

THE TUDOR TRUST

**Annual Report and Accounts
2021/2022**

Company number 5196041

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Trustees' report for the year ended 31 March 2022

Tudor's principles

Tudor's principles underpin all aspects of our work and are intended to guide us as we reflect on our practice or consider challenging issues. In the year under review - the second year of the Covid pandemic - these principles helped us as we interpreted and reacted to an unstable environment and changing circumstances.

1. **Supporting communities** to drive their own positive change
2. **Investing in relationships** as the foundation of all we do - starting from a position of trust and demonstrating that we can be trusted
3. **Listening with intent:** always trying to hear the real voice
4. **Valuing people's time:** acting quickly where helpful and taking time where needed
5. **Drawing on learning, creativity and experience** to offer flexible, practical support to people, ideas and communities
6. **Making the most of our resources and independence** and being open to challenge

At many points these principles helped shape our responses to the challenges facing both the organisations and communities we support, and Tudor itself. However there were also times during the year when we have had to recognise that we haven't fully lived up to these principles, and that we need to recalibrate. Our plans for a 'reset' during 2022-2023, when Tudor's trustees and staff will work together to revisit and redefine our vision for the Trust, flow in part from this knowledge.

Introduction

Tudor supports smaller-scale groups working all over the UK, addressing a huge range of issues. As we entered the second year of the Covid 19 pandemic these organisations were often exhausted and depleted but continued to demonstrate huge commitment and focus as they served communities and individuals reeling from the interlocking social, emotional and financial trauma unleashed by the pandemic, while also facing the additional challenge of increasing costs.

We continued to be inspired by their determination to make a real and lasting difference in the communities in which they work, their flexibility and responsiveness, and their commitment to their communities at a time of deep uncertainty. It was our privilege to be able to provide some of the support that groups need, taking a trusting, flexible and straightforward approach which built on our original pandemic response. Sustaining organisational wellbeing remained a priority: in the year under review we developed our thinking around how we can continue to support the groups we fund around this issue, in response to the evaluation of the wellbeing grants programme we delivered in 2020-2021.

The staff team continued to work with great commitment and adaptability to sustain our day-to-day grant making in difficult circumstances. While we intended to move towards hybrid working, even two days a week working from the office proved difficult to sustain as we moved in and out of different phases of the Covid pandemic. The first few months of the year brought other challenges, first with a fire and then water damage in our building. Though both of these events compromised our IT infrastructure, the skilful and focused response of Tudor's Resources Team meant that work was able to continue with minimal interruption. The Resources Team then built on this emergency response by successfully implementing a number of complex projects, including the introduction of protocols for Covid-secure working, a move to a cloud-based IT system and upgrades to both our telephone network and our database, all of which meant that we ended the year a more secure, and more resilient, organisation.

As we moved out of the 'emergency' phase of the pandemic the need to make small immediate support grants, to help grant holders meet urgent needs in their communities, began to fall away. We focused on providing stability by making new longer-term grants, primarily towards core costs, while also flexing (whether by increasing or extending) some of our existing grants to help groups react quickly to changing needs. For example, in Autumn 2021 we gave additional funding to five refugee and asylum seeker groups, without the requirement for a formal application, to help increase their capacity as they responded to increased demand relating to the Afghan refugee crisis.

Racial inequity and injustice continued to be a focus in the year under review, with trustees and staff undertaking a period of guided work to help us explore our own understanding of racism and white supremacy culture and think through how Tudor needs to change to move towards becoming an anti-racist organisation. This work uncovered some deep challenges around Tudor's internal culture which required focused attention, both to provide a more inclusive environment for

racialised staff within Tudor and to create a stronger foundation for our work with diverse communities externally. How we are with each other needs to inform the kind of grant maker we aspire to be.

As we moved through the year it became clear that we lacked the time and space to fully engage with the crucial challenges raised by this anti-racism work, and with other key issues too. For example, our wider approach to diversity, equity and inclusion; how we can share power more equitably across the different strands of our work; and our response to climate change all need thought. The demands of day-to-day grant making and grant management work, at a time when groups needed more support than usual, left little space for the focused strategic work which was urgently required. In October 2021 the Board therefore considered and agreed a proposal to intentionally ringfence some time so that the whole of Tudor could take part in a 'Reimagining' process throughout 2022-2023.

During the second half of the year we developed our plans and made the difficult decision that the only way in which we could free up the kind of time needed to undertake this work would be to reduce our direct grant making during 2022-2023. We decided to close temporarily to new applications for the year from April 2022 to March 2023, while remaining open to continuation funding requests from groups we are already funding. This decision was not taken lightly: we know the pressure under which the voluntary and community sector is operating, and that finding the funding needed to sustain crucial work is becoming increasingly difficult. However Tudor's trustees feel strongly that we need to pause, reflect and listen to ensure that we have a shared vision of who we are, the role we want to play and who the trust's beneficiaries might be in the future.

We announced our temporary closure to new applicants in January 2022: this inevitably led to an enormous increase in applications as March approached, with a thousand arriving in that month alone. While the run up to this closure, and the first couple of months of the current year, were demanding this period offered a real opportunity for Tudor's three staff teams - Information, Resources and Grants - to work together to respond to a massive increase in enquiries and receive, assess and respond to this huge volume of applications.

This has been a difficult year for the Trust, as it has for many other organisations: two years of maintaining 'business as usual' during the pandemic has caused significant stress and exhaustion. Both staff and trustees have faced their own individual challenges during different phases of the pandemic; systemic weaknesses in the way we work have been revealed and we have been frustratingly aware of the internal work needed to address power imbalances within the organisation, while lacking the capacity to address this properly. While painful, this disruption needs to be seen as an opportunity: the trustees are confident that there is the appetite within Tudor to face our challenges squarely and to come together to develop a vision and approach which will unlock the potential of everyone within the organisation, allowing us to provide better, more thoughtful support to groups doing crucial work to build and sustain their communities.

Structure, governance and management

On 1st March 1955 Sir Godfrey Mitchell endowed a charitable trust with a gift of shares in the construction company George Wimpey. In 1979 this trust became known as The Tudor Trust. The Tudor Trust's governing document is its memorandum and articles (incorporated 3rd August 2004 and amended by special resolution(s) dated 29th May 2014). The Trust was incorporated as a company limited by guarantee on 1st April 2005, with all assets and liabilities of the previous Trust being transferred to the current legal entity on that date. The company is also registered with the Charity Commission (registered 20th August 2004).

Trustees

The Trust's trustees are listed on page 55 of this report. The Board of Trustees appoints the trustees and while the articles of association provide for a minimum of six there are currently 13 trustees. In accordance with the articles, one-third of the trustees retired from office and offered themselves for reappointment at the annual general meeting of the company on 27th October 2021. Trustees over the age of 70 serve for a term of one year, retiring from office and offering themselves for reappointment at each annual general meeting, if they so wish.

The composition of the Board is kept under review and if additional trustees are needed, we look to recruit new members with relevant skills and experience. An induction programme and trustee handbook are provided for all new trustees and as part of their introduction and subsequent induction a new trustee meets key staff and attends a wide range of meetings and committees. Trustees also receive updates and informal training through briefing papers and newsletters, by taking part in regular meetings and discussions with applicants and grant holders and through attending in-house discussion, training and skill-sharing sessions. No new trustees were appointed in the year under review.

Carey Weeks resigned as a trustee in October 2021, with Shilpa Shah stepping down in March 2022. Both Carey and Shilpa will be greatly missed by both their fellow trustees and by the staff team. Carey's straightforward and thoughtful approach, her positivity, and ability to get to the heart of an issue by asking the right questions have been hugely valuable over the last few years. Shilpa brought great insight, wisdom and warmth to her work as a trustee, and has helped the Trust begin to shift from a binary 'either/or' approach towards more open 'both/and' thinking. We are delighted that Shilpa will be staying alongside Tudor over the year ahead, taking the role of independent facilitator during the Reimagining.

Decision making

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

- The **Trustee Committee** currently has eight members and reports directly to the Board. It normally meets every four weeks to review and develop grant-making policy, confirm grants and investigate and make decisions on more complex applications. The Trustee Committee also oversees the operation and activities of the Trust, whilst leaving the day-to-day decision-making to the management team.
- The **Investment Committee** currently has six members and reports directly to the Board. It meets quarterly, focusing on the development and implementation of Tudor's investment policy, asset allocation and the performance of investments.
- The **Audit Group and Remuneration Committee** also report directly to the Board.
- The **Delegated Decision Committee** meets every four weeks, reporting to the Trustee Committee. A member of the management team, usually the Director of the Trust, chairs the meeting, with other Grants Managers (in rotation) being members. The remit of the Delegated Decision Committee is to consider straightforward requests for continuation funding, requests to reassess or 'flex' a grant during its term and recommendations for development grants and Africa Group capacity-building grants.
- **Grants Meetings** report to the Trustee Committee and consider the majority of grant applications put before trustees. Two to three Grants Meetings take place every four weeks, with three or four trustees taking part in each meeting, alongside staff.
- The **Africa Group** runs a targeted grants programme promoting ecological agriculture in Zimbabwe, Kenya and Uganda, focusing on strengthening sustainable agriculture networks by resourcing centres of good practice and farmer-to-farmer learning. This group reports to the Trustee Committee.
- The **Complexity Friendly Funding Group** engages in learning and action research in order to gain insight into what complexity-informed practice might look like in Tudor's context, with the aim of improving our grant making practice when supporting groups working in increasingly complex environments. This group reports to the Trustee Committee.
- The **Children and Young People's Group** focuses on developing Tudor's approach to engaging with children and young people and exploring how we can be a better funder of youth-led work. The group continued a listening and learning exercise with young people from youth-led organisations culminating in a listening session involving all Tudor's trustees and staff in November 2021. The Children and Young People's Group also reports to the Trustee Committee.

In 2021-2021 55% of funding committed over the year was agreed at Grants Meetings, 24% by the Delegated Decisions Committee, 15% by the Trustee Committee, 3% by the Board and 3% by the Africa Group. This breakdown is within the parameters set by the Board.

Day-to-day operation of the Trust

The trustees delegate the day-to-day management and operation of the Trust to the Director and the Head of Finance and Resources, Head of Grant Making and Head of Research and Information. This management team implements policies and strategy on the trustees' behalf, giving direction and support to the staff. The Tudor Trust has three staff teams:

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

Grant-making policy and aims

The Tudor Trust operates for the public benefit. The ultimate beneficiaries of the Trust are the thousands of people that the groups we fund work with and support, rather than the groups themselves. The trustees have considered the Charity Commission's general guidance on public benefit when reviewing Tudor's aims and objectives and when planning future activities, setting grant-making policy and making grants.

