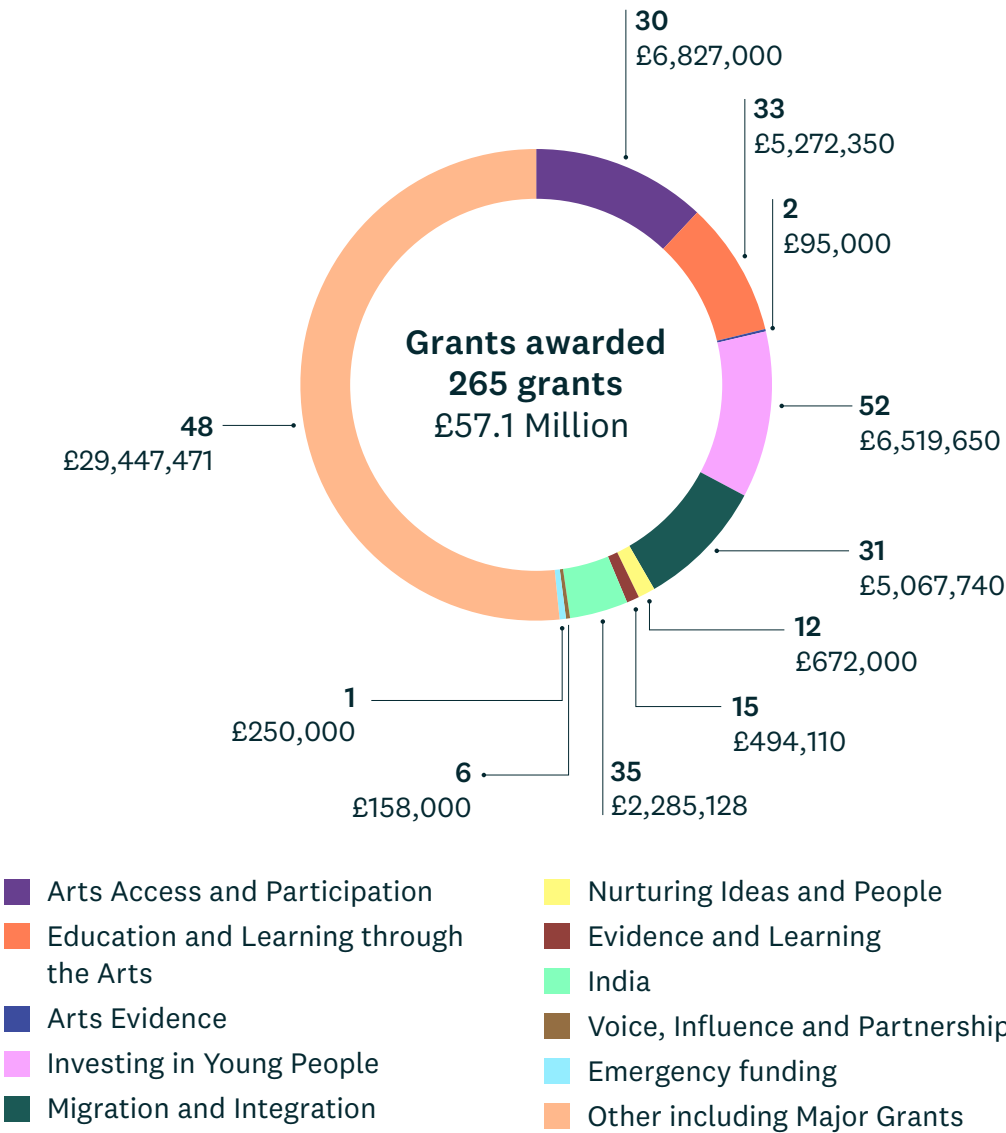
Total number of grants awarded



Endowment value

 **£916m**

Grants awarded per fund



Grants by region

Many of our grants support work in multiple regions or countries. These grants are additional to those indicated on the map.

UK-wide

– Funding: £11,670,894
– Number of grants: 76

Multi-country

– Funding: £12,818,691
– Number of grants: 22

India

– Funding: £2,285,1278
– Number of grants: 35

Scotland

– Funding: £1,485,010
– Number of grants: 11

Northern Ireland

– Funding: £768,478
– Number of grants: 7

Wales

– Funding: £674,017
– Number of grants: 5

England – Single region, excluding London

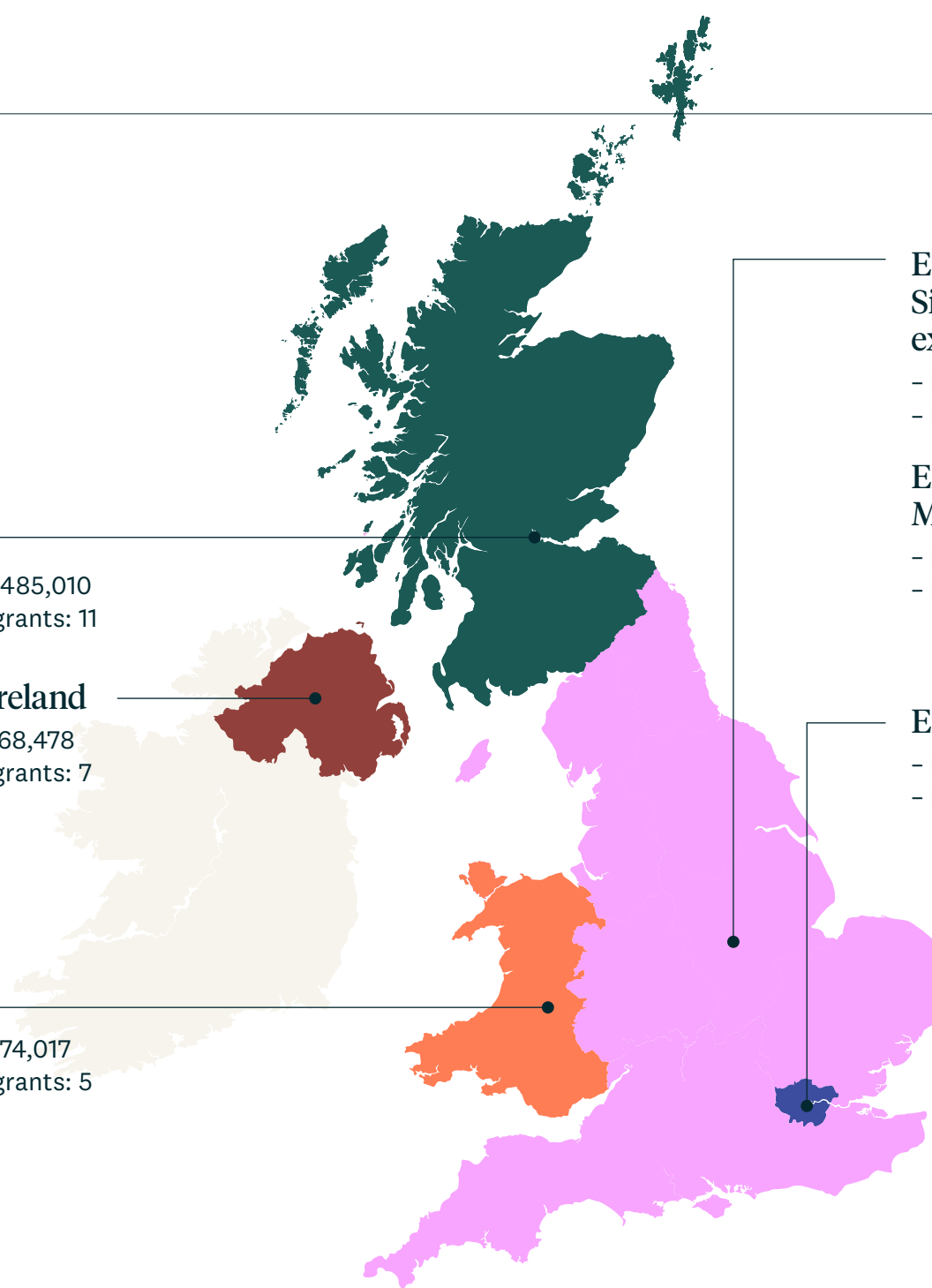
– Funding: £11,522,700
– Number of grants: 48

England – Multi-region

– Funding: £10,078,980
– Number of grants: 26

England – London

– Funding: £4,905,500
– Number of grants: 35



Strategic Report

Grant-making is the heart of what we do at Paul Hamlyn Foundation. This year, in recognition of the challenges faced by the sectors we support and because of the conclusion of our Major Grants programme. We have distributed more money than ever before. In 2023/24, we awarded 265 grants worth over £57 million in total to 248 recipients.

We've made significant progress on our objectives for 2023/24 as set out in last year's Annual Report. These objectives were to:

- refine our grant-making approaches in key funds including India, Migration, Ideas and Pioneers and Arts (for more on how we achieved this, see [page 17](#))
- realise some Major Grants and increase our expenditure in recognition of the urgency facing the sectors we support (for more on the completion of Major Grants and on our plans to increase expenditure through the Kinship programme, see [page 18](#))
- start work on a more accessible website, which began in 2023/24 and concluded in June 2024
- recruit for internal senior positions and new trustees, which concluded with the appointments of Paula Gay and Elizabeth Winder to Director of People and Culture and Chief Operating Officer respectively, and the recruitment of Silaja Birks and Tom Palakudiyil to our board of trustees

In all of these, we also wanted to drive forward on our Diversity, Equity and Inclusion (DEI) commitments.

