

THE LANKELLYCHASE FOUNDATION

England & Wales · Charity number 1107583

Details

Status	Registered
Legal form	Charitable company
Company number	05309739
Registered	2005-01-12
Register	View on the Charity Commission register

Contact

Address	Greenworks Dog & Duck Yard Princeton Street London WC1R 4BH
Phone	02037479930
Email	enquiries@lankellychase.org.uk
Website	www.lankellychase.org.uk

Activities

Objects: TO PROMOTE ANY CHARITABLE PURPOSES UNDER THE LAW OF ENGLAND AND WALES.

Activities: The LankellyChase Foundation operated a number of focused grant programmes during the year.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,309,519	£9,132,465	£106,878,101	14
2024-03-31	£1,544,416	£15,668,792	£115,964,095	18
2023-03-31	£815,467	£15,724,975	£121,745,818	19
2022-03-31	£2,415,243	£14,081,995	£143,858,587	15
2021-03-31	£2,700,216	£11,323,334	£158,096,262	15

Trustees

Name	Role	Appointed
Amanda Jane Hailes		2020-10-28
Amel Hamilton		2025-10-22
Baljeet Kaur Sandhu		2020-10-28
Darren Murinas		2015-06-24
Myron Edwards Rogers		2017-06-28
Roberto Felipe Andres Viveros Gonzalez		2024-10-23

THE LANKELLYCHASE FOUNDATION

England & Wales - Charity number 1107583

Accounts



The LankellyChase Foundation

Annual report and financial statements for the year
ended 31 March 2025

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Statutory information

The LankellyChase Foundation ('the Foundation') is a charitable company limited by guarantee and is incorporated in the United Kingdom (no. 5309739). The registered office address is Greenworks, Dog & Duck Yard, Princeton Street, London WC1R 4BH.

Legal and administrative information

The Foundation is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the Trustees of the charity for the purposes of charity law and throughout this report are referred to as 'the Trustees'.

The following details are for the year ended 31 March 2025 and also include changes up to the date on which the accounts were signed.

Trustees	Asif Afridi (R)	Chair
	Myron Rogers (I,R)	
	Amanda Hailes	
	Amel Hamilton	Appointed 22 nd October 2025
	Marai Larasi (I)	Retired 23 rd October 2024
	Darren Murinas (R)	
	Baljeet Sandhu (I)	
	Felipe Viveros (I)	Appointed 23 rd October 2024

(I) indicates members of the Investment Committee

(R) indicates member of the Resources and Risk Committee

Any individual Trustee has the right to attend any committee meeting.

Staff team	Edel Brady-Jackson	Administrator, Place Action Inquiry (leaving 5 th September 2025)
	Dominic Burke*	Investment Director (leaving 19 th May 2025)
	Lisa Clarke	Place Stewardship Lead (leaving 19 th May 2025)
	Julian Corner*	Chief Executive
	Karen Crompton*	Director
	Renee Davis	Communications Manager (leaving 9 th July 2025)
	Oliver French	Action Inquiry Manager, Head of Grants (left 30 th September 2024)
	Carrina Gaffney	GM Stewardship Lead (leaving 19 th May 2025)
	Rachael Gibbons	Action Inquiry Manager (left 30 th September 2024)
	Ania Jeleniewska-Kaczmarczyk	Head of Finance

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Anita Kamya	Finance Assistant
Joan Kirungi	Office and Admin Assistant
Habiba Nabatu*	Director
Cathy Stancer*	Director (leaving 9 th July 2025)
Emma Perry	Executive Assistant/Governance
	Coordinator (left 31 st January 2025)

Key management personnel Although in a small staff team every member is considered to be key, for the purposes of the Statement of Recommended Practice (SORP 2015), those team members marked * have been designated as key management personnel.

Principal and registered office Greenworks, Dog and Duck Yard
Princeton Street
London WC1R 4BH

Telephone 020 3747 9930

Website www.lankellychase.org.uk

Company registration number 5309739

Country of registration England and Wales

Country of incorporation United Kingdom

Charity registration number 1107583

Auditor Sayer Vincent LLP
110 Golden Lane

London EC1Y 0TG

Bankers The Royal Bank of Scotland Group
1st Floor, Houblon House
62-63 Threadneedle Street
London EC2R 8HP

Lloyds TSB Bank plc
Market Place, Didcot
Oxfordshire OX11 7LQ

Legal advisors Bates Wells
10 Queen Street Place
London EC4R 1BE

Investment managers Cazenove Capital Management
12 Moorgate, London EC2R 6DA

The LankellyChase Foundation

Baillie Gifford & Co
Calton Square 1 Greenside Row, Edinburgh EH1 3AN
Fully redeemed from this fund in March 2025

Impax Asset Management
7th Floor 30 Panton Street, London SW1Y 4AJ
Fully redeemed from this fund in March 2025

Liontrust Asset Management plc
2 Savoy Court, London WC2R
Fully redeemed from this fund in February 2025

Montanaro Asset Management Ltd
53 Threadneedle Street, London EC2R 8AR
Fully redeemed from this fund in January 2025

Stewart Investors
23 St Andrew Square, Edinburgh EH2 1BB
Fully redeemed from this fund in March 2025

Report of the Trustees

Introduction

This annual report covers the second year since Lankelly Chase announced that we would redistribute our assets within 5 years and “make space to reimagine how wealth, capital and social justice can co-exist in the service of all life, now and for future generations”. The case for this decision is more compelling and urgent than ever and we are actively taking steps to put our intentions into action.

We’re living in very different times to when institutional philanthropy began. Genocide, war and famine are spiking. Politics and societies are becoming increasingly divided, driven by deep-seated inequality, the rise of far-right movements, and widespread misinformation. The wealth that made institutional philanthropy possible was built on systems of power and growth that are now causing unprecedented damage to people and the planet. Philanthropy was established to mitigate the harms caused by the system of wealth extraction, not to address the profound crises that it has now created.