When Sir Godfrey Mitchell endowed the charitable trust with an expendable endowment, he specified that the trustees should be able to apply the funds to any charitable purpose. Over the years the breadth of these objects and powers has allowed the trustees to reassess how best we can make use of Tudor's funds, when this feels necessary.

While we made no fundamental changes to our funding guidelines for 2021-2022, we did provide more guidance on some key issues including our particular focus on core funding, our thinking around reserves and our understanding of the challenges faced by groups in a time of great uncertainty. We also clarified that Tudor doesn't only support 'direct work' in communities: we are also interested in funding social change and advocacy work challenging injustice and inequality, particularly where this is rooted in lived experience.

Our funding guidelines set out the Trust's aims in the UK as follows:

The Tudor Trust wants to support smaller groups, embedded in their communities, which work directly with people who are on the edges of mainstream society in ways which encourage inclusion, integration and independence.

We don't have specific funding programmes designed to advance a particular agenda as we think that the groups we support are best placed to identify problems and develop solutions.

Our funding guidelines are broad because we want to support the work that groups really want to do. We seek to give those organisations we support the opportunity and practical tools to do the work that they know is needed.

Objectives and activities

Over the year Tudor funded work across the UK which met our overarching aim of addressing the many different needs of people at the margins of society. We also made grants in Africa under a targeted programme. Details of all the grants we made over the year are given in our *Grants List 2021-2022*, available on our website (www.tudortrust.org.uk) or on request from the Trust.

Our aim as a funder is to respond to the needs identified by our applicants, providing some of the resources they need to achieve their aims and make a positive difference within their communities. This responsive approach means that the grants we made during 2021-2022 supported a wide range of organisations across the UK including:

- A self-help charity in Glasgow led by and for racialised women.
- A men's shed project in the Causeway Coast and Glens area of Northern Ireland.
- A Roma-led organisation running a centre for the whole community in Peterborough.
- A CIC in Leeds taking a gendered approach to establishing and supporting user-led support groups for people experiencing mental ill health.
- A charity using gaming to engage with autistic young people around the UK.
- A CIC in Devon, led by lived experience, working with young people with care experience.

Achievements and performance

At the beginning of the year under review Tudor's key objectives were:

- To make around 300 grants committing between £19 million and £21 million, supporting smaller-scale, community-based organisations to do the work they identify as most needed.
- To make grants reaching people at the margins of society.
- To develop our approach to relational funding, continuing to be an open, enabling and flexible grant maker providing useful and appropriate support to grant holders and applicants.
- To start our journey towards becoming a more inclusive, anti-racist organisation.
- To continue working towards becoming a 'learning organisation'.
- To continue to make the most effective use of the Trust's resources.

To make around 300 grants committing between £19 million and £21 million

Comparisons with the previous year are more complex than usual as in that year, 2020-2021, we made many more grants than usual: 1,052 grants which included 705 'exceptional' small Covid-related grants. To allow for sensible comparison some analysis within this annual report is therefore based solely on our 'mainstream' grant making in 2020-2021: the 347 grants made under our usual funding guidelines.

- In March 2021 Tudor's Board approved a grant commitment range of £19 million to £21 million. Over the year we made **292 grants** (2021: 1,052 overall; 347 mainstream) totalling **£20.2 million** (2021: £21.4 million overall; £20.1 mainstream).
- Average grant size increased to **£72,627** (2021: £57,799 mainstream).
- When smaller-scale grants (staff grants, development grants and Africa capacity-building grants) are discounted the total number of grants made reduced to **261** (2021: 310 mainstream) with an average grant size of **£77,011** (2021: £64,377). This growth in average grant size recognises the challenges groups on the ground are facing as they work to meet increasing demand while also dealing with spiralling costs themselves.

To make grants which support smaller-scale, community-based organisations to do the work they identify as most needed

Grants by region 2021-2022

<u>Region</u>	<u>Number of Grants</u>	<u>Value of Grants</u>	<u>Percentage by Value</u>	<u>Percentage of UK Population</u>	<u>Grant per head</u>
					(UK only)
East Midlands	12	£809,000	4%	7%	£0.17
Eastern	15	£1,054,000	5%	9%	£0.17
London	37	£2,151,275	11%	13%	£0.24
North East	17	£1,138,500	6%	4%	£0.43
North West	34	£2,456,100	12%	11%	£0.33
Northern Ireland	8	£620,500	3%	3%	£0.33
Scotland	24	£1,654,500	8%	8%	£0.30
South East	12	£771,390	4%	14%	£0.08
South West	15	£967,500	5%	8%	£0.17
Wales	12	£918,800	4%	5%	£0.29
West Midlands	11	£823,650	4%	9%	£0.14
Yorkshire & the Humber	22	£1,803,900	9%	8%	£0.33
National/multi-regional	59	£4,216,500	21%	NA	NA
Overseas	14	£821,522	4%	NA	NA
Total	292	£20,207,137	100%	NA	NA

- Tudor's responsive approach mean that we see fluctuations in grants going to different parts of the UK from year to year. When reviewing our 'give' per region at the end of the year we focus on the grant per head figure, rather than the actual value of grants made, so that we can assess the spread of our grant commitments in relation to population figures.
- Comparing the percentage by value of our give with the percentage of UK population suggests that a grant per head figure of £0.30 represents an appropriate level of give, purely in line with population. So 8% of our funding by value went to Scotland last year, where 8% of the UK's population lives. Our give in the North West, Northern Ireland, Wales and Yorkshire and Humber this year was at a similar level, so roughly in line with population figures.
- Our funding guidelines note that we aim to support organisations 'rooted in overlooked and neglected areas where funding is hard to come by'. Although the largest proportion of grants by number - 13% - went to London the level of funding in terms of the grant per head decreased in the year under review: from £0.30 per head to £0.24 per head. Over the last few years we have attempted to rebalance of the level of our funding going to

London, believing that the London voluntary and community sector is better served than many other areas by dedicated 'place-based' funders.

- Tudor is committed to supporting smaller organisations which are embedded in their communities. In 2021-2022 58% of our grants went to organisations with an annual expenditure of less than £250,000 (2021: 56% mainstream). 85% of our grants went to organisations spending less than £500,000 a year (2021: 79% mainstream).
- We are interested in making grants which respond directly to the priorities identified by our applicants and also want fund in ways which strengthen the whole organisation, rather than just a particular aspect of their work. For most of the groups who apply to us this means they are looking for core funding - so a grant covering things like key salaries and day-to-day running costs. In 2021-2022, by value, 91% of our mainstream revenue grants went towards core costs, rather than to specific projects (2021: 88% mainstream).
- We recognise the benefits that unrestricted funding provides to organisations - the 'no strings attached' money which enables them to respond effectively to changing circumstances and make their own decisions on where funding is best placed at any particular time. Giving unrestricted grants demonstrates trust in the people doing the work and respect for their expertise and knowledge. Tudor is committed to making more grants on an unrestricted basis, though it is important to note that because we fund groups operating under a wide range of legal structures we can't always do this. In the year under review 24% of our core grants were made on an unrestricted basis (2021: 15% mainstream).
- In 2021-2022 26% of our UK grants went to community centres and resource centres, community development groups, community food projects, community gardens and growing schemes and local advice and advocacy projects - reflecting the trustees' wish to back those crucial local organisations which support people going through tough times and which help keep communities strong, resilient and connected.

To make grants reaching people at the margins of society

- Tudor's funding guidelines emphasise our commitment to supporting work which addresses marginalisation, however our applicants decide to define it, while also explaining how this sits alongside the other key characteristics and qualities we are looking for in the organisations we fund. The principle of '*Supporting communities to drive their own positive change*' underpins the approach we take when deciding which applications should go forward. While we support work which addresses marginalisation and exclusion, we are particularly interested in organisations which do this by recognising and unleashing the strengths and potential held within their communities - taking an asset-based rather than deficit-focused approach. In many cases their ability to do this is rooted in the lived experience of those steering the organisation.

- Alongside our funding for 'neighbourhood' work addressing marginalisation within local communities, Tudor also supports groups which respond to marginalisation in a more targeted way, by working within particular communities of interest. So in 2021-2022 14% of our grants went to groups providing support to refugees, asylum seekers and migrants, 12% to work with a mental health focus, 5% towards work with people involved in the criminal justice system and 5% to groups working with people with disabilities.
- As already noted, over the year under review Tudor's trustees and staff continued to reflect on how we can embed racial equity more firmly into our grant making. Historically, while we have monitored the proportion of our grants going towards targeted work with Black, Asian or other Minority Ethnic communities, we haven't been able to identify how much of our funding was going to groups *led* by members of racialised communities.
- In April 2021 we therefore introduced a new question on organisational leadership within the first-stage application, asking applicants to tell us whether most of their trustees/ directors/management committee members were drawn from the community they serve. Applicants could select any number of options from multiple descriptors - for example led by BAME people, led by Deaf or disabled people, led by lived experience or 'neighbourhood' led - on the basis that communities intersect and groups are often working across a range of different issues.
- Our hope was that responses to this question would give us a better sense both of who is applying to us and who we are funding - and not funding. In practice the information we gathered was not as reliable as we might have hoped. Not all applicants answered these questions and it appears that the guidance on what we meant by 'community led' or 'user led' was not always understood in the way we had intended, so we haven't been able to use this information in the nuanced way we had hoped, for instance looking at who we are saying no to as well as who we are funding. We want to develop a better approach to gathering and using this information as we review our work more widely over the year ahead.
- Nevertheless, the data relating just to approved grants appears strong enough to give an indication of the direction of travel. In the year under review, 26% of our UK grants by number (2021: 20% mainstream) and 27% by value (2021: 24% mainstream) went towards work focused on BAME communities. Alongside this, 21% of our grants by number, and 24% by value, went to groups which told us they were led by people from racialised communities.
- We were also interested in understanding how many of the groups we fund are 'user-led', asking applicants to tell us if most of the people leading their organisation have lived experience of the issues they exist to address. Gaining a sense of the lived experience at the heart of an organisation is just one thing we aim for when we assess applications: we can and do make

grants to organisations which might not be viewed as ‘user-led’ under this definition, but which are still embedded in and highly responsive to the communities they serve. However, in 2021-2022, 36% of our grants by number, and 42% by value, went to groups which described themselves as user-led.