In this Annual Report, you will find more detail on where and how we have achieved these objectives, and how our actions in 2023/24 are shaping our plans for 2024/25. You can read about our plans for the future in more detail on [page 28](#).

Strategic Report

Moving towards greater equity

Moving towards greater equity is at the heart of our work. The drive for social justice and belonging fuels and guides everything we do, and filters into every aspect of this report.

Image: Dress rehearsal, Brighton People's Theatre.
Photo credit: Rosie Powell.



Moving towards greater equity

For us, this means believing that a just society is both necessary and attainable and using our funding to help us all reach that future.

This thinking has informed our key strategic fund reviews this year. We have asked ourselves how we can respond not just to the here and now but to a positive and collective vision of the future that must inform *who* and *how* we fund. You can find out more about our Migration, Arts and India Fund reviews on [page 17](#).

Greater equity is as relevant to us as an organisation and employer as it is to our funding approaches. In 2020, we made specific commitments to being an anti-racist funder and to embed diversity, equity and inclusion (DEI) more deeply in our work at the Foundation.

In May 2022, we started a time-limited Diversity, Equity and Inclusion Coordination and Delivery group, bringing staff and trustees together to prioritise areas for action. This group concluded in September 2023 with plans and activities now embedded into our operational plan.

Image: BLINK Dance Theatre.
Photo credit: Rachel Cherry.



Who we've funded

BLINK Dance Theatre

BLINK's neurodiverse-led work in schools is central to our mission of bringing creative support to those who need it most.

Our inclusive workshops, centred around communication, personal choice and wellbeing, support children and young people to develop essential skills for their self-advocacy and independence. We love watching little breakthroughs grow into big changes.

Rachel Gildea
Co-Director, BLINK Dance Theatre

Key priorities included:

- developing our learning on diversity, equity and inclusion
- more transparent communications
- taking a root-and-branch approach to embedding equity through our HR policies and ways of working
- providing better oversight and co-ordination of our work around anti-racism in particular

We will continue to be a relational funder that invites external critique, consultation and a plurality of voices, and we hope that in doing so, we can move towards a future with greater equity.

Our funding of ‘by and for’ organisations. In 2023/24, we significantly increased the proportion of our funding to organisations serving and run by leaders from racialised communities. Our third Funders for Race Equality Alliance (FREAA) audit carried out in 2023 revealed that we had reduced the discrepancy in our racial justice funding. It also showed that, for the first time, the average grant we awarded to race equity sector organisations was 10% larger than

those awarded to organisations outside this sector. For example, 33% of grants awarded by the Youth Fund, were made to ‘by and for’ organisations, compared to 9% in 2021.

Backbone Fund’s new focus. The Backbone Fund has been redesigned after a comprehensive evaluation in 2022. The fund still offers five years of support in the form of non-restricted core funding, but it now places increased focus on organisations who are working to strengthen civil society as a whole and play a part in shaping a more equitable future.

For our 2024 cohort, we have funded organisations promoting equity and racial justice, as well as those working to shift the bigger economic system in the context of climate change and justice in particular.

Image: Black Equity Organisation.
Photo credit: Paul McKenzie and Serge Rashidi-Zakuni.

Who we’ve funded

Black Equity Organisation

We are an independent, national Black civil rights organisation created to dismantle systemic racism in Britain, drive generational change and deliver better lived experiences for Black people across the country.

Over the last two years since our launch, we have been delivering on BEO’s mission by helping Black businesses grow and thrive with funding and expert mentorship, examining the public harms facing Black women, enacting strategic litigation to question the embedded discrimination in our criminal justice system and delving into the barriers to education for Black children in the UK.

Timi Okuwa
CEO, Black Equity Organisation



Diversity, Equity and Inclusion staff forum. Our staff worked with external consultants to help develop a new internal forum to reflect on Paul Hamlyn Foundation's DEI commitments and to help move them forward. This work has been designed, led and championed by staff, who have thoughtfully and carefully created a space where staff can have reflective and sometimes challenging conversations about who we want to be as an organisation. The forum had its first official meeting in March 2024.

Image: Systemic Justice workshop held in collaboration with Le Next Level.
Photo credit: Le Next Level.

Who we've funded

Systemic Justice

Systemic Justice is radically transforming how the law works for communities campaigning for racial, social and economic justice.

We do this by building communities' knowledge of using litigation in their campaigns, and by supporting them in designing and bringing changemaking court cases on their own terms.

We are also doing things differently as an organisation by building a team and organisational culture that truly reflects our foundational values of intersectionality, anti-oppression and justice.

Nani Jansen Reventlow
Founder of Systemic Justice



Strategic Report

Relational grant-making

Strong relationships between us and the organisations we fund is a cornerstone of our work. Our intention is always to work alongside the people we fund, valuing their expertise and vision and being as responsive as we can as a funder.

Image: Light Up School Learning, Travelling Light Theatre Company.
Photo credit: Camilla Adams.



Relational grant-making

The insight from those we work with was invaluable in informing key decisions we made in 2023/24. Over the course of the year, we reviewed four of our open funds: Arts, Ideas and Pioneers, India and Migration.

The outcomes of most of these reviews have already been realised, with our Ideas and Pioneers Fund due to re-open late in 2024.

In each, we were guided by the needs, values and experiences of those we have funded and those we have yet to fund, as well as leaders and policymakers in the field.

Image: Fabric memories workshop led by Karen Arthur as part of a Women's History Month event at the Migration Museum in March 2023.
Photo credit: Elzbieta Piekacz.



Migration. In developing our new Migration Fund, which re-opened in April 2024, we consulted widely with those working on migrant justice and in related fields as well as migrants, refugees, people from diaspora communities and other funders. The review has resulted in a number of key changes to our processes, including the introduction of longer-term funding and a more relational and straightforward application process. We hope that this will lead to more funding for community-led groups.

Arts. We consulted extensively with a range of stakeholders about our Arts Fund, and about what a better, more regenerative and expansive cultural sector might look like. Having committed to this vision, we have identified areas where we feel more action is needed. Next steps include supporting more organisations led by and serving artists and freelance workers, paying attention to working conditions in the sector, and funding more organisations working at the intersections of art, activism and social change.



Who we've funded

Sarva Seva Samity Sanstha

We've witnessed remarkable changes in the people we work with.

Instead of simply receiving immediate aid, they've acquired the knowledge and tools to prioritise their health, effectively combat illness and make wise use of their community resources.

It fills us with immense pride to see individuals, with the support of 4S, taking control of their future, transforming their land and water resources, and developing a strong sense of ownership and responsibility within their community.

Mihir Sahana
Executive Director,
Sarva Seva Samity Sanstha (4S India)

Photo credit: Sarva Seva Samity Sanstha.

New India strategy. Our new India strategy launched in 2023, and it retains its focus on community-centric approaches. In setting the direction for our future grant-making, we drew on an independent review of our grant-making and an assessment of the external operating environment. Among the key factors for consideration were the 'post-Covid' digital revolution and AI, increasing migration to urban areas, opportunities for young people, and differing and expanding approaches to corporate social responsibility.

Major Grants. In 2023/24, we made five multi-million-pound awards to organisations who play a crucial role in the sector and with whom we have long-term strategic relationships: Britten Pears Arts, Royal Liverpool Philharmonic Orchestra, YoungMinds, LocalMotion and Justice Together. These grants are testimony to their influence, reach, creativity and resilience, and we hope that our support will give more security to these organisations as they continue their valuable work for the communities and people they serve.

Through our Kinship Discovery work, we are continuing to explore the possible implications of releasing a significant portion of our endowment to support children and young people's futures. We are not planning any new Major Grants while this process is underway.



Who we've funded

Museum of Homelessness

We are the world's first Museum of Homelessness, created and developed by people who either have been or are still homeless.

Every element of our work is designed by the community, from our award-winning artistic work sharing our collection and stories of homelessness, through to paying everyone on the team the national average wage for museums.

We are proud of how we work, creating proper access to the arts on our own terms, from governance through to our work on the ground. In May 2024, we opened our first bricks-and-mortar site in Finsbury Park and Paul Hamlyn Foundation have been alongside us from the very beginning. We now employ 15 people with experience of homelessness to make groundbreaking, creative work with a social justice focus.

Jess Turtle
Co-founder and Director,
Museum of Homelessness

Top image: Museum of Homelessness Poet in Residence Surfing Sofas performing.
Photo credit: Jazz Noble.

Who we've funded

YoungMinds

We want to see a world where every young person who is struggling feels able to reach out and has people and services around them who can really help. We know it takes courage to ask for help. But for many young people who do, the support they need just isn't there.

Photo credit: YoungMinds.

Support from Paul Hamlyn Foundation has helped across our work, including our early intervention projects aimed at preventing young people from reaching crisis, and projects targeting young people who face barriers when trying to access mental health support because of systemic and structural inequity. The earlier young people can access the right help, the more likely it is that they avoid reaching crisis point.

Laura Bunt
CEO, YoungMinds



Strategic Report

Collaboration

As well as building strong relationships, we value and seek out opportunities to foster collaboration between organisations we work with. We see ourselves as having a role and responsibility as a convenor for the organisations and sectors we fund, supporting them to connect, learn from each other and work together.

Image: Polish Migrants Organise for Change (POMOC) residential.
Photo credit: Francis Augusto.



Collaboration

This year, we have continued to build our approach and found value in collaborating with other funders, creating more resources and capacity to make change and giving us access to more ideas and perspectives.