When the world changes this much, we have a responsibility – legally, strategically, and morally – to change the way we act. Change is uncomfortable, but it is better than denial. This is no time to put institution before mission.

Communities need game-changing resources to rebuild, grow local wealth, and unlock the talent and innovation necessary to create sustainable futures. They can’t do this if they’re chasing small, one-off funds for every emergency.

The problem isn’t just avoidable scarcity, it’s how charitable money is managed. The people deciding where funds go are often far removed from those doing the real work on the ground. Most of the £90bn held by the 300 largest UK foundations is invested in markets that make climate change worse. The current grant system can drain considerable time and energy, and almost invariably foundations fund other institutions, which can prevent communities from having control over their own resources. The old way of doing philanthropy just doesn’t work for the world we live in today.

This is why Lankelly Chase recognised that truly transformative approaches could not emerge while our old model remained in place. We had already found that it wasn’t possible to shift power to others while our own decision-making as a grant-making foundation was centred. We have therefore worked carefully to close our previous strategy, programmes, and operations.

Since our 2023 announcement to redistribute our assets, we have focused on supporting the organisations and people involved in our previous strategy. Nearly £20m in additional grants has been awarded to close funding programmes responsibly, and we have phased out staff roles linked to these programmes while helping team members to transition to future opportunities.

We have launched an open-access resource that celebrates our extraordinary grantees, partners, and team, while also offering an honest reflection on the innovations, tensions, and

mistakes that have shaped our journey and transition. We hope it will make a meaningful contribution to the broader debate on how philanthropy can better align its means with its ends.

Having completed the closure of our old organisational model, we are now entirely focused on creating space to explore alternative approaches to resourcing communities. Resources need to flow on terms set by communities, not institutions. This is no easy task. We have all come to rely on institutions to make decisions for us, to weigh up what is in our interests, to hold and impose accountability for the money. As we set out last year, this reliance costs us all. However, it's not obvious how to move from the old system to one fit for today's challenges.

This is why we have begun a phase of research and development. We are collaborating with people close to the communities we aim to serve to explore how funding can support community-based work in ways that encourage genuine collaboration and collective action. This phase is about laying the groundwork, creating approaches that shift decision-making and accountability to communities, while ensuring people can do this work as safely as possible.

This work is about exploring multiple possible pathways, with much of the learning focused on relationships, mindsets, behaviours, and ways of working. It won't be neat or comprehensive, and it will only cover some of the steps needed. We are part of a growing number of people and organisations in institutional philanthropy seeking more effective approaches to resourcing communities. By opening the space for deep collaboration with communities, our contribution will be to find ways that resources reach communities in ways designed by and for them.

At the moment, we are focused on this work and plan to provide a public update on this phase in April 2026. We remain deeply grateful to the visionary leaders, communities, organisations and former staff members and trustees who have supported us, their expertise, effort, and collaboration have been invaluable. Communities most affected by injustice and oppression have long called for fundamental change in philanthropy, and we are determined to honour that call. Our response may not be perfect or complete, but it represents an important step — one we hope others can build on in the years ahead.

THE LEGAL REQUIREMENTS

The objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales.

The Trustees define the policies that underpin the Foundation's programmes and throughout 2024-25 the work of the Foundation continued to be shaped by the following vision and mission statement.

Our vision is of world healed by justice, equity and inclusion, where all people can live with dignity and opportunity in supportive communities.

Our belief is this can only be achieved if we fully embrace the interdependent nature of our existence.

Our mission is to create space to reimagine, test and demonstrate how wealth, capital and social justice can co-exist in service to all of life now and for future generations.

Values

Determined: real change takes tenacity, kindness and commitment. We work with humility and the knowledge that there are no simple answers.

Open: we want to build relationships based on shared humanity, kinship and respect. We are always open to new ideas and evidence and we share whatever we learn for the benefit of everyone.

Reflective: we want to find out what really works. We challenge assumptions and we use feedback as a powerful tool for learning.

History

The LankellyChase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. On 9 December 2004, the two Trustee bodies amalgamated the trusts and the new LankellyChase Foundation was incorporated.

Structure, governance and management

The Board of Trustees administers the Foundation. The Board appoints Trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a Trustee may, if agreed unanimously by the Board, be asked to serve an additional four-year term. The Chair is appointed by the Trustees and serves for a maximum of two three-year terms as Chair.

Periodically the Board reviews the range of skills among Trustees and may recruit new Trustees to fill any gaps in the skillset of the Board. New Trustees have historically been recruited through external competition, a process that may be complimented or superseded by the use of the Foundation's networks to identify individuals who may not be reached by more traditional methods. In addition to making appointments based on the skills, values and connections deemed necessary by the Board, new Trustees may be recruited to bring alternative perspectives. This ensures the Board and the method of governance continues to evolve.

The full Trustee Board currently meets at least four times a year to manage the Foundation, as well as attending residentials to develop strategy. The day-to-day administration continues to be delegated to the Chief Executive who is supported in this by the wider staff team.

The Board of Trustees currently has three sub-committees. They are:

- The Resources and Risk Committee which oversees the main risk and audit requirements, and monitors and reviews budgets and human resources.
- The Investment Committee which oversees the management of the Foundation's assets, as delegated by the full Board.
- The Grants Committee which meets periodically to decide grant recommendations.

Risk management

The Trustees are responsible for establishing and monitoring Lankelly Chase's internal control systems. Until March 2024, the risk register was presented to the Resources and Risk Committee annually.

Since our new strategy has introduced high levels of change, the risk register is presented for review to the whole Board at each Board meeting and is available to all Trustees upon request. The Trustees' approach to risk is to manage rather than eliminate, and view risks as opportunities to be taken, not just threats. Currently, Trustees are satisfied that the system of internal controls in place is adequate, and these internal controls are reviewed as part of the day-to-day management processes within the Foundation.