- Tudor is primarily a UK funder, but we also run a targeted grants programme promoting ecological agriculture in Zimbabwe, Kenya and Uganda. This programme is led by our Africa Group - a special interest group made up of trustees and staff - and focuses on strengthening sustainable agriculture networks by resourcing centres of good practice and farmer-to-farmer learning. In 2019-2020 the Group ‘reset’ its relationship with all of its regularly funded organisations by committing core grants running over five years. This resulted in grant commitments totalling £2.2 million, with these core grants running until 2025. In the year under review the Africa Group focused on sustaining and developing these core funding relationships, and nurturing strategic collaborations, committing £586,500 (2021: £401,000) in grant funding over the year.

To develop our approach to relational funding, continuing to be an open, enabling and flexible grant maker offering useful and appropriate support to grant holders and applicants

- It is our view that ‘how’ we fund is just as important as ‘what’ we fund. Relationships form the foundation for our work and these relationships are stronger when based on mutual understanding and trust. Four of our key principles therefore relate strongly to the ‘how’ of our grant making: *Investing in relationships; Listening with intent; Valuing people’s time and Using learning, our experience and creativity to offer flexible support to communities.*
- Over the last few years we have worked hard to develop our relational funding approach: getting to know and supporting the people who make up an organisation; being as accessible as possible; working in an open, trusting and flexible way and trying to provide support ‘beyond the funding’, where that is helpful. We built on and intensified this relational funding approach as the pandemic hit in March 2020, signing up to London Funders’ *We Stand with the Sector* statement, pledging to listen to our grant holders, adapt activities, outcomes and timeframes, and offer flexibility around how funding was used. In February 2021 we became a founding member of IVAR’s *Open and Trusting Grant Making* community of practice, committed to ensuring that gains made around simplified and flexible funding aren’t lost as we move beyond the immediate Covid crisis.
- In the year under review Tudor’s grants managers looked after a portfolio of around 850 active grants. As groups emerged from the emergency phase of the Covid pandemic they found themselves working in an environment of increased demand and complexity, working with individuals and communities experiencing stress and trauma. Many organisations were also

dealing with internal difficulties, struggling to deliver their work due to staff and volunteer sickness, or facing funding challenges. Grants managers worked to help groups respond to changing circumstances in many different ways: by adjusting grants periods, agreeing a change of use for a grant, unrestricting grants, revising payment schedules and sometimes flexing the size of a grant.

- Grants managers offered guidance and support on issues such as governance, organisational development, financial management or evaluation, either directly or by connecting the grant holder with an organisation which can provide more specialist advice. Where more intensive and expert support is needed grants managers can recommend a development grant - a small grant intended to help strengthen a particular aspect of an organisation. In 2021-2022 we made 10 development grants which allowed groups to buy in specialist consultancy to address a variety of governance, strategic and financial issues. We also 'flexed' 14 grants, either increasing the amount of funding made available within the grants term or extending the grant for a further period without the need for a formal application.
- Both development grants and flex grants emerge from the relationships that grants managers establish with their grant holders, and their understanding of the challenges they are facing. These relationships are usually nurtured in quite a low-key way through grants managers keeping in touch, suggesting useful contacts and resources, listening and acting as a sounding board. They may also (if asked) offer an external perspective on challenging issues
- We introduced on-line applications from 1st April 2021, with the aim of simplifying things for applicants while also streamlining administration, freeing up staff time to focus on more relational work with applicants and grant holders. This transition was successfully achieved, thanks to focused work from Tudor's Information and Resources Teams, who paid particular attention to providing helpful guidance to applicants who might be less comfortable with applying in this way. Email and telephone support was offered to anyone who needed this, and we also encouraged groups to contact us if making an application on-line was difficult for them, so we could agree a different way of applying.
- We know we are at our least relational at the first stage of our application process. Although we are 'open' for pre-application phone calls (something we know many applicants really value) we do not currently give focused feedback to the many applicants we turn down at first stage. This can lead unsuccessful applicants to feel that their time has not been valued, and that they haven't been 'listened to': both things we identify as important through our principles.
- This issue was brought into sharp focus towards the end of the year when we received 1,000 applications in March, before we closed to new applications from 1st April. While we had been clear in communicating that

we wouldn't be taking forward significantly more applications than usual in the run up to the closure, saying 'no' to the vast majority of these applications was challenging, and we know that many applicants were disappointed to receive a 'standard' email response to their application. Over this one-month period just one in 16 applications progressed to second stage, compared to one in seven over the previous 11 months. As we review our approach over the next year, we will be thinking about how we can develop funding guidelines which give a clearer sense of the kind of work we want to fund, while also providing a stronger framework for giving constructive feedback to applicants.

- During the year under review we maintained some new practices we had introduced during the first year of the pandemic to 'make space' for more relational work with grant holders - more trustees involvement at the 'pre decision' stage; lighter-touch due diligence; more streamlined paperwork and more exploratory and open discussions at grants meetings. We were keen to resist the temptation to 'play it safe' at a point when things felt less certain by making shorter-term grants, or by focusing our attention on groups we already funded and so knew well. It felt important that any 'risk' should sit with us as funder, rather than with groups already working under great pressure.
- We therefore continued to make the longer-term grants which give organisations stability and security in challenging times. In the year under review 52% of our grants were made over three years or more (2021: 38% mainstream). Alongside this, we wanted to remain an open and accessible funder, placing trust in organisations we hadn't funded before even when working in a lighter-touch way. In the year under review 39% of the groups we funded were entirely new to us (2021: 33% mainstream).
- We know that timely decision making is greatly valued by applicants: in 2021-2022 it took us an average of 21 days (2021: 23 days) to assess a first-stage application and tell the applicant whether or not it would progress to the second stage. This is well within the one-month target we specify in our funding guidelines. We also aim to let applicants know whether or not they have received a grant within four months of receiving their application. In the year under review it took us an average of 83 days to reach a final decision on a grant, from the date the application was received.
- We have always prioritised face-to-face engagement with applicants and grant holders, involving both staff and trustees in visits and in meetings at our office. In the year under review visiting was still largely impossible, but we continued to undertake assessment calls and catch ups on Zoom, often involving trustees, or colleagues from other teams, in these calls alongside grants managers. This additional capacity allowed us to maintain a degree of 'face-to-face' contact, while also allowing more people from across Tudor to listen in an unmediated way to applicants, getting a stronger sense of the people behind the application and adding another perspective

to the discussion at decision-making stage.

- As reported last year, in December 2020 we responded to the increasing strain organisations were under as a result of the pandemic by offering small wellbeing grants of £2,000 to 635 of our current grant holders. This was intended to provide groups with some resource to draw on to help them address staff, volunteer and trustee wellbeing. In September 2021 we asked the 614 groups who accepted the grant to respond to a short on-line survey, to help us understand the difference these grants had made, how they were used and their impact on individuals and organisations. We were also interested in their experience of receiving the grant and what grant holders thought we, and other funders, could do to support organisational wellbeing in future.
- We discovered that the wellbeing grants responded to an unarticulated but clear need, providing an opportunity for groups to focus on wellbeing without having to justify the money or time spent either to themselves, or externally. Ring-fencing the funding sent a clear message that it was OK to prioritise wellbeing, but the flexibility built in to the offer meant that groups could respond in a way that recognised their own particular needs. Ultimately groups reported that the grants made a significant difference to both individual and organisational wellbeing, and that they supported their organisation to deliver its charitable purpose: 82% of respondents to the survey said that the grant had ‘helped to support team/organisational culture’ and 73% said that it ‘helped us work more effectively by reducing stress and tension’.
- Moving beyond the immediate impact of the grant, we also asked grant holders how they felt Tudor, and other funders, could support organisational wellbeing in future. Many respondents were keen that we should look at building focused funding for wellbeing into our general grant making. So in January 2022 a Wellbeing Grants Group, drawn from Tudor’s three teams, came together to act on this feedback and develop a proposal around adding an additional restricted grant to support organisational wellbeing to all grants approved during 2022-2023. Trustees agreed this proposal in March 2022. Over the year ahead we will trial offering a £2,000 wellbeing grant to all groups receiving a mainstream grant from us, to be spent at any time over the term of their main grant.
- Groups were also keen that we should share learning from these grants: we did this by making the evaluation report *The Tudor Trust wellbeing grant: one year on*, available on our website and by blogging and tweeting about the lessons learned. Organisations felt that this piece of work might influence other funders to think more about organisational wellbeing. We were pleased to share our thinking with a number of funders over the year, and to learn that they had offered similar support to their grant holders.
- Looking at the bigger picture, however, it is interesting to note that many grant holders felt that funding in a relational way already demonstrates a

commitment to organisational wellbeing. By ensuring that organisations are properly resourced - with flexible, multi-year funding - and by developing grant making and funding processes which don't unduly burden groups doing the work on the ground, funders can help stop organisations becoming overworked and overstressed in the first place. Funding in a relational way - with trust, flexibility and openness - can be an effective way of ensuring that a group has the capacity to deliver effectively while reducing the unnecessary pressures which can impact on organisational wellbeing.

To start our journey towards becoming a more inclusive, anti-racist organisation

- In the year under review Tudor continued its journey towards a better understanding of racism, the inequity it perpetuates and how it can be dismantled. Guided by external facilitators, staff and trustees took part in a series of workshops, with a different focus for those who are Black, Asian or from other minority groups, and those who are White. These sessions culminated in a review and reflection day for both trustees and the staff team in September 2021. Our facilitators then shared their reflections and recommendations in a report on anti-racism work within Tudor in October 2021.
- This report made challenging and often painful reading. As a funder, our default is to jump to the external, focusing on how we can embed racial equity in our grant making and be a better funder of groups experiencing structural racism. This perhaps feels easier than thinking about where power is held within Tudor, how whiteness operates as an unspoken norm within the organisation and how our working culture reinforces racial inequity and marginalises racialised colleagues.
- The report urged us to resist the temptation to look outwards too quickly, but instead to focus real time and attention on Tudor's internal structures, processes and relationships. This is what we intend to do during the initial phase of the Reimagining year, focusing primarily on rebuilding and strengthening relationships, and our capacity to support and challenge each other, as we move towards becoming a more inclusive and anti-racist organisation.
- In the last months of 2021, building on a recommendation within this report, a small group, led by our Head of Finance and Resources Aabida Mohamed and trustee Shilpa Shah, undertook the groundwork required to set up a Racial Justice Organising Group within Tudor. This group, established in early 2022, is currently made up of white staff and trustees who are working to develop approaches to strengthen psychological safety for racialised colleagues, so that everyone within Tudor feels fully able to contribute to the life of the Trust. Aabida and Shilpa have continued to support and guide the work of the group. We are still working to reach a point where colleagues from racialised communities feel able to take part in this work.