The principle of collaboration has always been core to our work. This is perhaps most clear in our Teacher Development Fund, which in 2023/24 delivered its sixth round of funding. The Fund depends on collaboration between arts and cultural organisations and schools to support teachers to deliver effective and sustainable arts-based teaching.

Image: Justice Together Initiative.
Photo credit: Alice Mutasa.

Justice Together Initiative. In 2024, we awarded £2 million of additional funding to the Justice Together Initiative, following an initial £3 million in 2023 and after securing combined match funding from two other organisations – a funder collaboration which aims to operate for the next decade. JTI have since secured financial commitments from 11 more funders, bringing the total for its next phase to £14.8 million. This depth of partnership gives far greater reacher to JTI's work around increasing people's access to justice on immigration issues, as well as building the power of people with lived experience of the immigration system.



Who we've funded

Justice Together

The Justice Together Initiative funds immigration advice and influencing work across the UK to increase access to justice for people in the immigration system.

It is crucial to have a fair, efficient and humane immigration system in the UK that grants people who migrate to this country the legal status that enables them to access their rights and entitlements and live a human life.

Dylan Fotoohi
Justice Together
Grant Committee member

Who we've funded

Civic Power Fund

The Civic Power Fund exists to build the democratic power of minoritised and marginalised communities across the UK. We do this by finding, funding and supporting grassroots community organising led by these communities.

In two years, we have gone from a tiny start-up to a thriving fund supporting over 40 incredible partners to achieve change. We know from our partners that our specialist funding and wraparound infrastructure support is already helping to boost their work and win change. We have also convened a community of funders committed to shifting more and better money to this work.

Martha Mackenzie
Executive Director, Civic Power Fund



Photo credit: Sylvie Pope.

LocalMotion. A social, economic and environmental justice movement, built by and for communities, was an initiative born out of six funders' desire to work side by side with communities to effect long-term change. This year, we agreed funding until 2030, with contributions from eight funders totalling £20,066,664 and including £5 million from Paul Hamlyn Foundation. Leveraging our collective power means we can challenge typical power structures and hierarchies more effectively and help communities move forward.

Teacher Development Fund. In 2023/24, we launched the sixth round of the Teacher Development Fund. We funded Castle Hill School, Craft Scotland, Derby Theatre in partnership with St Ralph Sherwin RC MAT, Derbyshire County Council on behalf of St Luke's CE Primary School, Lewisham Education Arts Network (LEAN), Oxford City Council on behalf of Oxfordshire Cultural Education Partnership, Sacred Heart RC Primary School and Teach Heart Alliance, and Town Field Primary School.

Since its inception, the Teacher Development Fund has centred on collaboration, supporting schools and arts/cultural organisations to work in partnership to hone their practice and enhance young people's educational experiences.

Image: South Norwood Community Kitchen, Civic Power Fund partner.
Photo credit: Jorn Tomter.

Who we've funded

Parallel Rhythms

Parallel Rhythms is providing teachers with an exciting and rewarding journey into mark-making, music and projection with artists from The Colour Foundry.

In both mainstream primary and special schools, the artists are striving to boost the creativity of

teachers through Creative Gatherings, website-based creative activities, a box of creative prompts and in-class activity.

Katrina Whale
Project Manager, Castle Hill School



Image: Castle Hill School, Parallel Rhythms.
Photo credit: Timm Cleasby.

Strategic Report

Especially young people

“Especially young people” are words from our vision, placing children and young adults at the heart of our vision of a just future.

Image: Stay and Play Event at Ort Gallery.
Photo credit: Anisa Fazal.



Especially young people

Our commitment to young people – especially those facing a challenging transition to adulthood – runs through all of our grant-making.

This is particularly reflected in our dedicated Youth Fund, which welcomes applications from organisations working with and for young people and those where young people share power and lead social change. It is also central to our Arts-based Learning Fund, which supports work focusing on the creative lives of children and young people.

We have a particular interest in helping organisations that centre and prioritise youth voice and experience to influence decision-making and which support young people to actively shape their world. In 2023/24, we furthered this commitment by funding more youth organising. In doing so, we recognise the value of supporting young people to build their power and lead the change.

Image: Young Migrants Matter Yorkshire Dales trip, part of PAFRAS. Photo credit: Ally Swaddling.

Who we've funded

Positive Action for Refugees and Asylum Seekers (PAFRAS)

Paul Hamlyn Foundation supports us by funding our Young Migrants Matter project, working with young people aged between 16 and 24 with an insecure immigration status.

We offer early action casework to prevent young people who have migrated from becoming destitute, and/or to support people quickly out of destitution, through holistic support and advice.

Our approach is led by young people, and we aim to empower young people to make their own decisions. We aim for young people to feel highly supported but also challenged to nurture their own skills and resources and be better prepared for the future.

Karen Pearce
Director, PAFRAS





Who we've funded

Peak Cymru

Paul Hamlyn Foundation's support has transformed Peak's work with and for Young People.

Photo credit: Peak Cymru.

A dedicated co-leadership role for Young People's work and an ecosystem of paid roles and opportunities allow us to shift power to Young People as co-leaders of our rurally-based arts organisation, empowering them to 'dream wildly' and effect change in their Welsh communities.

Melissa Appleton

Director, Programme & Strategy,
Peak Cymru

Our commitment to long-term support for young people. We are supporting Civic Power Fund's Alliance for Youth Organising initiative, committing nearly £200,000 to this new intergenerational collective that will work together to invest in the structures, spaces, networks and organisations needed for youth organising to thrive. Along with funders Esmée Fairbairn Foundation, the Blagrave Trust and hosts Civic Power Fund, we are helping establish a new and significant investment in youth organising, highlighting the importance of solidarity across generations that centres care and equity.

Kinship Discovery is a year-long programme of exploration, research, thinking and insight-generation to inform a major new funding initiative focused on young people and hope for the future. We spent the second half of the year bringing together a wide range of views, ideas, evidence and imaginative approaches to identify where and how we can use this resource to make a difference.

“We have a particular interest in helping organisations that centre and prioritise youth voice and experience to influence decision-making.”

Managing risk

In line with statutory requirements, trustees regularly review and assess all risks faced by the Foundation and plan for the management of those risks.

The board delegate the detailed consideration of risk to the Finance, Audit and Risk Committee. The Committee have agreed an approach to managing risk. The operational risk register is owned and managed by the Senior Leadership Team, and risk is reported and is a discussion item at every Committee meeting. The strategic register is owned by the board, advised by the Finance, Audit and Risk Committee. Should any operational risks move to 'red' in the year, the Senior Leadership Team will report this to the Chair of the Finance, Audit and Risk Committee immediately.

In 2023/24, we reported on the perception of increased risk in the following areas:

Strategic risk – responding to change.

The external environment means the Foundation continues to operate in a world where there is much challenge and change, and this accentuates a number of the risks identified in the operational risk register. These issues include the importance of trustees having sufficient time for debate and decision-making; the challenge of keeping on top of risk; adapting our grant-making in a complex environment; and reputational risk relating to the connection between our investment strategy and our organisational strategy.

We are conscious that these are challenging times to invest, and that this presents risks around returns and spending levels and management of currency, even if these do not pose an immediate threat to the Foundation.

Governance risk. India remains a complex environment in which to operate and we are mindful of the impact this has on our programme and team. Trustees asked that we update our legal support for the team and their work, which we were able to do towards the end of the year.

Trustees continue to hold six board meetings a year. This ensures that there is sufficient time for strategic reflection and discussion and that governance risk is appropriately managed. Trustees' work continues on considering options to delegate more grant-making to the Executive Team within an agreed scheme of delegation.

Operating environment. We reported in December 2022 that we were aware of the challenges that the current economic environment is posing to those we work with and fund. We felt it may affect the viability of many organisations and lead to the Foundation receiving high levels of applications, which could be difficult to deal with. We have seen a significant increase in activity, with grant applications up more than 20 per cent on the same period last year, which has an impact on the workload of the Foundation. We will continue to monitor this and, where possible, improve our communication so that ineligible organisations are discouraged from applying for funding.

Plans for the future

We hope it is clear from this report that the Foundation has been engaged in a highly productive year of interrogation, analysis and reflection, which has informed change in our funds and in our wider grant-making. This is a theme we expect to see continue into 2024/25.

Strategy review. The fast-moving, challenging and demanding external environment that we operate in calls for constant adaptation. In view of this, and with the announcement that our Chief Executive will be stepping down, we anticipate that a timely review of our strategy will be started towards the end of 2024/25. We will build on the consultation and reviews of grants programmes in this year, as well as commissioning new research and data collection to inform this work. The recruitment of three new trustees will bring valuable fresh thinking to the process too.

We expect that the Kinship Discovery programme will conclude, and depending on the scale and scope of the recommendations, this too will have a bearing on the strategic review.

Continuous improvements to our grant-making. To sit alongside this strategic review, we will develop a new learning framework. The scale and complexity of our grant-making has grown significantly in the last 10 years and with our trustees' support, we know there is work to do to refine how we capture data, to reflect on our

role as grant-makers to evaluate the impact of the Foundation and those we support and to bring together learning in a more easily digestible form. As part of this work, we will also consider the impact of artificial intelligence.

At the time of writing, we have just renewed our website, which went live in June 2024. There is a new look and feel to the website, which should be easier to navigate and make it simpler for users to find information about the fund they wish to apply to.



Photo credit: Sylvie Pope.



Image: BLINK Dance Theatre.
Photo credit: Jon Archdeacon.

Investing in our people and their working environment.

We will commission a review of our building to consider how we can better use the space and create a more collaborative/hybrid environment. We will place considerations for accessibility and the environment at the heart of this work.