The risk register is a live document which is held collectively by the staff team and reviewed and updated monthly, and many of the risks identified remain live within the work. There is also a strong understanding at Executive and Board-level that much of the work we are engaged in might involve more risk than other funders would be comfortable with. However, we have management processes in place to manage those risks where possible, and we consider both success and failure to be crucial parts of the change journey.

The Trustees have held that the principal risk to Lankelly Chase is that it does not fulfil its core mission, and this is what led to our decision not to continue as a legacy institution of philanthropy. We have identified the new strategic and operational risks that face us as we determine the alternative futures for our assets. These risks will continue to be managed as per the process above.

Public benefit requirement

The Trustees have had regard to the Charity Commission's published guidance on public benefit as required under Section 17 of the Charities Act 2011. The Trustees aim to meet their public benefit responsibilities by making grants only for activities or outcomes that exclusively further the charitable objects of the Foundation. The Foundation's objects are to promote any charitable purposes under the law of England and Wales, and under the new strategy will in particular be focusing on the advancement of education, by helping to build knowledge, skills and capacity in both the charity and wealth-holding sectors, and on ways to promote the efficiency and effectiveness of charities and the effective use of charitable resources.

Review of grant activity

Following a decision to close all existing grants programmes, all Portfolio Teams – previously the primary route through which grants were made – were dissolved and the Board once again became primary decision makers over grants, except in our Place-based work, where decision-making remained devolved to place ‘Coordination Teams’. Throughout 2024/25 the Lankelly Chase staff team worked closely with these Coordination Teams to agree the final allocation of funding.

In this financial year, £3.7m was allocated to the Coordination Teams and cross-place stewardship work, and £2.3m was allocated as final grants to organisations who have been critically dependent on our money, and/or whose finances are precarious.

Organisation	Description	Grant amount (£)
An Untold Story - Voices	Towards further financial support.	32,000
Barking and Dagenham Giving	BD Giving to host the funds for the Disruptive Explorers Collective.	100,000
Barking and Dagenham Giving	BD Giving to host the funds for the Disruptive Explorers Collective.	425,000
Black Equity Organisation (BEO)	Core costs.	150,000
Caritas Diocese of Shrewsbury	Engaging a more diverse group of SEND people and organisations.	20,000
Collective Change Lab Inc	The Systems Storytelling Project, which includes a network of Indigenous storytellers.	30,000
Conscious Youth CIC	Grant to complete previously funded work with JRF Collaborative.	30,000
Culture Hack	To continue funding to fulfil its charitable aims.	132,500
Dark Matter Laboratories Ltd	Staffing costs to the Many to Many team.	90,000
Debt for Climate via Climate 2025 Ltd	Towards further financial support.	55,000
Decolonising Economics via Social Change Nest	To build on the work from Nourishing Economics.	275,000
Futuros Indigenas via The New World Foundation	Core costs.	70,000
Gateshead Community Bridgebuilders via Social Change Nest	To host the funds for the Gateshead Community Bridgebuilders 2025/2026.	450,000
Gateshead Community Bridgebuilders via Social Change Nest	To host the funds for the Gateshead Coordination Group.	320,000
GM Stewarding Group via Social Change Nest	To host the funds for GM Stewarding Group.	700,000
GM Stewarding Group via Social Change Nest	To host the funds for GM Stewarding Group.	922,400
Gower Street	As fiscal host to ‘Spend Down’ Community of Practice.	5,000

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Heard Organisation Limited	Towards further financial support.	50,000
Heart of Hastings CLT Limited	Towards further financial support.	70,000
Huddlecraft CIC	Next phase of work to continue support for the community: giving.	55,000
JMB Corporation Ltd	To support the running of the Uncharitable Festival 2024.	15,000
Joseph Rowntree Foundation	Extension of the Lankelly Chase and JRF Funder Collaborative project.	20,000
Joseph Rowntree Foundation	Contribution towards the staging of "Next Frontiers" Conference.	50,000
Living Rent	To continue the work to fulfil its charitable aims.	43,000
London Renters Union Limited	Towards further financial support.	60,000
Marmalade Planning Group via Social Change Nest	SCN to act as fiscal host for the Oxford Marmalade Group.	425,000
Marmalade Planning Group via Social Change Nest	SCN to act as fiscal host for the Oxford Marmalade Group.	250,000
Media Resources Co-operative Limited	To support core costs for the Independent Media Association.	15,000
Moving Tu Balance CIC	Towards further financial support.	45,000
OnCommons gGmbH	To support continuation of conferences on bioregionalism.	62,252
Opus Independents	To extend their current funding for another year.	120,000
Public Interest Research Centre	Support their Building Narrative power training course.	30,000
Racial Justice Network	Core costs.	150,000
Research for Action Limited	Collaborative research into local democracy.	40,000
The Social Change Nest	Core costs.	300,000
The Social Change Nest	To host fund for the Cross Place Stewarding Group.	107,600
Solidarity Hull CIC	Towards further financial support.	7,500
Spaceship Dot Earth Limited	To continue the work to fulfil its charitable aims.	30,000
Stir to Action Ltd	To continue the work to fulfil its charitable aims.	25,000
Ten Years' Time Enterprises Ltd	To support development and implementation of the TYT Community.	180,000
The Voice of Domestic Workers	To continue the work to fulfil its charitable aims.	30,000
Transition Resource Circle via The New World Foundation	To continue the work to fulfil its charitable aims.	135,000
Unlock National Association of Ex-Offenders Limited	Core costs.	25,788
Wevolution	To continue the work to fulfil its charitable aims.	80,000
WOC Azadi Collective via The Social Change Nest	To continue the work to fulfil its charitable aims.	50,000
	Total	6,278,040

Financial Report

The Trustees authorised a total budget (excluding investment management and social investment fees) for 2024-25 of £25,620k made up of:

- £23,030k programme costs
- £2,590k staff costs, governance and office costs

There was also a budget of £21k for capital expenditure.