To continue working towards becoming a 'learning organisation'

- For much of the year under review we were supported in our learning work by IVAR, who acted as our learning partner while Annie Salter, Tudor's Learning and Communications Manager, was on maternity leave. This was a positive and productive relationship, and we very much valued the insight, thoughtfulness and wider external perspective Katie Turner, who held much of the work, brought to our thinking around learning.
- *"Tudor wants to use learning practices to explore how communities drive their own positive change and how we can best support them. By prioritising learning, as an organisation and as individuals, we intend to invest in this exploration and act on what we learn."* This is Tudor's learning intention, agreed by staff and trustees in early 2020. Throughout the year under review we continued to make space for reflection and learning in our day-to-day work, centred learning in some key pieces of work and supported our grant holders as they used their learning to provide the most appropriate support to their communities, always with the intention of moving from learning into action.
- The weekly initial assessment meeting, where we decide which applications will be taken to second stage, remained central to our learning in the year under review. Reviewing and discussing a wide range of applications from all over the UK provides valuable opportunities for sharing knowledge, comparing different approaches and both questioning and developing our thinking around the characteristics we look for in the organisations we fund.
- In the run up to the Reimagining, and our temporary closure to new applications, discussions around particular applications also helped us identify some of the key issues we want to think about over the year ahead: how can we make sure we are really listening to the communities we want to support? What do we really mean when we talk about lived experience, or work which is user-led? How can we be more accessible and get better at reaching into communities we're not hearing from? What would it take for Tudor to make progress on becoming an anti-racist funder?
- Our four-weekly grants meetings are another point where our values of *Listening with intent* and *Drawing on our learning, creativity and experience to offer flexible, practical support* come into play. Trustees and staff think through how we can best support and learn from the groups we're discussing, with these conversations informing our grant decisions. Space is made within each grants meeting to talk through any wider issues which have emerged and which may need further discussion, and to reflect on any particular positives or challenges within the meeting itself. More widely, we've also focused on making space for learning and reflection within our regular team and project meetings: this approach has been pioneered by the Resources Team who have dedicated time to developing

their listening and learning practices.

- We have always valued learning directly from our applicants and grant holders, dedicating time around our grants meetings for a wider programme of face-to-face meetings with groups, allowing us to hear directly from those working in communities or to learn more about issues which are less familiar to us. There was less space for this kind of learning meeting in the year under review: as we emerged from our immediate pandemic response the focus quickly shifted onto the internal work we needed to do to prepare the ground for the Reimagining. Tudor's trustees came together to discuss issues including what Tudor can contribute as an independent grant-making trust; the longevity of the trust; trustee responsibilities; Tudor's journey towards becoming an anti-racist organisation; and devolving and sharing power as a grant maker.
- Tudor is a generalist grant maker supporting a diverse range of organisations working across many different issues. This open access approach means that it isn't possible for us to evaluate the overall 'difference' our grant making makes to society as a whole. However we are interested in learning from our individual grants and in using that learning to inform our relationships with applicants, grant holders and the wider sector, and adjust and improve our wider practice and approach. We also aim to support our grant holders to develop approaches to monitoring and evaluation that work for them and which help them reflect on their work, and learn and improve.
- We usually ask our grant holders for written reports, which we read, respond to and learn from. However things have shifted over the last couple of years - partly as we tried to reduce pressure on our grant holders during the pandemic and partly in response to wider work, instigated by IVAR, around making grant reporting a more meaningful and mutually beneficial experience. So while many groups reported in writing as usual, we also offered different options: shorter written reports followed up with a phone call; no written report at all, just a phone call or Zoom meeting; reports written for other funders; shared reporting, with a group of funders agreeing the basis for a single report and in some cases, funding released on the basis of regular catch-up conversations rather than a year-end report.
- All of this reflects a wider shift in our own thinking. Over the last few years we have become less interested in ticking off outcomes as we read a report, and more focused on gaining a better understanding of how an organisation learns, and how it uses that learning to develop its work and approach. The groups we support seem to understand - whether instinctively or intentionally - that 'what works' isn't set in stone: 'what works' when supporting one person might not for another, and 'what worked' pre pandemic might not work now. These groups measure to learn and improve, rather than to 'prove' to others that they are effective. Ultimately, we trust that organisations know what they are doing and why

they are doing it. It must therefore make sense that they adapt and flex in response to changing circumstances rather being pressured to 'deliver' against outcomes set in very different times.

- Our wider thinking about learning and evaluation (both for ourselves and for our grant holders) continued to be informed by the work of two special interest groups - the Complexity Friendly Funding Group and the Children and Young People's Group. The Complexity Friendly Funding Group is investigating how Tudor might be a more creative funder of groups working in complex environments, and how we can think about accountability in different ways. The work of this group is rooted in Toby Lowe's research at Northumbria University, exploring trust-based funding in complex systems.
- We continued to work with a small group of grant holders already working in complexity, to develop and test a more complexity-friendly funding approach. We also remained a member of a case study cohort which forms part of Northumbria University's programme of action research around the 'Human, Learning, Systems' approach. Beyond this, we continued to see 'complexity-friendly' approaches manifesting in our regular grant making, as grants managers focused on working in a more relational and flexible way with all our grant holders as, by necessity, they navigated ever more complex systems and circumstances.
- During the year members of the Children and Young People's Group continued to build relationships with young people from three youth-led organisations: Castlemilk Youth Complex, Peer Power and Comics Youth. While the group was keen to understand more about the issues that are important to these young people and how we can better support youth leadership, we also learnt a huge amount from the way in which these young people engaged with us, particularly when the groups designed and ran listening sessions for all of Tudor's staff and trustees in November 2021. These sessions were energising and powerful and challenged us around how we can address the power dynamic between funded and funder, build more reciprocal relationships and be better listeners. Children and Young People's Group members also contributed to the work of The Listening Fund, a pooled fund managed by The Blagrove Trust, which aims to make the youth sector more accountable to the young people it exists to serve.

To consider how we can make the most effective use of the Trust's resources

- Tudor is committed to *making the most of our resources and independence*, as we believe this will allow us to make the strongest possible contribution to the health and strength of civil society. We want to use *all* our resources - not just our money - as effectively as possible.
- Our relational funding approach depends on regular, focused engagement from our trustees, and it is vital that the key resources of trustees' time, energy and experience are directed in ways which support and develop the

work of the trust. During the year under review trustees have listened, learned and reflected throughout these early stages of Tudor's anti-racism journey and have been open to thinking about how power can be more equitably distributed within the organisation. The trustees are committed to looking at roles and responsibilities within the organisation and will continue to explore what structures could best support a more equitable distribution of power across Tudor.

- One way of releasing trustee time and energy is to delegate some decision making to staff. The Delegated Decisions Committee (DDC) continued to operate throughout the year under review, with the staff team taking responsibility for making decisions on applications for continuation funding and flex grants, within agreed parameters. This makes effective use of grants managers' skills and experience, allowing them to steer the development of established funding relationships. Over the year 33% of grant decisions were made by the DDC. We intend to develop this approach further during 2022-2023 by introducing a new decision-making forum, involving staff drawn from all teams, to trial a quicker and more straightforward way of making decisions on continuation applications. This committee will draw on learning from the Reimagining to develop a new approach to collective decision making. Tudor's Board approved the terms of reference for this new committee - the Initial Assessment Decisions Committee - in March 2022.
- Our partnership with the Four Acre Trust, established in 2018, entered its final year in 2021-2022, with their trustees committing £399,000 (2021: £400,000) to help resource Tudor's grant making within the youth sector. Four Acre's approach aligns closely with our own and this funding allowed us to provide an enhanced level of support to four excellent youth organisations. Since 2018 Four Acre has trusted Tudor to distribute £1.2 million: we are hugely grateful for the confidence Four Acre's trustees have placed in us. This partnership has now drawn to a close as we will not be making grants to new organisations over the year ahead, but we hope that there may be opportunities for us to work together again in the future.
- Tudor is an endowed charitable trust, which gives us a degree of freedom and independence which is unusual within the wider charitable sector. Working collaboratively is one way in which we can use this freedom and maximise the impact of our resources. In the year under review we continued to work with five other funders - City Bridge Trust, Esmée Fairbairn Foundation, LankellyChase Foundation, Lloyds Bank Foundation for England and Wales and Paul Hamlyn Foundation and six local places - on *LocalMotion*. This is a long-term initiative to support local people to address social, environmental and economic injustices that *they* have identified. It has also been designed to help trusts learn as much as possible about how collective philanthropy can support long-term systemic change with local communities. Tudor is represented within LocalMotion at trustee, CEO and senior staff level.

- Since April 2020 LocalMotion has been working with local people and organisations in Carmarthen, Enfield, Lincoln, Middlesbrough, Oldham and Torbay. This initial discovery phase, intended to develop relationships, build local partnerships and alliances and develop local narratives and aspirations started just as the pandemic hit, when local core groups were under huge pressure supporting the immediate needs of their local communities. This meant that most local areas did not feel ready to move straight into a full long-term programme of systemic change. Instead it was agreed that an interim 'test and learn' phase would run from November 2021 to October 2023, to support places develop their skills, build more cross sector alliances and develop their long-term strategies for systemic change. Tudor committed £480,000 towards the total costs of this phase in July 2021.
- During this phase Kathleen Kelly, LocalMotion's Director of Collaboration, has been supporting local core groups as they develop their membership, consult their local communities and develop co-production strategies. Kathleen has also been working with the groups to design governance which will ensure that work is fully held and co-ordinated at a local level.
- The independence and freedom we hold as an endowed charitable fund allows us to speak out on issues without jeopardising our funding or losing public support. In the year under review we added Tudor's name to two open letters - from The Runnymede Trust and the Association of Charitable Foundations - rejecting the findings of the Commission on Race and Ethnic Disparities whose overarching narrative was that structural racism is not endemic in the UK. This did not reflect the experience of the groups we fund, or our own developing understanding of racism, and it felt important for us to say that.
- However this was something of a departure for us: as a responsive, generalist funder our usual approach is to use our platform to amplify the voices of the groups we support, recognising that they are the experts on the key challenges facing their communities, not us. As already noted, we updated our funding guidelines for 2021-2022 to make it clearer that we don't just fund 'direct work' - we also make grants to organisations which challenge injustice and inequality in their communities and wider society, particularly where this work is rooted in the lived experience of those they work with. Alongside this we can also make grants to organisations with a wider systems change agenda.
- For example in the year under review we made grants to Transport for All, a disability-led charity working to increase access to transport and streetspaces across England; Maslaha, a charity working to challenge and change the conditions that create inequalities for Muslim communities; and Action on Empty Homes, an organisation working to bring empty homes back into use across England and Wales. We are committed to supporting organisations which address the root causes of marginalisation, as well as those which respond to the consequences of marginalisation.