With the newly created post of Director of People and Culture filled, we will now have the capacity and expertise to do a root-and-branch overhaul of our key policies and procedures, informed by the kind of employer we want to be and the culture we want to support. This work will include the development of a new comprehensive and flexible staff development and training plan.

Awards for Artists 30th anniversary.

One of the privileges of being an independent foundation is that we can take a long-term view, and we should, when the time feels right, feel comfortable celebrating that freedom and perspective. In 2024, we will welcome all those who have contributed to the success of our Awards for Artists programme to an event in central London. We will be capturing stories about the impact of the awards on the lives of artists and creating a joyful moment to think about how our grant-making can transform the lives of people and communities.

Engaging with stakeholders

Background

As a company limited by guarantee, the Foundation is required to report on how trustees have discharged their duty to promote the best interests of the Foundation, while having regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006. In doing so, regard must be given to the following (among other matters):

- the likely long-term consequences of any decision
- the interests of employees
- fostering relationships with key stakeholders
- the impact of operations on our communities and environment
- maintenance of our reputation for the highest standards of conduct
- the need to act fairly as between members of the company

Long-term strategy and decision-making

Our strategy, published in September 2020, sets out our vision for society and our mission to be an effective and independent funder, using all our resources to create opportunities and support social change. Its development was informed by external advisors, conversations with grant holders and research and learning from other philanthropic institutions and stakeholders.

Risk appetite and management is considered as part of the long-term strategy and decision-making and is as outlined on [page 27](#).

The strategy sets the framework in which decision-making takes place. It helps ensure trustees are able to consider the long-term consequences of decision-making and the balance between the different interests of stakeholders.

Our stakeholders

The trustees recognise that the Foundation's relationship with its stakeholders is critical to its success.

Our charitable objectives, scale and impact are achieved in large part through relationships and working with others to achieve public benefit. By understanding our stakeholders, trustees are able to consider the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Those we fund and work in partnership with

The Foundation's values inform our relationships with those we work with. We place particular emphasis on collaboration and connection, trust, openness and thoughtfulness. We believe in the power of working together to achieve greater impact and aim to exploit the synergies between the different areas of our grant-making to build communities of interest in the fields we support. We understand the value of forging connections, being aware of the external environment and developing a deep knowledge of the fields in which we operate. As a values-based organisation, we pay particular attention to how we operate and our relationships with stakeholders, including those we fund.

We undertake periodic independent surveys of our applicants and grant holders and completed the most recent of these in 2022. We have a complaints policy, which we revised and updated during the year. We respond promptly to feedback and share this learning at our Management Team and Senior Leadership Team meetings.

Staff

We know how important it is to have skilled and knowledgeable staff and trustees. They are a critical component of our decision-making, our efficacy as a grant-maker and our ability to establish quality relationships with those we fund. We are committed to investing in the professional development of our people. We operate a core training and development offer, and each employee also has access to a dedicated professional development budget. During the year, we have continued with our DEI-related work, establishing a DEI Staff Forum, which is the next iteration of the previous joint staff and trustee DEI Co-ordination and Delivery Group. The purpose of the Forum is to seed and embed collective culture change.

The local community in which we are placed and the broader environment

The Foundation established Our Neighbourhood Fund in 2018, a programme set up in response to the rising levels of hardship and disadvantage we see on our doorstep. The Fund allocates 1 per cent of the Foundation's annual grant funding to support local people and organisations working in and around our offices. The Foundation is also an active participant in other local initiatives, including the Knowledge Quarter – a local network of knowledge-based organisations – and local police/local authority networks. We have a strong interest in our environmental impact and in 2022/23 joined the Mayor's Business Climate Challenge, working to reduce our energy consumption and emissions. We are participants in the Funder Commitment on Climate Change and consider environmental issues as part of our investment strategy (see [page 33](#)).

Businesses, investment managers and suppliers

The Foundation's values also inform our dealing with the businesses we work with. We seek to build constructive partnerships where possible and have long-term relationships with a number of key suppliers, who we meet regularly to discuss issues and developments. PHF's investment advisors and managers are key to the success of our investment activity and PHF's Investment Director and Investment Committee meet regularly with Cambridge Associates and Fund Managers (see [page 34](#)).

Key decisions in 2023/24

Spending levels: Trustees responded to funding priorities which had been delayed due to the pandemic and brought to an end their Major Grant programme. This resulted in the largest ever charitable spend for the Foundation and an increase of more than 39 per cent on the prior year.

Governance changes: in November 2023, Claire Whitaker came to the end of her term of office as a trustee. Following an open recruitment process, two new trustees, Silaja Birks and Tom Palakudiyil, were appointed. A further two trustees will come to the end of their term in 2024/25 and recruitment has taken place to appoint their successors. After more than a decade, the Foundation's CEO has confirmed her intention to step down, and work is underway to recruit her successor.

Financial Review

Overview

The Foundation's operational model is to use the return from our endowment to support grant-making and charitable activities.

The Endowment Fund represents the original gifts by Paul Hamlyn, both in his lifetime and under the terms of his will, together with net gains from related investment assets. The trustees have the discretion to make disbursements from the Endowment Fund in circumstances they consider appropriate. The trustees have stated their intention to preserve the real purchasing power of the gifts from Paul Hamlyn's estate.

The Unrestricted Fund is used to finance the Foundation's tangible fixed assets and working capital. It is financed by returns on investments, including investment income and transfers from the Endowment Fund.

The Restricted Fund comprises grant income from partners jointly funding some of the Foundation's initiatives.

The Foundation reports on a combined basis and details of movements in funds are provided in note 15.

Investment review

Over the last 12 months the portfolio has been cautiously invested. This reflects both our view that there is more downside to markets than upside and our recognition that trustees are anticipating higher than average spending in the coming 24–36 months.

The failures of Credit Suisse and the Silicon Valley Bank in spring 2023 were indicative that all is not well in finance. High levels of government and personal debt – in part the by-products of higher energy prices driven by conflict and also of the spending due to Covid-19 – combine to give authorities less room for stimulus if economies soften.

Within the portfolio we are running higher than usual levels of cash, as well as having a substantial exposure to physical gold, which tends to do well during periods of stress in the global monetary system.

Inflation, having peaked in 2022, is continuing to moderate, although history teaches us that it takes longer to dissipate than many hope. This is particularly so in an age when globalisation and free trade are giving way to great factionalism and nationalism between countries. For that reason, we expect the coming period to be difficult and returns to be at a below average level.

The Foundation's stated investment objective is to:

- maintain in the long run the real purchasing power of the Endowment Fund, although the trustees may from time to time choose to accelerate the level of spending, which may impact their ability to maintain the real value of the portfolio over time
- invest in a diverse range of assets which are most likely to give good total returns in the long term, in order to maximise the total real value of the amounts available for grant-making and other work
- manage volatility as far as possible, while accepting that a degree of volatility is concomitant with seeking high returns

In 2023/24 we did not produce a portfolio return that outpaced our investment objective.

Against a backdrop of higher interest rates and elevated levels of inflation, the Foundation's portfolio return of +6.7 per cent was just behind its benchmark of +7.2 per cent. This benchmark number is derived from 4

per cent plus UK inflation (+3.2 per cent being UK CPI to 12 months end March 2024.) This lag is in part explained by the higher than usual level of cash in the portfolio held in anticipation of the Kinship Discovery programme (see [page 18](#)).

Responsible investing and approach to Environmental, Social and Governance principles

As a charitable foundation with a mission to tackle inequality and pursue social justice, we take the principle of responsible investing extremely seriously. We thus work to apply the same values and ethics that underpin our grant-making activity to our investment portfolio. We recognise this is a contested area with no universally accepted metrics and success measures, but we use what we consider to be the leading frameworks for analysing our portfolio and guiding our decisions.

We are clear that the capitalist economic system on which our financial model is based plays a part in creating the inequity we seek to eradicate. We therefore position the portfolio as best we can to avoid

further harm while recognising the limitations and contradictions of working in this way. Mindful of our responsibilities as thoughtful investors, we continue to focus on working with asset managers who bind ESG considerations into their work. We grant-fund organisations that are helping to reshape capitalism. We believe that only with the adoption of carbon pricing can the real cost of industry and personal consumption be paid by society. Carbon transition is a massive, necessary, global investment that is starting to reshape the financial landscape. The adjustments at a personal, corporate and governmental level are underappreciated by public and policymakers alike. Through our work, we continue to promote engagement and collective work by investment institutions to focus improvement on the highest greenhouse gas- and carbon-emitting industries.

We believe we can be most effective in this fight by supporting initiatives which are lobbying in this direction (particularly through direct shareholder activity) and by using our investment levers to push for change.

We have been a signatory of the United Nations Principles for Responsible Investment since 2015 and are part of the Carbon Disclosure Project (<http://www.cdp.net>). We participate in the Charities Responsible Investment Network, administered by ShareAction (with whom we work closely and support with regular grants), which campaigns to reach towards the Sustainable Development Goals.

SoFA and Balance Sheet changes in the year

Income increased by 84 per cent from last year, with charitable income falling from £0.13 million in 2022/23 to £0.02 million, and investment income increasing from £5.3 million to £10.0 million.

Grant and other charitable expenditure increased by 39 per cent due to commitments to the last of our Major Grants, totalling £23.1 million. Support costs increased by 7 per cent, roughly in line with inflation.

Investment management costs remained very similar to the previous year, at £9.0 million. After a more muted performance last year, the portfolio itself has provided gains of £47.9 million, up from £9.1 million last year.