Total expenditure, excluding investment management fees was £9,031k. This was made up of:

- £6,495k programme costs (2024: £13,157k).
- £2,536k staff costs, governance and office costs (2024: £2,412k)

£2.9k was spent on capital items in the year (2024: £2.8k)

The size of the underspend is partly explained by a shift in timeline for resourcing the transitional structure set out in the trustees' introduction, and in uncertainty over when we would be able to release funds for the Baobab Foundation. We anticipate both of these expenditure items should now occur in 2025-26.

Income

Total income during the year was £1,309k (2024: £1,544k).

There has been a decline in total investment income from £1,544k to £1,309k, the largest part of this being income from listed investments which decreased from £1,344k to £1,309k.

Social investment income was £19k (2024: £9.5k) consisting of £4.7k loan interests and £14.3k dividends. Other interest income has increased from £60k to £87.8k due to increases in interest rates.

There was no donation received from Northwood Trust in the year (2024: £Nil).

Fundraising practice

LankellyChase Foundation does not derive any income from fundraising. LankellyChase Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Spending policy

Trustees and staff regularly review progress against the Foundation's strategic aims and a workplan is developed by the staff team (plus external partners with regards to place-based work).

The budgeting process for 2024-25 was led by the leadership team, with input from the rest of the team. The final budget was approved by the Trustees, who noted that the budget was subject to variations in the timeline that might shift some substantial items into the following financial year.

It is our vision and mission that are the main determinants of each year's expenditure.

Investment strategy

During the year, Trustees reviewed and updated the investment strategy to reflect the Foundation's intention to fully distribute its assets and close by March 2028. The new Investment Policy states the Trustees' objective to have as much clarity as possible about the value of the assets available for distribution over this period and to ensure that these assets remain sufficiently liquid to meet drawdown requirements.

Trustees decided that assets should therefore be invested in such a way as to maximise capital preservation and minimise volatility. To the extent possible while meeting these priorities, Trustees also wish to protect the real value of the assets against inflation and to ensure that assets are not invested in ways which conflict with Lankelly Chase's objectives and mission. All assets transferred to this new structure ahead of the considerable volatility in the markets that began in April 2025.

Investment management

Following the approval of the new Investment Policy, the Foundation liquidated its existing portfolio structure and appointed Cazenove Capital to manage a "deaccumulation" portfolio comprising sterling-denominated bonds with high-credit ratings which are held to maturity to match our cash drawdown requirements up to the anticipated closure in March 2028. Alongside this, around 10% of assets have been invested in the Schroder Sustainable Multi-Asset Fund and cash is held in a highly-rated ESG liquidity fund.

Performance

Ahead of implementing our new Investment Policy, we held firm in 2024-25 to our strategy of investing as far as possible in equities that have the lowest impact on the sustainability of life on the planet. The performance of this portfolio was nonetheless strongly dependent on overall growth in equity markets, and as such has been disappointing. We were comfortable however that we should not be seeking to outperform the market through investment mechanisms whose impact on sustainability we could not account for.

The Foundation's investment portfolio produced a financial return of negative 0.1% during the year, compared to a positive return of 7.3% in the preceding year. After cash withdrawals, this

saw the value of invested assets decrease from £121.4m at 31st March 2024 to £96.9m at 31st March 2025.

Social investments

Social investments are not an active part of the investment strategy, and no new social investments were made in the year to 31 March 2023. Following further repayments of capital during the year, legacy social investments at 31 March 2025 totalled £877,703 (2024: £886,452).

Reserves policy

As the Foundation's endowment is expendable, it is all available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Trustees consider it prudent to have short-term access to cash equal to approximately twelve months' projected expenditure.

Remuneration policy

The overall goal of the Foundation's remuneration policy is to ensure that staff members are remunerated fairly and in a way that ensures that the Foundation attracts and retains the right skills to have the greatest impact in delivering our charitable objectives.

Lankelly Chase aims to maintain a competitive and fair salary structure which is clearly defined and communicated to all employees with procedures that are applied consistently in a non-discriminatory manner. The Foundation benchmarks salaries against an appropriate comparative sector/set of organisations. Benchmarked bands are agreed for each post and set by the Resources and Risk Committee. A Pay Committee comprising the senior management team approves individual salary changes up to and including Director roles. The CEO salary is approved by the Board.

Lankelly Chase is a living wage employer and commits to paying at least the London Living Wage to all employees, including interns.

Lankelly Chase offers an Enhanced Parental Leave policy offering all new parents the same opportunity to take paid leave, regardless of gender, sexual orientation or how they became a parent (whether through birth, adoption, parental responsibility or surrogacy). This has been made available after passing probation, rather than the original requirement of 12 months of service and reflects a commitment to living the values of the Foundation.

The Foundation does not currently pay remuneration to Trustees.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of Lankelly Chase Foundation 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charity 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. As 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.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 3rd December 2025 and signed on their behalf by

Asif Afridi
Chair of Trustees

Independent auditor's report to the members of The LankellyChase Foundation

Opinion

We have audited the financial statements of The LankellyChase Foundation (the 'charitable company') for the year ended 31 March 2025 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 2025 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 LankellyChase Foundation'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 Resources and Risk committee, 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.