- Tudor trustees believe it is crucial that all our financial assets are used in a way which reinforces, rather than undermines, our grant-making approach. We have operated a responsible investment policy for the management of the Trust's endowment for 21 years now, with the aim of ensuring this alignment. In the year under Tudor's Investment Committee focused on Environmental, Social and Governance (ESG) issues in relation to our investments. Supported by our fund managers, trustees discussed issues around fast fashion, audit, deforestation, modern slavery, governance and earth jurisprudence when reviewing the stocks we hold. Social investment is another way of using our assets to achieve our aims and has been part of Tudor's toolkit for over seventeen years. Working to social investment principles established in 2020, Tudor is now primarily interested in 'disruptive' social investments and in investments where we can work in a relational way with our investees, helping them to protect their mission and purpose.
- The staff team, one of Tudor's key resources, was able to work effectively, and without interruption, across the whole of the year under review, thanks to the efforts of the Resources Team. Having managed the sudden transition to remote working which took place at the beginning of the pandemic, the Resources Team continued to improve and refine Tudor's organisational infrastructure in the year under review - sometimes in response to emergencies, including a fire and a flood. Focused and dedicated work from the team, often in challenging circumstances, brought Tudor to a stronger, more resilient place by the end of the year, with an improved IT infrastructure, a new phone system, building repairs and improvements completed and Covid-safe work protocols in place. The team also managed the acquisition of a new workspace for the Trust, as we took a lease on the ground floor of a nearby building: this will provide us with more space to come together in person over the Reimagining year and convene larger meetings.
- The year under review saw no major staff changes, although it was good to welcome three colleagues - Jennifer Oatley, Hannah Torkington and Annie Salter - back from maternity leave at different points in 2021-2022. However towards the end of the year we started to prepare for a moment of real transition: the retirement of Catriona Slorach, who had been a Grants Manager at Tudor for almost thirty years. Catriona provided support, advice and encouragement to hundreds of groups during her time at Tudor, equally comfortable providing clear guidance on complex issues or offering a listening and supportive ear. She has also been a rock-solid colleague: someone who 'got things done' while remaining available and supportive to both fellow staff and trustees. Catriona retired in May 2022 and we will miss her very much. Keisha Simms was recruited as a new Grants Manager towards the end of the year under review, formally starting work with the Trust in May 2022. Catriona spent time with Keisha before she took on her new role, handing over grant relationships and sharing some of her experience of working for Tudor. We are delighted to welcome Keisha and

look forward to bringing her talents, experience and new perspective into Tudor over the year ahead.

Looking ahead

We will maintain a dual focus over the year ahead, ensuring that we provide strong support to our 770 existing grant holders (including providing further funding to some whose grants end this year) while also using the time and space we have created by closing to new applications to become a better, more inclusive version of Tudor. We will begin by looking inwards as we know that we have work to do to rebuild trust and relationships within the team and come to a shared understanding of the values which lie at the heart of our work.

We believe that this work will stand us in good stead as we start to think about who we want to be as funder, what kind of work we want to support and how we can provide that support in a way which responds to the priorities of groups on the ground. We aim to spend time learning about how we can listen carefully to voices we may not have heard before, and to challenge ourselves about how we can acknowledge power dynamics and make ourselves more accessible. We will think through how we can incorporate all aspects of diversity, equity and inclusion into our work. Flowing from this we'll be looking at how we present ourselves in our funding guidelines and website and considering practical issues such as how we can begin to give feedback to unsuccessful applicants and how to provide 'funder plus' support in a way that is responsive to the needs of individual organisations.

During the year we expect to commit around £13.5 million through direct grant making - to groups whose applications were received in the last couple of months of 2021-2022, as well as to those who apply to us for continuation funding over the year ahead. Given that our annual commitment level has been at the £20 million level for the last few years we also want to consider devolving some of our funding, beginning by thinking through what we could achieve by doing this. Our aim is that this will involve more than simply ensuring that money is not 'lost' to the community and voluntary sector. By devolving funding in this way we hope to find a 'way in' to those communities we've historically not done well in supporting and gain useful learning we can draw on as we reopen to applications in April 2023.

We hope that we will be able to fold the learning from the many different aspects of our work into our new vision for Tudor: from the wide-ranging work of the Reimagining; from more than 60 years' experience of grant making; from the work of special interest groups within Tudor - the Africa Group, Children and Young People's Group and Complexity Friendly Funding Group; and from collaborations such as LocalMotion and the Open and Trusting Grant Making Initiative. While we don't know where we will end up our sense is that we are likely to continue with the responsive, flexible and relational approach to grant making that has become our hallmark. This will include a continued commitment to making multi-year grants and giving core/unrestricted funding. We look forward to sharing our new approach with the sector in April 2023.

Financial review

Charitable expenditure

As noted earlier in the report, in this second year of the Covid 19 pandemic, Tudor focused on maintaining a high level of support to existing grant holders, while also remaining open to new applications. For the year under review, Tudor's Board approved a grant commitment range of £19 million to £21 million. Over the year, Tudor entered into new grant commitments to the value of £20.2 million (2021: £21.4 million), comprising 292 (2021: 1,052 overall; 347 mainstream) individual grants.

This downward movement, in both the value and number of grants, reflects the effect of the wellbeing grants of £2,000 that were offered to 635 of our grant holders in December 2020. This programme was not repeated in the year under review. There were also significantly fewer small-scale Covid-related grants agreed during the year: these were not expected to continue at the same level as the first year of the pandemic. Note 5, on page 39 of the financial statements, provides further analysis of the grant commitments made in the year.

Throughout the year, trustees regularly reviewed the overall level of grants being committed: the level of funding recommended by the Delegated Decisions Committee and the Grants Committees, and the level of funding approved by the Trustee Committee. Grants commitments remained within the upper limit of the budget set for the year, and the level of grant making undertaken by the various Committees was within the parameters set by the Board.

When deciding how much Tudor might commit during the year, trustees bear in mind the needs of communities the Trust currently works with and those we hope to engage with in the future. In line with a policy adopted some years ago, which is periodically reviewed, Tudor's expenditure continues to exceed its income. Net charitable expenditure for the year was £17.4 million (2021: £18.3 million) and was funded through capital withdrawals from the expendable endowment. The trustees monitor the long-term real return of the portfolio and recognise that, in some years, this will result in the underlying value of the fund increasing and in other years diminishing. At this year's balance sheet date, the investments were valued at £284.8 million (2021: £291.5 million), reflecting pressures on the markets in the final quarter of the financial year. The market movement on the investments has reduced the year's net charitable expenditure position of £17.4 million to a deficit of £8.2 million (2021: £45.8 million surplus).

Income earned on Tudor's investment portfolio this year has fallen slightly to £4.3 million (2021: £4.4 million). This reflects the ongoing caution exercised by companies in paying out dividends during the pandemic and the continuation of a low interest rate environment.

Another source of income in the year was the continued partnership with the Four Acre Trust, who contributed £0.4 million towards Tudor's grant making in the youth sector.

In line with a grant-making budget at more usual levels, charitable expenditure fell slightly to £22.1 million (2021: £23.2 million). This also reflects a focus on mainstream grant commitments, without an accompanying additional wellbeing grants programme. As mentioned earlier in the report, over the year ahead, wellbeing grants of £2,000 will be offered to all groups receiving a mainstream grant from us, as an addition to that grant.

The trustees set a budget for support and administrative costs at the start of each financial year. Actual expenditure against budget is monitored on a monthly basis during the year and reported to both the Trustee Committee and the Board at regular intervals. The total cost of supporting Tudor's grant-making activities for the year was £1.8 million (2021: £1.7 million). This small uplift in expenditure reflects the cost of migrating to a cloud-based IT system, upgrading the ISDN telephone system to VoIP technology and the opening up and more regular use of the office in a Covid secure way.

Expenditure on professional support costs, representing fees paid to external consultants and professional advisers in support of grant applications and ongoing grant work, was £83,000 this year (2021: £48,000). The expenditure in this area has returned to more usual pre-pandemic levels in the year.

Perhaps inevitably a small number of the projects Tudor has supported closed during the year, resulting in the cancellation of the associated grant balances. For the third consecutive year we have seen the level of grants cancelled or withdrawn reduce. This year grant cancellations and withdrawals totalled £12,000 (2021: £94,000): one (2021: two) grant was fully withdrawn, with adjustments made to two (2021: six) others.

As an endowed foundation, Tudor does not engage in public fundraising and does not use professional fundraisers or commercial participators.

Remuneration

The trustees consider the Board of Trustees, the Director, Head of Finance and Resources, Head of Grant Making and Head of Research and Information as the key

management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. During the year five of the trustees were remunerated and their remuneration is set out in note 5 to the accounts on page 40. This remuneration is paid in accordance with Tudor's memorandum.

Trustees are required to disclose all relevant interests and register them with the Head of Finance and Resources and, in accordance with the Trust's conflicts of interest policy, withdraw from decisions where a conflict of interest arises. The Chair reviews the conflicts of interest register.

The remuneration of the paid trustees, Director, Head of Finance and Resources, Head of Grant Making and Head of Research and Information is reviewed annually and usually increased in accordance with the Consumer Price Index including owner-occupied housing costs (CPIH). The trustees and Director's salary are reviewed by the Remuneration Committee and the staff salaries are reviewed by the Trustee Committee. Staff salaries are also bench-marked with grant-making charities of a similar size and activity on a regular basis to ensure that the remuneration set is fair and not out of line with that paid for similar roles.

Investments

Tudor has adopted an investment policy for its expendable endowment which seeks to optimise performance through a diversified asset portfolio applying a medium risk strategy. This is reflected in its asset allocation as shown in note 7 on page 42. The performance of the portfolio is monitored monthly and reviewed on a quarterly basis by the Investment Committee. At these meetings trustees discuss investment strategy and asset allocation. Investment performance and market trends are discussed with the Trust's investment managers at regular meetings.