Fundraising activities

The Charity has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Financial risk management

The principal financial risks facing the Foundation relate to our investment portfolio and are in line with similar long-term endowment funds in the sector. Overall investment risk management is predicated on running a diversified portfolio of high-quality assets across a wide variety of asset classes and markets. The Investment Committee sets the longer-term strategic asset mix, with input from Cambridge Associates and others. Individual investment mandates are awarded to specialist managers after scrutiny by the Investment Committee with input from various sources. Impairment and liquidity risk are considered by the investment team and the Investment Committee as described above. The trustees consider the Foundation's risk profile on a regular basis.

Reserves policy

The Foundation funds are held as an expendable endowment and, as such, the risk associated with not having adequate reserve balances is judged to be low. The implementation of both short-term and long-term financial objectives is managed through the grant-making and investment policies.

Within this context, the Finance Committee has agreed to manage its reserves by ensuring a sum equivalent to at least six months of working-capital commitments (including grant commitments) is held in readily accessible liquid assets. This is reviewed annually.

At the end of 2023/24, total funds held amounted to £861.14 million. Of these, £0.02 million is restricted and not available for general purposes of the Foundation at the end of the reporting period. No designated funds are held by the Foundation and none have been designated since the end of the reporting period.

Amounts that can only be realised by the disposing of tangible fixed assets or illiquid fixed assets investments total £372.0 million. In keeping with its asset-allocation policy outlined above, the Foundation holds a diverse range of investment holdings and, of these, liquid holdings excluding cash were approximately £537.2 million and cash £15.7 million. Six months of commitments are estimated at approximately £38.6 million.

As the value of the endowment remains significantly in excess of the value of existing commitments and planned spending over the coming year, trustees are satisfied that there are no material uncertainties surrounding the ability of the Foundation to continue as a going concern.

Streamlined Energy and Carbon Reporting

The Foundation’s UK operations consumed approximately 105,924 kWh of energy in 2023/24 (2022/23: 94,750 kWh) and its CO₂ emissions are estimated at 21.55 tonnes (2022/23: 20.49 tonnes). This equates to approximately 0.0291 CO₂e emissions per square metre (2022/23: 0.0276 CO₂e emissions per square metre) of our office at Leeke Street.

	2023/ 24	2022/ 23	2021/ 22
Energy consumption (kWh)	105,924	94,750	85,571
CO ₂ emissions (tonnes)	21.55	20.49	18.16
CO ₂ emissions per square metre (tonnes)	0.0291	0.0276	0.0245

This figure is calculated by drawing on data from our gas and electricity suppliers on energy consumption and square metres of our office as measured by our surveyors. The Foundation staff and trustees travel by public transport, or in rare cases, taxi, and so transport costs are not included in these calculations and we have not calculated the energy consumption of staff working from home.

We are signatories to the Funder Commitment on Climate Change and report annually on our progress. In the coming year, we plan to review how our office is used and hope to implement further improvements to our operating environment. We will also consider how we can better work with organisations we fund to understand how to support their own commitments to climate change.

Statement of trustees’ responsibilities

The trustees are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

- In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently
 - make judgements and accounting estimates that are reasonable and prudent
 - state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
 - prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Foundation will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable the trustees to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee has taken reasonable steps to ensure that so far as they are aware:

- there is no relevant audit information of which the auditors are unaware
- they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Structure, governance and management

The Foundation's governing documents are its Memorandum and Articles of Association.

The board of trustees comprises not less than three and not more than 11 members and meets at least four times a year. It agrees the Foundation's broad strategy and areas of activity and considers policy and performance around grant-making and other charitable activity, investment, reserves and risk management. The board also considers significant or strategic grant applications.

The board keeps the skills requirements for trustees under review and this informs trustee recruitment. Trustees are appointed by the Appointer as set out in the Articles of Association (currently the Chair of the Foundation). Trustees serve for a term of three years except in the case of family trustees (Jane Hamlyn and Michael Hamlyn) who have no maximum term.

Renewals of appointments for additional three-year terms are usually considered at AGMs and voted on by all trustees acting as members of the company.

The Foundation applies and follows the Charity Governance Code (for large charities).

A comprehensive induction is designed for each new trustee and includes, at a minimum:

- briefing on Charity Commission and Companies House guidance and requirements
- meetings with fellow trustees and senior staff to discuss strategy, key policies and procedures, and current priorities
- a comprehensive briefing pack including relevant information such as Memorandum and Articles of Association, strategy documents and financial statements

The principal committees of the Foundation are as follows:

- The Arts and Education Panel comprises up to four trustees, up to four advisors and one member of the Senior Leadership Team. It meets five times per year.
- The Migration and Youth Panel comprises up to four trustees, up to four advisors and one member of the Senior Leadership Team. It meets five times per year.
- The Ideas and Pioneers Panel comprises up to three trustees, one advisor and three members of staff. It meets four times per year. In 2023/24, the Ideas and Pioneers Fund was closed to new applicants and is due to reopen in 2024/25.
- The India Programme Committee comprises up to three trustees, up to four advisory members and two members of the Senior Leadership Team. It meets three times per year.

- The Finance, Audit and Risk Committee comprises of a minimum of three and a maximum of five trustees. It meets three times a year.
- The Investment Committee, comprises up to five trustees, three members of the Senior Leadership Team and advisors as considered appropriate. It meets up to six times a year to consider investment strategy, manager appointments and performance.
- The People and Culture Committee, comprises the Chair of the Finance Committee and at least two other trustees. It meets three times per year.
- The Strategic Learning, Insight and Influence advisory group comprises three trustees and meets three times a year.

The trustees delegate responsibility for operational management of the Foundation to the Chief Executive, who leads the Senior Leadership Team. They in turn support the Management Team. Together, these teams develop the Foundation's plans, policies and processes, following the board's advice and approval.

Key management personnel and remuneration arrangements

The Foundation defines its key management personnel as the trustees and the Senior Leadership Team. The following post-holders were in place as members of the Senior Leadership Team during 2023/24:

Chief Executive – Moira Sinclair

Chief Operating Officer – Lucy Palfreyman (until August 2023); Elizabeth Winder (from September 2023)

Investment Director – Richard Robinson

Director of Grants – Abdou Sidibe

Director of Strategic Learning, Insight and Influence – Holly Donagh

Director of People and Culture – Paula Gay (from September 2023)

Remuneration arrangements for all staff, including key management personnel, are decided by the Foundation's People and Culture Committee, which is a sub-committee of the board of trustees.

The People and Culture Committee considers performance, benchmarks with comparator organisations, inflation levels and changes in responsibility levels, as well as affordability of any pay awards to the Foundation. Any annual pay awards are at the discretion of the People and Culture Committee and usually apply with effect from 1 April each year. The award of an increase in one year does not create an entitlement in any subsequent years. The Foundation is a Living Wage Employer and Funder.

The Foundation draws on expert advice to supplement the expertise held by staff and trustees. In 2023/24, independent advisors were used to provide support to the main committees and panels of the Foundation. In addition, the Foundation has called on professional advice from lawyers, its auditors and investment consultants, the details of which are provided on [page 38](#).

Reference and administrative details

PHF is a charitable company limited by guarantee and does not have share capital. The company was formed on 12 February 2004 – company number 5042279 (registered in England and Wales) and registered charity number 1102927. The principal office of the Foundation is 5–11 Leeke Street, London WC1X 9HY, which is also the registered office of the company.

The trustees of the Foundation are as follows:

Jane Hamlyn CBE (Chair)
Akeela Ahmed MBE
Silaja Birks
(appointed 2 January 2024)
Tim Bunting
Tony Hall CBE (Lord Hall of Birkenhead)
Michael Hamlyn
Andy Headley
Charles Leadbeater
James Lingwood MBE
Tom Palakudiyil
(appointed 2 January 2024)
Claire Whitaker CBE
(resigned 28 November 2023)
Tom Wylie OBE (Vice Chair)

Independent auditors

Crowe U.K. LLP, 2nd Floor,
55 Ludgate Hill, London EC4M 7JW

Solicitors

Withers LLP, 20 Old Bailey,
London EC4M 7AN

Farrer & Co, 66 Lincoln's Inn Fields,
London WC2A 3LH

Bankers

NatWest PLC, 1st Floor, 440 Strand,
London WC2R 0QS

C Hoare and Company,
37 Fleet Street, London EC4P 4DQ

Investment advisors

Cambridge Associates LLC,
80 Victoria Street,
4th Floor Cardinal Place,
London SW1E 5JL

The Trustees' Report and the Strategic Report were approved on 9 July 2024 by:



Jane Hamlyn



Andy Headley

Independent Auditor's Report

to the Members of Paul Hamlyn Foundation

Opinion

We have audited the financial statements of Paul Hamlyn Foundation ('the charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities (SoFA), Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion,

the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor

For and on behalf of Crowe U.K.
LLP, Statutory Auditor

London

Date: 23 July 2024

Crowe U.K. LLP is a limited liability partnership registered in England and Wales (with registered number OC307043).