Jonathan Orchard (Senior statutory auditor)

16 December 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Statement of financial activities for the year ended 31 March 2025

	Note	2025 £	2024 £
Income from:			
Investments	2	1,309,459	1,344,416
Donations		60	-
Other income		-	200,000
Total incoming resources		1,309,519	1,544,416
Expenditure on:			
Investment management fees		101,315	99,895
Charitable activities	3	9,031,150	15,568,897
Total expenditure		9,132,465	15,668,792
Net expenditure before net (losses)/gains on investments		(7,822,946)	(14,124,376)
Net (losses) on investments		(1,263,048)	8,342,653
Net movement in funds	4	(9,085,994)	(5,781,723)
Reconciliation of funds:			
Total funds brought forward at 31 March		115,964,095	121,745,818
Total funds carried forward at 31 March		106,878,101	115,964,095

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Balance sheet as at 31 March 2025

	Note	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		13,349		25,827
Investments					
Managed funds	11		96,926,184		121,374,754
Social investments	12		877,703		886,452
			97,817,236		122,287,033
Current assets					
Debtors	13	50,055		50,036	
Cash at bank and in hand		12,828,743		2,200,157	
		12,878,798		2,250,192	
Liabilities					
Creditors: amounts falling due within one year	14	(3,817,933)		(8,423,130)	
Net current (liabilities)/assets			9,060,865		(6,172,938)
Total assets less current liabilities			106,878,101		116,114,095
Creditors: amounts falling due after one year	15		-		(150,000)
Total net assets			106,878,101		115,964,095
The funds of the charity					
Restricted funds	16		-		-
Unrestricted funds	16		106,878,101		115,964,095
			106,878,101		115,964,095

The financial statements were approved by the Board of Trustees and authorised for issue on 3rd December 2025 and are signed on its behalf by:

Asif Afridi
Chair of Trustees
Company registration number 5309739

Statement of cash flows for the year ended 31 March 2025

	Note	2025 £	£	2024 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period					
As per the statement of financial activities		(9,085,994)		(5,781,723)	
Depreciation charges		14,212		18,906	
Losses/(gains) on investments		1,263,048		(8,342,653)	
Dividends and interest from investments		(1,309,459)		(1,344,416)	
(Profit)/loss on the disposal of fixed assets		119		-	
(Increase)/Decrease in debtors		(19)		56,482	
Decrease/(Increase) in creditors		(4,755,195)		(2,859,360)	
Net cash used in operating activities			(13,873,288)		(18,252,764)
Cash flows from investing activities:					
Dividends and interest from investments		1,309,458		1,344,416	
Proceeds from the sale of fixed assets		1,050		-	
Purchase of fixed assets		(2,903)		(2,848)	
Return or impairments of social investments		8,749		8,749	
Movement on cash within investments		2,950,339		(2,367,292)	
Proceeds from sale of investments		149,679,779		26,673,588	
Purchase of investments		(129,444,597)		(7,969,609)	
Net cash provided by investing activities			24,501,875		17,687,003
Change in cash and cash equivalents in the year			10,628,587		(565,761)
Cash and cash equivalents brought forward at 1 April			2,200,157		2,765,917
Cash and cash equivalents carried forward at 31 March			12,828,743		2,200,156

Notes to the financial statements for the year ended 31 March 2025

1. Accounting Policies

Basis of 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.

Public benefit entity

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

Going concern

All assets transferred to a new portfolio largely comprising sterling-denominated bonds with high-credit ratings ahead of the considerable volatility in the markets that began in April 2025. As such, the Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Investment income is accounted for when received by the Foundation or its agents. Social investment interest income is recognised when receivable on an accruals basis. Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is generally the date of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading: expenditure on charitable activities which includes the costs of programme activities and grantmaking undertaken to further the purposes of the charity and their associated support costs.

Charitable activities are those costs relating to the programme activities of the Foundation and include grants, governance and support costs. Grants are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investment managers' fees are grossed up for any rebates received.

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Support costs are those related to all the other activities of the organisation and are apportioned on the basis set out in note 4.

Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of the overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the proportion of staff time attributable to each activity.

Operating lease commitments

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over the remaining life of the lease
Office furniture and equipment	25% per annum

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included in unrestricted reserves in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities (SOFA). The Foundation does not acquire put options, derivatives or other complex financial instruments.

Social investments

Social investments are carried at fair value or impaired cost where it is not practicable to recognise at fair value. Such investments are subject to regular review and any impairment is charged to the SOFA. Investment valuations are not enhanced to more than original cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Foundation 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.

Pension costs

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

Funds

As the Foundation's endowment is expendable, unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objects of the Foundation. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

2. Income from investments

	2025 £	2024 £
Listed investments	1,202,152	1,275,062
Interest on cash held as part of the investment portfolio	506	-
Bank interest	87,804	59,828
Social investment income	18,997	9,525
Total investment income	1,309,459	1,344,416

3. Expenditure on charitable activities

For 2024-25 we continued a thematic approach where Portfolio Teams looked after a particular area of the Foundation's work. The budget was set up in this way and so expenditure for the statutory accounts has followed the same approach, as set out below.

	2025 £	2024 £
Programme-related costs		
Strategic areas:		
Place	4,132,006	6,218,603
Comms	166,670	88,999
Support/ Bridging grants	2,112,252	1,054,975
Transition Pathway	111,795	11,341
How	(32,484)	5,786,094
Other	5,058	(3,243)
	<u>6,495,296</u>	<u>13,156,769</u>
Governance costs (note 5)	266,847	376,567
Support costs (note 6)	2,269,007	2,035,562
	<u>9,031,150</u>	<u>15,568,897</u>

4. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2025 £	2024 £
Depreciation	14,212	18,906
Operating lease rentals		
Property	98,776	94,651
Other	10,392	13,022
Auditor's remuneration (excluding VAT):		
Audit	16,300	15,500
VAT on audit cost	<u>3,260</u>	<u>3,100</u>

5. Governance costs

Governance costs reflect the priority we have given to sound management of the change process and to generating learning that can be used by others. These one-off costs will be more than offset by expected falls in recurring institutional overheads, such as investment management fees (over £100,000 in 2024-25) and operational costs, as our assets start to transfer to communities.