Tudor has operated a responsible investment policy for 21 years. It seeks to invest in companies that demonstrate socially responsible values, and which offer the potential for sustainable growth in the future. This positive, long-term approach to investing is a key part of the strategy for the portfolio. Negative screening, where industry sectors or companies are excluded from investment, may limit future opportunities - however some investments are not held as they are inimical to the work of the Trust.

In July 2016, following an extensive period of review, the Board updated its Investment Principles. These Investment Principles continue to promote the mission of the Trust (supporting the many different needs of people at the margins of society). Tudor has aligned its assets with the Trust's philanthropic principles in a manner that resonates with our grant-making strategy. This investment approach highlights areas that continue to be actively debated by the Investment Committee

and during the 2019 financial year the Board agreed that Tudor would divest from investments in oil and gas companies. The Investment Committee considers at each meeting areas for ongoing discussion and this year has discussed nuclear, governance, earth jurisprudence and the rights of nature. Trustees regularly review these factors and in May 2020 decided to not hold investments in companies that derive more than 5% of their turnover from nuclear energy. All of Tudor's investments align with our investment principles.

Tudor remains a long-term social investor in ameliorating society's ills and its investment strategy continues to look for long-term performance rather than short-term gain. The trustees believe that taking a responsible, long-term approach to investment will ultimately improve returns.

Sarasin manages a global equity portfolio for Tudor: the Responsible Fund. At the year-end Tudor's equity portfolio was valued at £193.4 million (2021: £192.6 million). Liontrust manages Tudor's SRI Corporate Bond Fund, which was valued at £55.2 million (2021: £60.2 million) at the year end.

A combination of prior year withdrawals from the investment portfolio and current year repayments from the Paloma Real Estate Funds I and II have sustained Tudor's activities in the year. In addition, to rebalance the portfolio, £12.5 million was taken out of equities during the year. This was to guard against markets overheating and to ensure that Tudor was not a forced seller in turbulent markets.

The market value of Tudor's investments at 31st March 2022 was £287.3 million (2021: £293.8 million), including social investments. The portfolio at this date comprised 67% UK and global equities, 19% fixed interest holdings, 4% in Real Estate Funds, 9% in cash and 1% as social/unlisted investments (2021: 65%, 20%, 3%, 11% and 1% respectively). Cash flow requirement is reviewed at each Investment Committee meeting.

During the year in review, the financial markets have had some periods of growth but have, in the main, been somewhat volatile largely due to the impact of the ongoing coronavirus pandemic. As Tudor holds an overseas equity portfolio the Investment Committee has agreed to allow Sarasin to hold forward foreign exchange positions to mitigate the effect of sterling movements. Valuations have seen large swings in the year, sometimes on a monthly basis. We end the year with a reduction in the social investments provision and investment gains totalling to £10.3 million (2021: £65.2 million).

Tudor's portfolios are all managed against a range of indicators and benchmarks deemed to be appropriate by the trustees. The trustees are committed to seeking good long-term performance from the funds and therefore monitor the

performance of the equity portfolio against the MSCI All Countries World Daily. During the year the Responsible Fund underperformed its benchmark by 4.4% for the year (2021: outperformance of 1.6%). The Corporate Bond Fund is managed against a bespoke benchmark and during the year has outperformed its benchmark by 1.12% (2021: outperformance of 4.38%). The Investment Committee continues to review and discuss performance on a quarterly basis.

Social investments

Tudor has been interested in using part of its endowment for social investment for a number of years. The trustees have continued to discuss how social investment might enhance Tudor's work and how this is best reported. We look for good opportunities for social investment which are closely aligned with Tudor's aims but are mindful of the time and resources well-judged social investment requires and the need to balance this with Tudor's core work as a grant maker operating in a difficult funding environment. At the year end the value of social investments held was £2.5 million (2021: £2.3 million), representing 0.87% (2021: 0.79%) of the endowment.

There have been no changes to the social investment portfolio during the year. The trustees review the value of social investments annually and this year agreed to make a number of further provisions to the investments.

Reserves

Under the terms of the Trust Deed, the Unrestricted Fund is expendable at the trustees' discretion. All unexpended funds are therefore held in the Unrestricted Fund. The trustees intend to continue monitoring the value of the Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of unrestricted reserves held was £264.4 million (2021: £272.5 million).

Risk management

The trustees are responsible for establishing and monitoring internal control systems within the Trust. They review the major risks which may impact on the operations of the Trust on an ongoing basis and are satisfied that the system of internal controls currently in place is adequate, whilst recognising that it is designed to manage rather than eliminate risk. Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

The trustees continue to consider the principal risk to the Trust is that of not fulfilling its core purpose: good grant making. Failure to maximise the opportunities afforded an independently-endowed grant maker would be damaging

to the communities we work with and those we might work with in the future. In order to mitigate this we regularly review our grant-making practices and monitor and evaluate grants made.

Tudor's resources are also subject to the unpredictability of the financial markets. To mitigate this risk the trustees review the asset allocation and fund performance at each Board meeting. The Trust also retains expert investment managers. Lack of resources would affect our ability to make available as much funding support as we might like and to deliver the objectives set out in our funding guidelines.

Auditor

Sayer Vincent LLP has indicated its willingness to continue in office.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and

- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by the trustees of Tudor Trust on 23rd August 2022 and signed on their behalf by:

Matt Dunwell
Chair

Francis Runacres
Trustee Director

Statement of Financial Activities
(incorporating an income and expenditure account)
Year ended 31 March 2022

	Notes	Unrestricted 2022 £000	Restricted 2022 £000	Total 2022 £000	Total 2021 £000
Income					
Donations	13	3	399	402	506
Investment income	2	4,323	-	4,323	4,355
Total income		4,326	399	4,725	4,861
Expenditure					
Costs of raising funds					
Investment Management Costs	3	1,118	-	1,118	1,093
Expenditure on charitable activities					
Grantmaking					
Grants approved	4/5a	19,691	516	20,207	21,449
Grants withdrawn	5a	(12)	-	(12)	(94)
Management of grants	5b	1,799	-	1,799	1,732
Professional support costs	5b	83	-	83	48
Governance costs	5b	28	-	28	17
Cost of grantmaking		21,589	516	22,105	23,152
Total expenditure		22,708	516	23,224	24,245
Net (expenditure)/income before gains and losses on investments		(18,382)	(117)	(18,499)	(19,384)
Net gains on investments	7	10,382	-	10,382	65,111
(Increase)/decrease in provisions on social investments	8	(69)	-	(69)	67
(Deficit)/surplus for the year and net movement in funds		(8,069)	(117)	(8,186)	45,794
Funds balance at beginning of year	13	272,491	408	272,899	227,105
Funds balance at the end of the year	13	264,422	291	264,713	272,899

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
A copy of the 2021 Statement of Financial Activities is included at note 21

Balance Sheet

As at 31 March 2022

Company number: 5196041

	Notes	2022 £000	2021 £000
Fixed Assets			
Investments	7	284,836	291,451
Social investments	8	2,503	2,327
Tangible assets	9	898	930
		288,236	294,709
Current Assets			
Debtors	10	258	270
Cash at bank and in hand		1,293	1,781
		1,551	2,051
Current liabilities			
Creditors: amounts falling due within one year	11	(16,976)	(15,550)
Net current liabilities		(15,425)	(13,498)
Total assets less current liabilities		272,811	281,210
Creditors: amounts falling due after more than one year	12	(8,098)	(8,311)
Net assets		264,713	272,899
Funds			
Unrestricted fund	13	264,422	272,491
Restricted fund	13	291	408
		264,713	272,899

The financial statements were approved and authorised for issue by the Trustees of the Tudor Trust on 23 August 2022 and signed on their behalf by:

Matt Dunwell
Trustee/Director

Francis Runacres
Trustee/Director

Statement of Cash Flows
Year ended 31 March 2022

	2022 £000	2021 £000
Net cash used in operating activities (note 14)	(21,457)	(21,357)
Cash flows from investing activities:		
Interest and dividends	4,323	4,355
Proceeds from sale of investments	66,634	90,055
Purchase of investments	(54,016)	(74,786)
Forward foreign exchange transactions	(702)	2,425
Repayments from social investments	141	204
Purchase of social investments	(465)	(446)
Purchase of fixed assets	(27)	(13)
Net cash provided by investing activities	15,888	21,794
Change in cash and cash equivalents in the year	(5,569)	437
Cash and cash equivalents at the beginning of the year	32,989	32,552
Cash and cash equivalents at the end of the year (note 15)	27,420	32,989

Notes to the annual accounts 2021/22

1. Accounting policies

a) Basis of accounts preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Tudor is a public benefit entity as defined by FRS 102. Tudor is also a Charitable company limited by guarantee and is incorporated in the United Kingdom. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The registered office address is 7 Ladbroke Grove, London, W11 3BD.

In view of the level of investments held at the balance sheet date the trustees are of the opinion that the Trust is a going concern. The trustees consider this at each board meeting and are of the view that the Tudor Trust will remain able to meet its commitments as they arise for a period of at least 12 months from the date of this report. The Trust has no material uncertainties.

The results of the subsidiary The Family Centre Trust have not been consolidated with the Trust's accounts in the year to 31 March 2022 or prior year. This is due to the immaterial nature of the transactions through this charity during the year. Further details of the Family Centre Trust are given in note 18.

b) Investments

All investments are stated at market value. It is the Trust's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities (SOFA) only includes those unrealised losses or gains arising from the investment portfolio throughout the year. Any change in fair value will be recognised in the statement of financial activities.

During the year Tudor has taken sterling hedge positions against the effect of fluctuations in the Euro and US dollar as Tudor's equity portfolio is mainly held in these currencies. Provisions are recognised on a monthly basis. The hedge position is realised on a quarterly basis and the resulting cash movement is recognised through the SOFA. The accounting policy for financial instruments is included as note 1 I).