Statement of Financial Activities for the year ended 31 March 2024

	Notes	2024 Total funds (i) £m	2023 Total funds (i) £m
Income and endowments from:			
Donations	2	0.02	0.13
Investments	3	10.01	5.32
Other	4	–	0.02
Total		10.03	5.47
Expenditure on:			
Investment management costs	5	9.05	8.98
Charitable activities	6	63.07	45.40
Total		72.12	54.38
Net (expenditure) before investment gains		(62.09)	(48.91)
Net gains on investments	10	47.89	9.12
Net (expenditure)		(14.20)	(39.79)
Net movement in funds		(14.20)	(39.79)
Reconciliation of funds:			
Total funds brought forward	15	875.34	915.13
Total funds carried forward		861.14	875.34

(i) All Restricted, Unrestricted and Endowment Funds. In line with the Charities SORP, paragraph 4.11, PHF has adopted a single combined funds column. A summary of funds movements is included in note 15 (b).

The Statement of Financial Activities (SoFA) includes the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses.

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Statement of Financial Activities (SoFA).

There are no material differences between the net income for the year and their historical cost equivalents.

The notes on pages 46–61 form part of these financial statements.

Balance Sheet as at 31 March 2024

	Notes	2024, Total funds (i) £m	2023, Total funds (i) £m
Fixed assets:			
Tangible assets	9	5.93	5.92
Investments	10	916.41	915.48
Total fixed assets		922.34	921.40
Current assets:			
Debtors	11	0.82	0.83
Investments		–	0.69
Cash at bank and in hand		2.46	3.30
Total current assets		3.28	4.82
Liabilities:			
Creditors: Amount falling due within one year	12	(38.57)	(36.38)
Net current liabilities		(35.29)	(31.56)
Total assets less current liabilities		887.05	889.84
Creditors: Amount falling due after more than one year	12	(25.91)	(14.50)
Total net assets		861.14	875.34
The funds of the charity:			
Represented by:	15		
Restricted income funds		0.02	0.11
Expendable Endowment and Unrestricted Funds			
– Investment valuation reserve		353.18	326.88
– Endowment Fund		507.94	548.35
Total charity funds		861.14	875.34

(i) All Restricted, Unrestricted and Endowment Funds.

The notes on pages 46–61 form part of these financial statements.

The financial statements on pages 43–61 were approved and authorised for issue by the trustees on 9 July 2024 and were signed on their behalf by:



Jane Hamlyn, Trustee



Andy Headley, Trustee

Paul Hamlyn Foundation. A company limited by guarantee registered in England and Wales — number 5042279.

Statement of Cash Flows for the year ended 31 March 2024

	2024 Total funds (i) £m	2023 Total funds (i) £m
Cash from operating activities:		
Net cash (used in) operating activities	(49.34)	(36.08)
Cash flows from investing activities:		
Investment income received	10.07	5.27
Purchase of tangible fixed assets	(0.16)	(0.04)
Purchase of investments	(43.06)	(194.71)
Sale of investments	90.02	232.33
Investment management charges paid	(9.06)	(8.87)
Net cash provided by investing activities	47.81	33.98
Change in cash and cash equivalents in the year	(1.53)	(2.10)
Cash and cash equivalents at the beginning of the year	3.99	6.09
Cash and cash equivalents at the end of the year	2.46	3.99
Reconciliation of net income to net cash flow from operating activities:		
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)	(14.20)	(39.79)
Adjustments for:		
Depreciation charges	0.15	0.15

	2024 Total funds (i) £m	2023 Total funds (i) £m
(Gains) on investments	(47.89)	(9.12)
Investment income	(10.01)	(5.32)
Losses on disposal of fixed assets	–	0.10
(Increase)/decrease in debtors	(0.05)	0.18
Increase in creditors	13.61	8.74
Investment management charges	9.05	8.98
Net cash (used in) operating activities	(49.34)	(36.08)
Analysis of cash and cash equivalents:		
Cash in hand	2.46	3.30
Current asset investments (cash and cash equivalents)	–	0.69
Total cash and cash equivalents	2.46	3.99

(i) All Restricted, Unrestricted and Endowment Funds

Analysis of changes in net debt

	As at 1 April 2023 £m	Cash flows	As at 31 March 2024 £m
Cash	3.30	(0.84)	2.46
Current asset investments (cash equivalents)	0.69	(0.69)	–
Net cash	3.99	(1.53)	2.46

Notes to the Financial Statements

For the year ended 31 March 2024

1. Principal accounting policies

Basis of preparation

The Foundation is incorporated in England and Wales as a company limited by guarantee, not having share capital. The financial statements are prepared on a going-concern basis under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable accounting standards in the United Kingdom, including the Charities SORP FRS 102 (second edition 2019) and in accordance with the Companies Act 2006 and the Charities Act 2011, using consistently applied accounting policies.

There are no material uncertainties about the charity's ability to continue and the financial statements are prepared on a going-concern basis.

The charity meets the definition of a public-benefit entity under FRS102.

Under the terms of Paul Hamlyn's will, the endowment of the Foundation is expendable, although the current policy of the trustees is, where possible, to invest the assets of the Foundation to retain the real value of the endowment while also generating sufficient return to fund grant-making and other charitable activities.

i. Income

All income is included in the Statement of Financial Activities (SoFA). When the Foundation becomes entitled to the receipt, it is probable that the economic benefit associated with the transaction will come to the Foundation and the amount can be measured reliably.

ii. Donation and grant income

Donations are recognised when the Foundation has been notified in writing of both the amount and the settlement date. If a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Foundation, and it is probable that those conditions will be fulfilled in the accounting period.

iii. Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation. This is normally upon notification of the interest paid or payable by the bank.

Distributions from private equity funds are accounted for in line with information provided by the general partners, and assumed to be return of capital where information is not provided.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

iv. Expenditure

All expenditure, including charitable activities, cost of raising funds, governance costs and termination payments relating to former employees, is accounted for on an accruals basis and has been classified under relevant headings in the Statement of Financial Activities.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, when it is probable that the settlement will be required and when the amount of the obligation can be measured reliably.

v. Expenditure on raising funds

Investment management fees, including fees to consultants, and internal investment management costs, including staff costs, are the only costs of raising funds and are recognised on an accruals basis.

With respect to hedge funds and some private equity funds, the management agreements of the underlying funds provide for compensation to the respective managers in the form of management and performance fees determined as a percentage of net assets. Fees in these cases are deducted from the funds’ assets and are reflected in the net asset values reported.

vi. Charitable expenditure

The Foundation’s charitable expenditure comprises grant-making and direct charitable activities. Grants are recognised at their full value at the point at which the Foundation has a clear obligation to make a payment to a third party and the recipient has been informed. Where the payment is planned to be more than 12 months after the reporting date of the Foundation’s

accounts, the Foundation recognises the present value of future payments.

vii. Allocation of support costs

Where possible, support costs are attributed directly to the activity, or activities, to which they relate. These include support costs that relate to grant-making activities and include assessment and monitoring costs. However, some support costs — such as governance, personnel costs, finance department costs and property-related expenditure — support more than one area of activity. These costs are apportioned across the activities they support on the basis of direct expenditure incurred by these activities as a percentage of total direct expenditure.

viii. Tangible fixed assets

All tangible fixed assets are held for charitable use.

The cost of tangible fixed assets is their purchase price, including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use.

The Foundation has adopted the cost model as defined in FRS 102, whereby the value of fixed assets is measured as the original cost less any accumulated depreciation and accumulated impairment losses. Impairment reviews take place on an annual basis. Only tangible fixed assets, or interrelated groups of tangible fixed assets, with a cost exceeding £1,000, are capitalised.

Depreciation is calculated to recognise the cost of the tangible fixed asset on a straight-line basis over the expected useful economic life of the assets concerned. The economic life for tangible fixed assets shown in these financial statements is as follows:

	No. of years
Furniture and fittings	4
Computer equipment	4
Freehold building	50

Land is not depreciated but is subject to an impairment review.

ix. Fixed-asset investments

a) Investments valuations

The Foundation’s policy is to value its investment assets on a fair-value basis following FRS 102. The Foundation’s approach is as follows:

Quoted investments

- If an active market exists for the asset, the Foundation will recognise the asset at the quoted price, which is usually the current bid price.

Unquoted investments

- Where funds are managed by investment specialists on a pooled basis but the pooled funds are not listed assets themselves, the Foundation reviews the basis of valuation used by the fund as at the balance sheet date and confirms it is based on GAAP (Generally Accepted Accounting Principles) fair-value methodology, incorporating market values where possible.
- Where the Foundation is a partner in a limited partnership as part of a private equity or venture capital investment, no readily identifiable market price will be available because the investments held have not yet been publicly listed. The Foundation relies on the most recent valuations from the respective manager provided in valuation reports or financial statements but reviews the basis of valuation to ensure it is compliant with industry-standard methodology. The valuations held are adjusted for cash flows where confirmed valuations are not available at the balance sheet date.

Hedge funds

- Hedge funds are valued by reference to the fair value of their underlying securities. These valuations are provided by their third-party hedge fund administrators. To verify the manager's valuations, the Foundation will review the funds' audited financial statements to confirm that the fund manager/partner is using an appropriate fair-value approach in line with GAAP standards.