	2025 £	2024 £
Legal expenses	40,528	9,285
Auditor's remuneration	19,560	18,600
Membership of PRI	-	1,122
Trustee expenses	16,405	9,064
Trustee training and conferences	2,170	16,012
Trustee meeting costs	19,744	70,469
Board advisors, facilitation, learning, stakeholder consultation, change management	167,530	251,133
Other governance related administration expenses	910	882
	266,847	376,567

6. Support costs

The key elements of support costs are set out below:

	2025 £	2024 £
Staff costs (note 7)	1,578,179	1,568,402
Recruitment costs	23,400	-
HR-related costs	25,666	53,457
Premises costs including utilities and repairs	120,252	116,697
Legal and professional costs	35,522	27,604
Travel, subsistence and hosting of events	19,472	50,206
Training and conferences	206,676	135,477
Subscriptions and memberships	19,176	34,317
Telephone, postage, stationery and printing	27,901	21,765
Website and IT costs	197,179	24,537
Bank charges	1,271	1,502
Sundries	(17)	(17,310)
Depreciation	14,212	18,906
Loss on disposal of fixed assets	119	-
	2,269,007	2,035,562

7. Analysis of staff costs, Trustee expenses and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries	992,105	1,145,394
Social security costs	116,015	132,940
Employer contribution to defined contribution pension schemes	154,718	150,970
Temporary staff	131,040	51,677
Other forms of employee benefits	4,117	4,683
Redundancy and termination costs	180,183	82,739
	1,578,179	1,568,402

The following number of employees received benefits in excess of £60,000 (excluding employer pension costs and employer National Insurance contributions) during the year between:

	2025 No.	2024 No.
£60,001 - £70,000	2	-
£70,001 - £80,000	-	3
£80,001 - £90,000	4	2
£90,001 - £100,000	1	-
£150,001 - £160,000	-	1

The total employee benefits including employer pension contributions and employer National Insurance contributions of the key management personnel were £602,748 (2024: £737,618).

The Chief Executive received a gross salary after salary sacrifice with employer pension contributions in the following band: £150,001 - £160,000 (2024: £140,001 - £150,000).

The key management personnel (including the Chief Executive) received salary payments (gross salaries after sacrifice) plus employer pension contributions and other benefits in the following bands.

Key management personnel

	2025 No.	2024 No.
£80,001 - £90,000	-	2.9
£90,001 - £100,000	3.0	1.0
£100,001 - £110,000	1.0	-
£140,001-£150,000	-	1.0
£150,001-£160,000	1.0	-
£170,001-£180,000	-	1.0
Total	5.0	5.9

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £16,405 (2024: £9,064). 7 Trustees incurred expenses (2024:5) relating to attendance at meetings of the Trustees.

The Foundation's Trustees were not paid nor received any other benefits from employment with the Foundation in the year (2024: £nil).

8. Staff numbers

The average monthly number of employees (head count based on number of staff employed) during the year was 14.3 (2024: 18.3).

9. Related party transactions

There was only one related party transaction in the year, the purchase of services from a company controlled by the close family member of a trustee, which is listed below (2024: None). No amounts were owed at year end.

- Winterburn Works Ltd £1,170

10. Tangible assets

	Leasehold improvements £	Furniture & equipment £	Total £
Cost			
At 31 March 2024	144,620	152,691	297,311
Additions	-	2,903	2,903
Disposals	-	(4,833)	(4,833)
At 31 March 2025	144,620	150,761	295,381
Depreciation			
At 31 March 2024	144,620	126,864	271,484
Charge for the year	-	14,212	14,212
On disposals	-	(3,664)	(3,664)
At 31 March 2025	144,620	137,412	282,032
Net book value at 31 March 2025	-	13,349	13,349
Net book value at 31 March 2024	-	25,827	25,827

All assets are used for charitable purposes.

11. Investments – managed funds

Investments comprise:

	2025 £	2024 £
Listed investments	95,417,969	116,916,200
Cash held as part of the investment portfolio	1,508,215	4,458,555
Total market value	96,926,184	121,374,755

The LankellyChase Foundation

	2025 £	2024 £
Fair value at 1 April	116,916,200	127,277,526
Additions at cost	129,444,597	7,969,609
Disposal proceeds	(149,679,779)	(26,673,588)
Net (loss) on change in fair value	(1,263,049)	8,342,653
Fair value at 31 March	95,417,969	116,916,200
Cash balances	1,508,215	4,458,555
Total Market Value	96,926,184	121,374,755

12. Investments – social investments

The movement in social investments held by the Foundation during the year ended 31 March 2025 and the previous year are shown in the two tables below:

Year end 31 March 2025	At 1 April 2024 £	Purchases in year/ (return of capital) £	Impairment reversal £	At 31 March 2025 £
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	186,452	(8,749)	-	177,703
	886,452	(8,749)	-	877,703

Year end 31 March 2024	At 1 April 2023 £	Purchases in year/ (return of capital) £	Impairment reversal £	At 31 March 2024 £
Big Issue Invest	-	(3,243)	3,243	-
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	195,201	(8,749)	-	186,452
	895,201	(11,992)	3,243	886,452

13. Debtors

	2025 £	2024 £
Other debtors	3	11,498
Prepayments	50,052	38,538
	50,055	50,036

14. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	133,914	101,145
Grants payable within one year	3,440,518	8,027,774
Taxation and social security	(573)	57,831
Other creditors	-	20,636
Accruals	244,070	215,741
	3,817,928	8,423,127

Reconciliation of movement in grants creditors

	2025 £	2024 £
At 31 March 2024		
Grants falling due within one year	8,027,774	8,981,309
Grants falling due after more than one year	150,000	2,157,379
Total grants creditor	8,177,774	11,138,688
Grant adjustments	(170,278)	(95,261)
New grants awarded in year	6,278,040	12,154,395
Grants paid in year	(10,845,019)	(15,020,048)
At 31 March 2025	3,440,518	8,177,774
At 31 March 2025		
Grants payable within one year	3,440,518	8,027,774
Grants payable after more than one year	-	150,000
Total grants creditor	3,440,518	8,177,774

15. Creditors: amounts falling due after one year

There are no payable grants after one year. The intention is to settle all grants liabilities as at 31st March 2025 in 2024-25 financial year.