Social investments are carried at fair value where practicable otherwise at cost less impairment. Such investments are subject to regular review, and any diminution is charged to the SOFA. Investments valuations are not enhanced to more than original cost. Tudor considers all social investments to be mixed motive investments, rather than programme related investments.

c) Investment income

Investment income is stated on an accruals basis and includes the related tax credit. As a charity the Trust has an exemption to income tax and capital gains tax granted by HM Revenue and Customs.

d) Voluntary income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

e) Tangible fixed assets

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

The value of freehold land cannot be separately identified as such the entire cost of the freehold property is depreciated. The impact of this is not material. Depreciation is calculated to write-off the cost less residual value of tangible assets on a straight-line basis over their estimated useful economic lives as follows:

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

f) Resources expended

i. **Cost of generating funds**

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

ii. **Charitable donations**

Grants awarded are charged in full against income when a grant has been approved by the Trustee Committee and communicated to the recipient;

hence the Trust is considered to have a legal or constructive obligation, irrespective of the time period it may cover. Grants awarded but unpaid at the balance sheet date are recognised as grant commitments under creditors. Grants withdrawn or cancelled in the year are credited against new grant commitments made in the same year.

iii. Support costs

All expenditure incurred in the course of grant making is shown as support costs. Resources utilised for this purpose are defined as staff time, office expenses, accommodation and IT costs. As noted below no costs are allocated to governance costs.

iv. Governance costs

Governance costs relate to direct expenditure incurred in compliance with the constitutional and statutory requirements of the Trust. Due to the way in which the Trust works it is difficult to attribute a meaningful breakdown of staff costs and other support costs relating to governance work.

g) Exchange gains and losses

All realised and unrealised exchange gains and losses on investments are accounted for in the SOFA.

h) Leased assets

The cost of operating leases is charged to the Statement of Financial Activities on a straight line basis.

i) Pension schemes

The Trust makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The Trust has no liability under the schemes other than the payment of those contributions.

j) Funds

All unexpended funds are held in the General Fund (expendable endowment) which can, under the terms of the Trust Deed, be used at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

k) VAT Status and Irrecoverable VAT

Tudor cannot be registered for VAT. All VAT suffered by the Trust is irrecoverable and all expenditure is stated gross of VAT.

l) Financial instruments

With the exception of the listed investments described above and derivative financial instruments as described below, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Trust uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives at the reporting date are taken to the relevant income/expenditure heading(s) in the SoFA as appropriate.

The Trust does not currently apply hedge accounting for foreign exchange derivatives.

m) Cash at bank and in hand

Cash at bank and cash in hand includes the regular bank account. Short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account are reported within fixed asset investments as cash, but are included within the statement of cash flows as cash and cash equivalents.

Notes to the Accounts

2. Investment income

	2022 Total £000	2021 Total £000
Dividends and Interest		
Equity investments	2,279	1,842
Fixed interest	1,807	2,109
Real Estate Fund distributions	175	328
Social investments	49	31
Bank interest	13	45
	4,323	4,355

3. Investment management costs

	2022 £000	2021 £000
Investment management fees	1,113	1,089
Accountancy fees re tax reclaims	5	4
	1,118	1,093

4. Analysis of grants by classification

	% by number of grants	Number	2022 Total £000	% by number of grants	Number	2021 Total £000
Grants by classification						
Youth	9	25	1,652	13	139	3,414
Older People	3	8	529	2	18	331
Community	49	144	10,480	52	545	10,769
Relationships	11	31	1,932	11	117	2,464
Housing	5	15	914	6	64	902
Mental Health	8	23	1,311	7	72	1,316
Substance Misuse	4	11	895	2	18	469
Learning	1	4	326	1	12	287
Financial Security	1	3	260	1	16	420
Criminal Justice	5	15	1,088	4	39	564
Overseas	4	13	820	1	12	513
	100	292	20,207	100	1,052	21,449

A full list of grants is available from the Trust's website <http://tudortrust.org.uk/downloads> or by application for a printed copy.

5. Expenditure

a) Grants approved

	2022 Number	2022 £000	2021 Number	2021 £000
Mainstream grants approved during the year	288	20,199	347	20,056
Immediate support grants made during the year	2	4	91	165
Wellbeing grants made during the year	2	4	614	1,228
Grants cancelled or adjusted during the year	(3)	(12)	(8)	(94)
	289	20,195	1,044	21,355

The number of fully cancelled grants in the year was one (2021: two), adjustments were made to two other grants (2021: six).

b) Resources expended

		2022 Total £000	2021 Total £000
Management of grants			
	Staff costs	1,347	1,342
	Office expenses	130	120
	Depreciation	60	63
	Accommodation costs	55	30
	IT costs	113	89
	Trustee remuneration	93	88
	Trustees' expenses	1	-
		1,799	1,732

Professional support costs	83	48
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Professional support costs include amounts paid to consultants and professional advisors who are providing beneficiaries with expert support. They also include costs associated with work around new grantmaking approaches and the implementation of Tudor's values.

Governance costs

	Legal & professional fees	10	-
	Auditor's remuneration	18	17
		28	17

5. Expenditure (continued)

The Trustees are reimbursed for out-of-pocket travel and subsistence expenses. During the year, three trustees (2021: one) received reimbursement of £1,235.06 (2021: £49.45) for travel expenses, subsistence and overnight accommodation.

There is provision in the Memorandum of Association that no more than half of the trustee board can be offered reasonable remuneration. Members of the Trustee Committee can work up to 60 days a year for the Trust with other trustees working up to 25 days.

	2022 Total £000 £	2021 Total £000 £
James Long	26	25
Monica Barlow	26	25
Shilpa Shah	24	22
Holly Baine	10	8

In addition on 4th July 2014, following a change to Tudor's memorandum, the Charity Commission gave its consent to remunerate Christopher Graves (a trustee) in his role as Executive Director of the Trust. This is a role that he held on an unpaid basis for a number of years. His remuneration in the year was £102,958 (2021: £108,272) and Tudor made contributions of £20,587 towards his pension (2021: £18,027). In the year, his hours were brought more in line with pre-pandemic levels.

The Executive Director's remuneration costs are included in the employment costs note. The other trustees' remuneration costs are shown separately as part of the management of grants costs.

None of the other trustees received remuneration.

c) Net expenditure for the year

	2022 Total £000	2021 Total £000
This is stated after charging:		
Operating leases	16	9
Auditor's remuneration (net of VAT) - statutory audit	15	14
Depreciation	60	64

6. Employment costs

	2022 £000	2021 £000
Wages and salaries	1,070	1,075
Social Security costs	121	120
Pension costs	192	171
	1,383	1,366

The average head count for the year was 21 (2021: 21). The average full-time equivalent number of employees during the year was 18 (2021: 18).

The following number of employees received employee benefits (excluding employer pension costs and employer national insurance) during the year between:

	2022 £000	2021 £000
£60,000 - £69,999	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£90,000 - £99,999	1	-
£100,000 - £110,000	1	1

Tudor considers that its key management personnel are the trustees, the Director, the Head of Finance and Resources, the Head of Grantmaking and the Head of Research and Information. The total employment benefits of the key management personnel (including employer national insurance and employer pension contributions) were £535,795 (2021: £492,202).

7. Investments

	2022 £000	2021 £000
Fair value of investments at 1 April	291,451	239,200
Purchases at cost made during the year	54,016	74,786
Sales proceeds on disposal	(66,634)	(90,055)
Forward foreign exchange transactions in year	721	(3,290)
(Decrease)/Increase in investment cash held	(5,101)	5,699
Net gain on change in fair value	10,382	65,111
Fair value of investments at 31 March	284,836	291,451

With the exception of the Unlisted UK fixed interest investments and Unlisted Jersey-based Real Estate Fund all investments are listed investments.

7. Investments (continued)**Fair value comprised:**

	2022 £000	2021 £000
UK equity investments	21,691	16,145
UK fixed interest investments	55,177	60,172
Overseas equity investments	171,688	176,464
Foreign exchange hedge	42	23
Cash on deposit awaiting investment held in the UK	26,085	31,186
Unlisted Jersey-based Real Estate Fund	10,153	7,462
	284,836	291,451

Derivative financial instruments - foreign exchange contracts

The Trust enters into foreign currency contracts to mitigate the exchange risk for certain foreign currency transactions within its equity investment portfolio. At 31 March 2022 there were two (2021: two) open currency commitments. The unrealised forward foreign exchange transaction was £42,136 (2021: £22,687). This is included within the forward foreign exchange transactions in the year.

The forward currency contracts are measured at fair value using quoted forward exchange rates.

8. Social investments

	2022 £000	2021 £000
Value of investments at 1 April	2,327	2,078
Additions during the year	465	446
Sales proceeds on disposal	(141)	(204)
Conversion of social investment to grant	(50)	-
Net expenditure including management fees	(29)	(60)
Provisions against investments	(69)	67
Value of social investments at 31 March	2,503	2,327

Social investments comprise of:

	2022 £000	2021 £000
Charity Bank Limited	455	455
Charities Aid Foundation Community Land Trust Fund I	25	14
Charities Aid Foundation Community Land Trust Fund II	197	300
Charities Aid Foundation Venturesome	254	248
Charities Aid Foundation Venturesome Community Led Housing Fund	123	139
Comrie Development Trust	50	100
Ethical Property Company	170	230
Fair for You	250	250
Gloucestershire Gateway Trust	50	50
Social and Sustainable Housing	929	540
Value of social investments at 31 March	2,503	2,327

The value of the social investments at the end of year is shown at cost less amounts either provided for or written off. The trustees review the value of the investments annually and where necessary make provisions.

9. Tangible fixed assets

	Freehold land & building £000	Furniture, fittings & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 April 2021	2,145	155	64	2,364
Additions in the year	-	14	13	27
Assets written off in year	-	-	-	-
At 31 March 2022	2,145	169	77	2,391
Depreciation				
At 1 April 2021	1,256	127	51	1,434
Charge for the year	43	6	11	60
Assets written off in year	-	-	-	-
At 31 March 2022	1,299	133	62	1,494
Net book value at 31 March 2022	846	36	15	898
Net book value at 31 March 2021	889	28	13	930

All fixed assets are used for charitable purposes.

10. Debtors

	2022 £000	2021 £000
Accrued investment income	211	103
Other debtors and prepayments	47	167
	258	270

11. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Grants payable (note 16)	16,467	15,204
Trade creditors	27	15
Taxation and Social Security	35	31
Other creditors	167	14
Accruals	280	286
	16,976	15,550

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

	2022 £000	2021 £000
Grants payable in 2 - 5 years (note 16)	8,098	8,311

13. Movement in funds for the current year

	Funds balances at start of the year £000	Income £000	Expenditure £000	Net investment gains/ (losses) £000	Funds balance at end of year £000
Restricted fund					
Salvaire	302	-	(117)	-	185
Four Acre Trust	-	399	(399)	-	-
Grant funds	106	-	-	-	106
Total restricted funds	408	399	(516)	-	291
Total unrestricted fund	272,491	4,326	(22,777)	10,382	264,422
Total funds	272,899	4,725	(23,293)	10,382	264,713

Represented by:	Fixed assets £000	Net current liabilities £000	Creditors >1 year £000	Net assets £000
Unrestricted fund	288,236	(15,716)	(8,098)	264,422
Restricted funds	-	291	-	291
	288,236	(15,425)	(8,098)	264,713

Restricted funds

During the 2019 year Tudor was asked to distribute the closing funds of Salvaire (charity number: 1150709). In keeping with its objects Tudor has committed to distribute the £302,000 received during 2019 and 2020 from Salvaire as new grant commitments to charities working in the criminal justice sphere, with priority given to projects in the greater Sheffield area. In the year, two new grant commitments were made.