In reviewing valuations for appropriateness, the Foundation also considers the audit arrangements in place, examines recent audit reports and undertakes an impairment review at least annually.

b) Forward currency contracts

Gains or losses on forward currency contracts are reported in the SoFA and the carrying value of cash balances adjusted for any gain or loss. No forward currency contracts were in place at 31 March 2024 (2023: nil).

x. Debtors

Debtors include: amounts owed to the Foundation for goods or services for which the Foundation has paid in advance and other amounts owed to the Foundation at the balance sheet date, including accrued investment income and external funding to which the Foundation is entitled. Amounts expected to be recovered within a year are shown at their anticipated receipt value. Any material amounts expected to be recovered after more than a year are shown at the present value at the balance sheet date, with adjustment made for the time value of money.

xi. Current asset investments and cash

Current asset investments comprise cash or cash equivalents held for a short time (up to three months) in order to provide readily accessible funding for ongoing operations while maintaining an investment return if possible. Cash at bank and in hand comprises cash held in the bank and also all cash equivalents held in the form of short-term highly liquid investments (usually less than three months). These are measured at carrying value in the most recent bank or valuation statements.

xii. Foreign currencies

Income in foreign currencies is recorded at the rate of exchange ruling on the date of receipt. Foreign currency investments and liabilities are valued at their year-end market value translated into sterling at the year-end exchange rate or at the contract rate where foreign currency investments are subject to an underlying hedge. All gains or losses on translation are taken to the SoFA in the year in which they occur.

xiii. Pension costs

The Foundation makes payments to the defined contribution personal pension plans of all its employees. The payments are based on a salary percentage and are charged to the SoFA in the period to which they relate.

xiv. Taxation

Irrecoverable VAT is included as part of the expenditure to which it relates. The Foundation is a registered charity and, as such, is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

xv. Financial instruments

With the exception of investments of £916 million held at fair value, the Foundation's basic financial instruments are measured at amortised cost. All financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

xvi. Judgements, estimates and assumptions

In the preparation of the accounts, the trustees are required to make judgements, estimates and assumptions. Other than investments and related income, the valuation of which has been discussed in detail within note ix, the trustees do not consider there to be any other significant judgements or estimates within the financial statements.

xvii. Going concern

In considering whether the Foundation is a going concern, the trustees review commitments – of which the largest element is normally grant creditors – any contingent liabilities and costs of ongoing operation. The value of the assets of the Foundation, any impairment to these, and liquidity and valuation risks are also reviewed. Based on this review, the trustees then consider if the Foundation should be reported as a going concern. In 2023/24, this review concluded that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going-concern basis of accounting in preparing the annual financial statements.

2. Donations

	2024 £m	2023 £m
Grant funding	0.02	0.13

Donations include £0.01 million of restricted grant funding from partners in collaborative projects (2022/23: £0.13 million).

3. Investment income

	2024 £m	2023 restated £m
UK equities	1.06	1.03
Overseas equities	2.16	1.86
Investment property	1.90	1.38
Gold	0.01	0.02
Alternative securities	0.05	–
Cash deposits	4.81	0.88
Unlisted investments	0.02	0.15
Total	10.01	5.32

In 2023/24, the investment classifications were revised for a small number of funds. 2022/23 figures have been restated to reflect this classification. There is no change in total investment income.

4. Other income

	2024 £m	2023 £m
Miscellaneous income	–	0.02

In 2022/23, other income included recovery of salary costs for a member of staff undertaking a secondment to a third-party organisation. The secondment ended in 2022/23.

5. Investment management costs

	2024 £m	2023 £m
Investment management fees and consultancy	8.66	8.74
Internal investment management costs	0.39	0.24
Total	9.05	8.98

6. Charitable activities

For the year ended 31 March 2024

During the year ended 31 March 2024, the following grants were awarded by the Foundation and charitable activities undertaken:

	Grants awarded to organisations £m	Grants awarded to individuals £m	Direct charitable activity £m	Support costs £m	Total costs £m
Arts Access and Participation	6.83	–	–	0.63	7.46
Education and Learning through the Arts	5.27	–	0.16	0.55	5.98
Arts Evidence	0.10	–	0.10	0.08	0.28
Investing in Young People	6.52	–	0.15	0.61	7.28
Migration and Integration	5.07	–	0.12	0.59	5.78
Nurturing Ideas and People	0.07	0.60	0.25	0.12	1.04
Evidence and Learning	0.49	–	0.41	0.06	0.96
India	2.28	–	–	0.40	2.68
Voice, Influence and Partnerships	0.16	–	0.03	0.01	0.20
Emergency funding	0.25	–	–	0.01	0.26
Kinship Discovery	–	–	0.10	0.11	0.21
Other including Major Grants	29.45	–	–	1.63	31.08
Subtotal	56.49	0.60	1.32	4.80	63.21
Cancelled grants/adjustments	(0.08)	–	–	–	(0.08)
Discounting of year-end grant creditor	(0.02)	–	–	–	(0.02)
Exchange rate adjustments	(0.04)	–	–	–	(0.04)
Total	56.35	0.60	1.32	4.80	63.07

Numbers of grants awarded

Total	265
Includes grants to individuals	11

A schedule of the grants awarded in each programme area is available on our website at phf.org.uk/news-and-publications/grants-awarded-2023-24

6. Charitable activities (continued)

For the year ended 31 March 2023

During the year ended 31 March 2023, the following grants were awarded by the Foundation and charitable activities undertaken:

	Grants awarded to organisations £m	Grants awarded to individuals £m	Direct charitable activity £m	Support costs £m	Total costs £m
Arts Access and Participation	6.39	–	0.02	0.78	7.19
Education and Learning through the Arts	5.50	–	0.16	0.66	6.32
Arts Evidence	–	–	0.12	0.04	0.16
Investing in Young People	4.95	–	0.13	0.63	5.71
Migration and Integration	5.22	–	0.15	0.70	6.07
Nurturing Ideas and People	–	0.71	0.67	0.11	1.49
Evidence and Learning	0.29	–	0.48	0.07	0.84
India	2.85	–	–	0.44	3.29
Voice, Influence and Partnerships	0.16	–	0.03	0.02	0.21
Emergency funding	3.43	–	0.01	0.26	3.70
Other included Major Grants	10.11	–	–	0.78	10.89
Subtotal	38.90	0.71	1.77	4.49	45.87
Cancelled grants/adjustments	(0.08)	–	–	–	(0.08)
Discounting of year-end grant creditor	(0.52)	–	–	–	(0.52)
Exchange rate adjustments	0.13	–	–	–	0.13
Total	38.43	0.71	1.77	4.49	45.40

Numbers of grants awarded

Total 581 (2022: 463 grants totalling £38.3 million)

Includes grants to individuals 11 (2022: 56 grants totalling £1.1 million)

7. Support costs

	Payroll & related costs £m	Other support costs £m	2024 Total support costs £m	Payroll & related costs £m	Other support costs £m	2023 Total support costs £m
Arts Access and Participation	0.46	0.17	0.63	0.58	0.20	0.78
Education and Learning through the Arts	0.40	0.15	0.55	0.48	0.18	0.66
Arts Evidence	0.08	-	0.08	0.04	-	0.04
Investing in Young People	0.45	0.16	0.61	0.46	0.17	0.63
Migration and Integration	0.46	0.13	0.59	0.52	0.18	0.70
Nurturing Ideas and People	0.10	0.02	0.12	0.06	0.05	0.11
Evidence and Learning	0.03	0.03	0.06	0.03	0.04	0.07
India	0.07	0.33	0.40	0.13	0.31	0.44
Voice, Influence and Partnerships	0.01	-	0.01	0.01	0.01	0.02
Emergency funding	0.01	-	0.01	-	-	-
Kinship Discovery	0.10	0.01	0.11	-	-	-
Other	0.95	0.68	1.63	0.62	0.42	1.04
Total	3.12	1.68	4.80	2.93	1.56	4.49

Included in support costs are governance costs of £142,093 (2023: £77,426) which include amounts charged by the auditor by Crowe U.K. LLP, being the costs of the audit £42,800 excluding VAT (2022/23: £40,000 excluding VAT). Other amounts paid to the auditors are costs of providing payroll services £7,910 excluding VAT (2022/23: £6,442 excluding VAT).

8. Staff costs and trustee expenses

Trustee expenses

No trustee has been paid any remuneration in 2023/24 (2022/23: £nil).

Expenses of £16,897 were reimbursed to seven trustees or made directly to third parties on their behalf for travel and accommodation costs relating to attendance at board meetings and visits to the Foundation's grant holders (2022/23: £4,199 to two trustees). No further expenses have been paid on behalf of trustees (2022/23: nil).

Staff costs

	2024 £m	2023 £m
Wages and salaries	2.63	2.27
Social security costs	0.30	0.27
Employer's pension contribution to defined contribution schemes	0.31	0.25
Other benefit schemes	0.14	0.16
Total	3.38	2.95

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the year were as follows:

	2024	2023
£60,000 to £70,000	4	2
£70,001 to £80,000	1	1
£80,001 to £90,000	1	–
£90,001 to £100,000	1	2
£100,001 to £110,000	–	1
£150,000 to £160,000	1	1
£200,000 to £210,000	1	–

The Foundation considers its key management personnel to comprise the trustees and the Senior Leadership Team.

Total employee benefits (including employer pension contributions and employer national insurance contributions) of £930,384 (2022/23: £625,798) were paid to seven (2022/23: five) staff representing the Senior Leadership Team of the Foundation.

Staff numbers

During 2023/24, the average headcount of the Foundation was 51, split between full-time (39) and part-time staff (12). The average full-time equivalent number of staff employed was 48.0 (2022/23: the average headcount was 49 and average full-time equivalent number of staff was 44.9).

The trustees are the directors of the Company. During the year and up to the date of approval of the financial statements, there was a qualifying third-party indemnity in place for directors as allowed by Section 234 of the Companies Act 2006.