	2025 £	2024 £
Grants payable (all payable in 2-5 years)	-	150,000
	-	150,000

16. Movement in funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Current year

	At 31 March 2024 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2025 £
Unrestricted funds	115,964,095	46,470	(9,132,465)	106,878,101
Total funds	115,964,095	46,470	(9,132,465)	106,878,101

Prior year

	At 1 April 2023 £	Incoming resources & gains £	Outgoing resources & losses £	At 30 March 2024 £
Unrestricted and total funds	121,745,818	9,687,069	(15,468,792)	115,964,095
Restricted funds	-	200,000	(200,000)	-
Total funds	121,745,818	9,887,069	(15,668,792)	115,964,095

17. Operating lease commitments

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

	Land and buildings		Other assets	
	2025	2024	2025	2024
	£	£	£	£
Less than one year	98,752	94,892	626	8,469
One to five years	263,339	362,091	-	626
	<u>362,091</u>	<u>456,983</u>	<u>626</u>	<u>9,095</u>

18. Legal status of the charity

The Foundation is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE LANKELLYCHASE FOUNDATION

England & Wales - Charity number 1107583

Accounts



The LankellyChase Foundation

Annual report and financial statements for the year
ended 31 March 2024

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Statutory information

The LankellyChase Foundation ('the Foundation') is a charitable company limited by guarantee and is incorporated in the United Kingdom (no. 5309739). The registered office address is Greenworks, Dog & Duck Yard, Princeton Street, London WC1R 4BH.

Legal and administrative information

The Foundation is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the Trustees of the charity for the purposes of charity law and throughout this report are referred to as 'the Trustees'.

The following details are for the year ended 31 March 2024 and also include changes up to the date on which the accounts were signed.

Trustees	Asif Afridi (R)	Chair
	Myron Rogers (I,R)	
	Amanda Hailes	
	Marai Larasi (I)	
	Darren Murinas (R)	
	Baljeet Sandhu (I)	
	Robin Tuddenham (I)	Retired 28 th June 2023

(I) indicates members of the Investment Committee

(R) indicates member of the Resources and Risk Committee

Any individual Trustee has the right to attend any committee meeting.

Staff team	Edel Brady-Jackson	Administrator, Place Action Inquiry
	Dominic Burke*	Investment Director
	Lisa Clarke	Action Inquiry Manager
	Jessica Cordingly*	Director (left on 31 st March 2024)
	Julian Corner*	Chief Executive
	Karen Crompton*	Director
	Renee Davis	Communications Manager
	Joe Doran	Action Inquiry Manager (left on 2 nd January 2024)
	Oliver French	Action Inquiry Manager (left on 30 th September 2024)
	Carrina Gaffney	Action Inquiry Manager
	Rachael Gibbons	Action Inquiry Manager (left on 30 th September 2024)
	Ania Jeleniewska-Kaczmarczyk	Head of Finance
	Anita Kamya	Finance Assistant
	Joan Kirungi	Office and Admin Assistant

The LankellyChase Foundation

Habiba Nabatu*	Director
Jenny Oppenheimer	Action Inquiry Manager (left on 31 st March 2024)
Cathy Stancer*	Director
Jyotsna Ram	Action Inquiry Manager (left on 30 th September 2024)
Clare Neville	Interim Executive Assistant (left on 24 th May 2023)
Emma Perry	Executive Assistant/Governance Coordinator (started on 1 st March 2024)
Kate Shurety	Interim Director (started on 26 th February 2024)

Key management personnel Although in a small staff team every member is considered to be key, for the purposes of the Statement of Recommended Practice (SORP 2015), those team members marked * have been designated as key management personnel.

Principal and registered office Greenworks, Dog and Duck Yard
Princeton Street
London WC1R 4BH

Telephone 020 3747 9930

Website www.lankellychase.org.uk

Company registration number 5309739

Country of registration England and Wales

Country of incorporation United Kingdom

Charity registration number 1107583

Auditor Sayer Vincent LLP
110 Golden Lane
London EC1Y 0TG

Bankers The Royal Bank of Scotland Group
1st Floor, Houblon House
62-63 Threadneedle Street
London EC2R 8HP

Lloyds TSB Bank plc
Market Place, Didcot
Oxfordshire OX11 7LQ

Legal advisors Bates Wells
10 Queen Street Place
London EC4R 1BE

The LankellyChase Foundation

Investment managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

Baillie Gifford & Co
Calton Square 1 Greenside Row, Edinburgh EH1 3AN

Impax Asset Management
7th Floor 30 Panton Street, London SW1Y 4AJ

Liontrust Asset Management plc
2 Savoy Court, London WC2R

Montanaro Asset Management Ltd
53 Threadneedle Street, London EC2R 8AR

Stewart Investors
23 St Andrew Square, Edinburgh EH2 1BB

Report of the Trustees

Introduction

In July 2023, we announced the concluding phase of Lankelly Chase Foundation's work. We said:

"We will relinquish control of our assets, including the endowment and all resources, so that money can flow freely to those doing life-affirming social justice work."

As we set out in last year's annual report, this choice emerged from the learning we had gathered from our action inquiries and from the grantees whom we had funded. This learning showed us that the dominant ways in which we currently frame, organise and resource social justice work are hugely problematic for its aims. Everywhere we looked, there were feedback loops reinforcing systems of oppression even in the act of trying to dismantle them.

These feedback loops all relate to power inequities in social justice strategies, including who gets to frame any given societal challenge, who makes decisions about the types of practice considered relevant to that challenge, whose understanding of risk and appropriate funding is centred, whose organisational models are considered legitimate, and who is considered able to hold and invest wealth. Each of these has profound implications for the effectiveness of many organisations that are seeking to pursue charitable purposes for public benefit in the UK today.