13. Movement in funds note (continued)

Restricted funds (continued)

During the 2022 year Four Acre Trust agreed to contribute to Tudor's grant making to youth projects. In the current year Four Acre funds covered grants totalling £399,000 (in 2021 the funds covered grants totalling £400,000), which were made through our normal grant making process.

During the 2021 year funds to the equivalent of £106,204 were received as a contribution towards a Tudor-funded project in Kampala, Uganda. The implementing partner is expected to draw down these funds across two financial years.

Unrestricted funds

Under the Articles of Association, Capital and Accumulated income are expendable at the trustees' discretion. The Trust has adopted a total return basis of investing. All unexpended funds are therefore held as unrestricted funds.

It is the trustees' current intention to monitor the value of the unrestricted funds in real terms to ensure that they can maintain the Trust's existing level of charitable donations and meet its outstanding grant commitments over future years.

13b. Movement in funds for the year ended 31 March 2021

	Funds balances at start of the year	Income	Expenditure	Net investment gains	Funds balance at end of year
	£000	£000	£000	£000	£000
Restricted fund					
Salvaire	302	-	-	-	302
Four Acre Trust	-	400	(400)	-	-
Grant funds	-	106	-	-	106
Total restricted funds	302	506	(400)	-	408
Total unrestricted funds	226,803	4,355	(23,778)	65,111	272,491
Total funds	227,105	4,861	(24,178)	65,111	272,899

	Fixed assets £000	Net current liabilities £000	Creditors >1 year £000	Net assets £000
Unrestricted fund	294,709	(13,906)	(8,311)	272,491
Restricted funds	-	408	-	408
Represented by:	294,709	(13,498)	(8,311)	272,899

14. Reconciliation of net (expenditure) to net cash flow from operating activities

	2022 £000	2021 £000
Net (expenditure) for the reporting period (as per the statement of financial activities)	(18,499)	(19,384)
Depreciation charges	60	63
Investment income	(4,323)	(4,355)
Other movements on social investments	79	60
Movement in working capital:		
decrease in debtors	12	16
increase in creditors	164	89
increase in grant commitments	1,050	2,154
Cash outflow from operating activities	(21,457)	(21,357)

15. Analysis of cash and cash equivalents

	At 1 April 2021 £000	Cash Flows £000	At 31 March 2022 £000
Cash at bank and in hand	1,781	(488)	1,293
Investment cash	31,208	(5,081)	26,127
	32,989	(5,569)	27,420

16. Grant commitment reconciliation

	2022 £000	2021 £000
Commitment at the start of the year		
Payable in less than one year (note 11)	15,204	14,272
Payable in more than one year (note 12)	8,311	7,089
	23,515	21,361
Grants committed during the year (note 5a)	20,207	20,056
Grants written back or adjusted (note 5a)	(12)	(94)
Grants paid during the year	(19,145)	(17,808)
Commitment at the end of the year		
Payable in less than one year (note 11)	16,467	15,204
Payable in more than one year (note 12)	8,098	8,311
	24,565	23,515

17. Operating lease commitments

The Trust's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2022 £000	2021 £000
Payable within one year	81	9
Payable within two to five years	166	11
	<u>247</u>	<u>20</u>

During the 2022 year, Tudor entered into a new lease agreement for office premises with an annual charge of £86,400. The minimum term of the lease is three years. In the previous year, Tudor entered into a new lease agreement for office equipment with an annual charge of £8,985. The minimum term of this lease is also three years.

18. Related organisations

In 2009 the Board agreed to finance the construction of a new family visitors' centre at HMP Wormwood Scrubs through The Family Centre Trust, a new charitable company.

Tudor's director Christopher Graves and trustee Nell Buckler are two of the three directors of this company. During the 2010 year Tudor committed a grant of £1.35m to FCT for the costs of developing the family and visitors' centre. Practical completion was achieved on 18 May 2011 and the centre was donated to the Ministry of Justice on 29 June 2011.

The Tudor Trust is the sole member of the Family Centre Trust. All trustees of FCT are appointed by the Tudor Trust. When considering future appointments at least three trustees must be individuals who are neither directors of the Tudor Trust nor employed by the Tudor Trust.

The centre continued to operate throughout the year and transactions through FCT are now minimal. In March 2020, following a review, the trustees took the decision to wind the charity up and have instructed solicitors. FCT's balance sheet as at 31 March 2022 and 2021 is as follows; these entries have not been consolidated into the Tudor accounts in this accounting period.

	2022 £000	2021 £000
Cash at bank and in hand	17	17
Creditors: amounts due within one year	(4)	(4)
	<u>13</u>	<u>13</u>

19. Capital and other commitments

In December 2015, Tudor entered into a legal agreement with Paloma to invest £7,500,000 in their Real Estate Fund I. At this year's balance sheet date £375,247 of the commitment remained to be drawn.

In June 2018, Tudor entered into a legal agreement with Paloma to invest £7,500,000 in their Real Estate Fund II. At this year's balance sheet date £2,494,398 of the commitment remained to be drawn.

In May 2019, Tudor entered into a legal agreement with Social and Sustainable Capital to invest £1,500,000 into their Building Fund. In October 2020, a further £500,000 was committed to the Fund. At this year's balance sheet date £1,005,207 of the commitment remained to be drawn.

In January 2020, Tudor entered into a legal agreement with Charities Aid Foundation to invest £400,000 in their Venturesome Community Led Housing Fund. At this year's balance sheet date £250,000 of the commitment remained to be drawn.

20. Related party transactions

Christopher Graves is both the salaried director of Tudor and a trustee. Full details of his remuneration are set out in note 5. Tudor has four other paid trustees; all of whom are non executive, details of their remuneration is also set out in note 5.

In 2020, as part of Tudor's Wellbeing programme, a grant of £2,000 was made to Migrants' Rights Network. The co-Chief Executive of the organisation, Jilna Shah, is the sister of Shilpa Shah, one of Tudor's trustees. Shilpa Shah was not involved in the decision to make the grant. No further grants were made in the current year.

There were no other related party transactions.

Note 21. Statement of Financial Activities for the previous year**(incorporating an income and expenditure account)****Year ended 31 March 2021**

	Notes	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000
Income				
Donations	13	-	506	506
Investment income	2	4,355	-	4,355
Total income		4,355	506	4,861
Expenditure				
Costs of raising funds				
Investment Management Costs	3	1,093	-	1,093
Expenditure on charitable activities				
Grantmaking				
Grants approved	4/5a	21,049	400	21,449
Grants withdrawn	5a	(94)	-	(94)
Management of grants	5b	1,732	-	1,732
Professional support costs	5b	48	-	48
Governance costs	5b	17	-	17
Cost of grantmaking		22,752	400	23,152
Total expenditure		23,845	400	24,245
Net (expenditure)/income before gains and losses on investments		(19,490)	106	(19,384)
Net gains on investments	7	65,111	-	65,111
Decrease/(increase) in provisions on social investments	8	67	-	67
Surplus/(deficit) for the year and net movement in funds		45,688	106	45,794
Funds balance at beginning of year	13	226,803	302	227,105
Funds balance at the end of the year	13	272,491	408	272,899

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

Independent auditor's report to the members of The Tudor Trust

Opinion

We have audited the financial statements of The Tudor Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, 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 FRS 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 FRC's Ethical Standard 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 Trust's ability to continue as a going concern for a

period of at least twelve 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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The

extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Audit Group, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding

irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

14 December 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Reference and administrative information

The Tudor Trust is a charitable company limited by guarantee, incorporated in the United Kingdom. The principal and registered office address is 7 Ladbroke Grove, London W11 3BD.

Telephone: 020 7727 8522 Website: www.tudortrust.org.uk

Company Limited by Guarantee Number 5196041
Registered in England and Wales: Charity Number 1105580

Trustees of the Tudor Trust

Catherine Antcliff	Matt Dunwell * # (Chair from 23 rd August 2022)
Holly Baine * #	Roz Dunwell
Monica Barlow * #	Christopher Graves * #
Jonathan Bell #	James Long * #
Nell Buckler *	Francis Runacres
Louise Collins	Shilpa Shah * (resigned 17 th March 2022)
Elizabeth Crawshaw #	Carey Weeks (resigned 27 th October 2021)
Ben Dunwell * (Chair until 23 rd August 2022)	

* member of the Trustee Committee; # member of the Investment Committee

Holly Baine, Ben Dunwell, James Long, Nell Buckler, Christopher Graves and Shilpa Shah all retired from office and were reappointed on 27th October 2021.

Staff of the Tudor Trust

Ihsaan Budaly	Grants Support Officer (left August 2022)
Anna Cooper	Database and Systems Manager
Ruth Crawley	Resources Manager
Jascha Elliot	Grants Manager
Suneer Fida	Grants Manager
Eryl Foulkes	Grants Manager
Christopher Graves	Director * #
Lotte Hiller	PA to the Director
Anne Lane	Head of Grant Making
Nicky Lappin	Head of Research and Information
Meena Mistry	Finance Officer
Aabida Mohamed	Head of Finance and Resources * #
Jennifer Oatley	Grants Manager (on maternity leave until July 2021)
Annie Salter	Learning and Communications Manager (on maternity leave until December 2021)
Keisha Simms	Grants Manager (appointed May 2022)
Catriona Slorach	Grants Manager (retired May 2022)
Frankie Stevens	Grants Manager
Cathy Togher	Grants Manager
Hannah Torkington	Programme Manager (Africa) (on maternity leave until September 2021)
Aris Tsontzos	Database Transition Manager
Ayoade Wallace	Grants Support Officer
Eman Yosry	Resources Officer

Associates of the Tudor Trust

Joanna de Havilland	Associate - Older People's work
Richard Jenkins	Associate
John Wilson	Associate - Africa

Bankers

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Auditor

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Investment managers, advisers and custodian

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Dundee DD1 1QN

Sarasin & Partners LLP (including provision of equity custodian services)
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Solicitors

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10 Queen Street Place
London EC4R 1BE

Russell-Cooke LLP
2 Putney Hill
London SW15 6AB