9. Fixed assets

	Freehold buildings and land £m	Furniture and fittings £m	Computer equipment £m	Total £m
Cost				
As at 1 April 2023	6.91	0.28	0.29	7.48
Acquisitions	–	0.01	0.15	0.16
Disposals	–	–	(0.01)	(0.01)
As at 31 March 2024	6.91	0.29	0.43	7.63
Depreciation				
As at 1 April 2023	1.07	0.27	0.22	1.56
Charge for the period	0.11	–	0.04	0.15
Adjustment on disposal	–	–	(0.01)	(0.01)
As at 31 March 2024	1.18	0.27	0.25	1.70
Net book value				
As at 31 March 2024	5.73	0.02	0.18	5.93
As at 1 April 2023	5.84	0.01	0.07	5.92

Freehold buildings and land

Land with a value of £1,666,000 (2023: £1,666,000) is included within freehold buildings and land and is not depreciated.

Intangible fixed assets

Included within the computer equipment are intangible fixed assets of £100,778 at 31 March 2024 relating to the development costs for a new website. As this represents work in progress at the year end, no depreciation has been charged against it. Once this work has been completed and brought into use, it will be depreciated over four years in line with the Foundation's depreciation policy.

Intangible assets at 31 March 2023 were £1,362, relating to the development costs of the existing website, which were fully depreciated in 2023/24.

10. Investments

	2024 £m	2023 £m
Market value at 1 April 2023	915.48	943.98
Purchases	43.06	194.71
Sales	(90.02)	(232.33)
Net realised and unrealised gains	47.89	9.12
Market value at 31 March 2024	916.41	915.48

Investments at market value comprised:

	2024 £m	2023 restated £m
UK equities	44.29	43.84
Overseas equities	285.70	235.32
Fixed-interest securities	-	7.47
Investment property	22.34	31.68
Gold	100.40	101.49
Alternative securities	101.01	94.24
Term deposits	112.81	136.66
Unlisted investments	249.86	264.78
Total (including cash held by investment managers)	916.41	915.48

In 2023/24, the investment classifications were revised for a small number of funds. 2022/23 figures have been restated to reflect this classification. There is no change in total investments.

Trustees consider that any incidental cash balance held by an investment manager is an integral part of its asset allocation and have included it in the appropriate asset class. The trustees believe that the carrying value of the investments is supported by their underlying net assets.

The historical cost of the investment assets is £563.2 million (31 March 2023: £588.6 million).

The Foundation has committed, where contractual terms are made, to undertake a further £63.5 million of fixed asset investment acquisitions in private investment funds in future years (31 March 2023: £79.9 million).

11. Debtors

	2024 £m	2023 £m
Prepayments	0.52	0.47
Accrued investment income	0.30	0.36
Total	0.82	0.83

12. Creditors

Falling due within one year:

	2024 £m	2023 £m
Grants payable	37.46	35.09
Trade creditors	0.43	0.53
Accruals	0.57	0.68
Taxation and social security	0.08	0.06
Other creditors	0.03	0.02
Total falling due within one year	38.57	36.38

Falling due between one and five years:

Grants payable	25.31	14.00
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Falling due after five years:

Grants payable	0.60	0.50
Total falling due after one year	25.91	14.50

13. Grants payable

	2024 £m	2023 £m
Grants payable at the start of the year	49.59	40.98
Grants approved	57.09	39.61
Grants cancelled	(0.08)	(0.08)
Grant payments	(43.22)	(30.59)
Grants returned	0.05	0.06
Foreign exchange adjustment	(0.04)	0.13
Year-end discounting	(0.02)	(0.52)
Grants payable at the end of the year	63.37	49.59

14. Analysis of net assets by fund

At 31 March 2024

	Restricted Funds £m	Investment revaluation reserve £m	Other Endowment Fund £m	Total £m
Fixed asset investments	–	353.18	563.23	916.41
Other fixed assets	–	–	5.93	5.93
Net current assets/(liabilities)	0.02	–	(35.31)	(35.29)
Liabilities falling due after more than one year	–	–	(25.91)	(25.91)
Net assets	0.02	353.18	507.94	861.14

At 31 March 2023

	Restricted Funds £m	Investment revaluation reserve £m	Other Endowment Fund £m	Total £m
Fixed asset investments	–	326.88	588.60	915.48
Other fixed assets	–	–	5.92	5.92
Net current assets/(liabilities)	0.11	–	(31.67)	(31.56)
Liabilities falling due after more than one year	–	–	(14.50)	(14.50)
Net assets	0.11	326.88	548.35	875.34

15. Funds of the Charity

a) Description of funds

The funds of the charity comprise the Endowment Fund, the Unrestricted Fund and a small element of Restricted Funds.

The Endowment Fund represents the original and subsequent gifts of Paul Hamlyn to the Foundation. The trustees manage the Endowment Fund to maximise returns and also have the discretion to make disbursements from the Endowment Fund if they consider the circumstances appropriate. It is used to finance all the Foundation's major activities, including grant-making.

The Unrestricted Fund comprises accumulated income, income generated in year and transfers from the Endowment Fund. It is used to finance the Foundation's working capital requirements.

Restricted Funds have restrictions imposed by donors and can only be applied for the particular purposes specified by donors.

The majority of restricted funds received by the Foundation relate to projects operated in partnership with other funders where the Foundation holds the financial lead.

The Foundation does not consider the Endowment, Unrestricted and Restricted funds as independently material and reports on a combined funds basis in its main financial statements.

Restricted Funds summary

Funder	Purpose	Balances brought forward £m	Income £m	Expenditure £m	Balances carried forward £m
National Lottery Community Fund	Act for Change Fund	0.05	(0.05)	-	-
Esmée Fairbairn Foundation	Act for Change Fund	0.01	-	(0.01)	-
Clore Duffield Foundation, Foyle Foundation & Esmée Fairbairn Foundation	Cultural Learning Alliance	-	0.04	(0.04)	-
Jubilee Foundation	US Learning Exchange	-	0.02	(0.02)	-
Unbound Philanthropy	Events Manager post	0.04	-	(0.03)	0.01
Greater London Authority	Justice Collaboration	0.01	-	-	0.01
Total Restricted Funds		0.11	0.01	(0.10)	0.02

b) Summary of fund movements

For the year ended 31 March 2024

	Balance brought forward £m	Income £m	Expenditure £m	Transfers £m	Net gains and losses £m	Balance carried forward £m
Unrestricted Fund	-	10.02	(72.02)	62.00	-	-
Restricted Fund	0.11	0.01	(0.10)	-	-	0.02
Investment revaluation reserve	326.88	-	-	-	26.30	353.18
Endowment Fund	548.35	-	-	(62.00)	21.59	507.94
Total funds	875.34	10.03	(72.12)	-	47.89	861.14

c) Transfer from Endowment Fund to Unrestricted Fund

There was a transfer of £62.0 million from the Endowment Fund to the Unrestricted Fund in the year (2022/23: £48.91 million) to cover in-year net expenditure.

For the year ended 31 March 2023

	Balance brought forward £m	Income £m	Expenditure £m	Transfers £m	Net gains and losses £m	Balance carried forward £m
Unrestricted Fund	-	5.34	(54.25)	48.91	-	-
Restricted Fund	0.11	0.13	(0.13)	-	-	0.11
Investment revaluation reserve	349.74	-	-	-	(22.86)	326.88
Endowment Fund	565.28	-	-	(48.91)	31.98	548.35
Total funds	915.13	5.47	(54.38)	-	9.12	875.34

d) Investment revaluation reserve

The investment revaluation reserve is calculated as the difference between the market valuation and the historic cost of the Foundation's investments. In 2023/24, this was calculated as £353.18 million (2022/23 £326.88 million).

16. Contingent liabilities

In March 2020, the trustees agreed in principle a major gift of £7.5 million to Britten Pears Arts towards the creation of a national centre for music and health. Payment of the gift was contingent upon the successful completion of a number of actions to be undertaken by the grant holder and so this grant was disclosed as a contingent liability at 31 March 2020. These conditions were met in 2023/24 and a grant at a revised amount of £6.5 million was paid during the financial year so there is no longer a contingent liability.

17. Related parties

The following key personnel and trustees have a controlling involvement or significant influence with the organisations listed below, to which the Foundation has awarded funding in the year or made payments following awards in earlier years. In all cases, the individuals were not involved in decisions to make the award or in the direct management of the award.

Trustees

Awards and payments made in 2023/24

Michael Hamlyn is Trustee of the Nerve Centre, which was awarded a grant of £2 million in December 2019 and paid £200,000 of this plus £42,978 inflationary increase in March 2024 (2022/23: paid £233,633).

Other

The Foundation made a £2 million grant and a payment of this amount to the Helen Hamlyn Trust in 2023/24 (2022/23: grant awarded and paid £2 million). Helen Hamlyn is the widow of Paul Hamlyn, the father of Jane and Michael Hamlyn.

Staff

Awards and payments made in 2023/24

Abdou Sidibe is a board member of Islington Giving, which was awarded £50,000 in 2022/23 and paid £50,000 in 2023/24 (2022/23: paid £55,000, £50,000 of which was awarded in 2021/22 and £5,000 in 2022/23).

Lucy Palfreyman is a trustee of 360 Giving, which was awarded £200,000 and paid £2,000 in 2023/24 (2022/23: awarded £2,000, paid £0) and paid £7,000 for services in 2022/23.

Moira Sinclair is a trustee of East London Dance, which was awarded £221,000 in November 2023 and paid £74,000 in 2023/24 (2022/23: no awards or payments).

Sachin Sachdeva is a member of Gramin Shiksha Kendra, which received a grant payment of £17,858 in 2023/24 (2022/23: paid £19,687 relating to a grant awarded in 2021/22).

Paul Hamlyn Foundation

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