Our action inquiries have identified and resourced many examples of community-based practices which show how these feedback loops are not inevitable. There are powerful ecologies of practitioners in communities whose work speaks directly to the deep problems affecting social justice work. Their community-based practices are based on decades, centuries and even millennia of deep wisdoms about the nature of human and non-human resilience and flourishing, the values and economies that support it, and the relational and spiritual disciplines that needed to be relearned. However, these practices remain marginalised by institutional philanthropy precisely because they don't fit dominant understandings of what social justice work should look like. Ironically therefore, transformative practitioners rely on funding from institutions that embody the very systems their practices seek to transform.

Many individuals working within funding institutions see the need to break through this impasse, but this doesn't translate to the level of the institutions themselves which continue to reproduce their own self-perpetuating logic. Even if the conditions were created for those institutions to break with that logic, this wouldn't necessarily liberate them to do the work that is needed, given that spiraling demand for foundations' limited resources is leaving little room or time to create more relevant strategies. There are multiple examples of this at play in UK philanthropy today.

Lankelly Chase reached this impasse in its strategy at roughly the same time as the external context of our mission shifted fundamentally. In recent years, we have had to face the fact

that we are moving into an ever-evolving polycrisis, in which environmental, political, social and economic crises are feeding into and off each other in ways that cannot be controlled by dominant methodologies. This new context dwarfs our previous understanding of the problems we are facing and inevitably its impact is being felt most immediately by the same marginalised communities that our social justice strategies were already failing.

Much of the evidence from our action inquiry work has pointed to the need to think and act systemically to address the complex nature of this polycrisis. It requires responses that build and nurture a long-term ecosystem of change-making. If we are to achieve our mission of challenging injustice and creating the conditions for much healthier systems to emerge, then this requires a move away from short-term grant-making for separate organisations that perpetuates disconnection and limits potential for collective action.

The practices that we have supported through our action inquiries have all centred connectivity, intersectionality, mutuality and equitable participation. We did not do this because we were anticipating the polycrisis, at least not consciously, however it has become increasingly clear that these are precisely the qualities that are needed as we move through a period of unprecedented complexity and consequence. This is why it is so alarming to find such strong systemic barriers to resourcing this work in ways that will allow it to fulfil its potential.

We saw during the pandemic that when a new context renders dominant systems irrelevant, people can set aside previously fixed rules in service of collective work. It therefore seems plausible that the context of the polycrisis might disrupt systems in ways that break the funding impasse. Unfortunately, there is very little evidence to support this hope. While the urgency and gravity of the situation is causing people to search for more effective strategies, that doesn't mean they are searching in the right places. On the contrary, we are witnessing existing strategies and paradigms being pushed even harder, often under the guise of improvement and reform, to the detriment of resourcing alternative practices that are more contextually relevant.

This is why Lankelly Chase has seen the need to act with a different logic. As we said in our announcement last year, we aim to "make space to reimagine how wealth, capital and social justice can co-exist in the service of all life, now and for future generations." We have concluded that the contradictions and flaws of institutional philanthropy can't be resolved through improvements and reform, through better leadership, through different personnel. We don't need better strategies, we need to take different paths. Our intention in redistributing our endowment is to help show where these paths may lie.

This intention is framed by a series of questions that speak directly to our charitable purposes and our ability to create public benefit. These include:

- Instead of predictability, hierarchy and division, what if we leaned fully into emergence, mutuality, community and interdependence?
- Instead of holding money separately, as the primary asset around which we all dance, what if money was treated as just one resource available to communities, no more valued than other assets and resources, such as people, cultures, trust,

expertise, networks, rituals, knowledge, histories, connection to land and natural environment?

- Instead of keeping us all separate, what if money could help connect us in the way other assets do?
- Instead of outsourcing wealth holding and decision making to remote institutions, enacted through hierarchies of dominance, what if it was integrated into communities where it could be a vital force for transformation?
- Instead of money being controlled by gatekeepers, what if it were allowed to flow where it was needed most, shared rather than granted?

These questions mark the culmination of our action inquiry approach. Engaging with them will take deep and connective work that will challenge our core assumptions about how social justice work is resourced, how money is allocated (if allocated is the right word) and the relationship this requires between people and planet. As we said when we made our announcement: “this will require us to work in deep collaboration with those whose struggle and vision has helped us see that alternative futures are both essential and possible.”

We have been working closely with a number of partners to prepare the ground for redistribution, through consultation, consultancy and co-creation. This preparatory work is crucial because if we redistributed our endowment without attending to what is in the soil, the money would inevitably be drawn into the same feedback loops that are already undermining social justice work. So we are giving this the time and space that it needs.

We know that clarity on our new direction is needed. However, if we move too urgently we will override the wisdom, nuance and potential that needs to come through this work. We will also replicate the exact power dynamics that need to be transformed for deep collaboration. This work is tender, vulnerable and full of ambiguities and tensions. As trustees, we have been holding this very carefully and investing considerable time working through the options and scenarios that will help move the work forward in line with our charitable purposes and in ways that will most benefit those we serve. We are not ready to share this work in this year’s Annual Report but we do intend to publish more detail in the first half of 2025.

In the meantime, we are trying to conduct our transition in ways that minimise the replication and recreation of harms. Since we made the announcement, we have offered assurances that all current grants and contracts will be honoured. In 2023-24, we allocated just over £1m in additional grants where we had concerns about the immediate financial precarity of grantee organisations. This was on top of the final grants we made to conclude our action inquiries. In 2024-25, we have budgeted just over £3m to make further grants to organisations whom we know have a strong reliance on our funding, whose financial position is precarious and whose funding from us has recently ended.

The work of wrapping up some of the inquiries continued until September 2024, particularly to ensure that the networks we have supported or convened are able to transition away from Lankelly Chase successfully, if that is their wish.

We also know that it is important to maintain open channels of communication during periods of high change. Immediately after our announcement, we hosted numerous drop-ins for our grantees to ensure that they fully understood our transition and had an opportunity to share their views. As we formulated our strategy, we consulted with focus groups on the emerging shape and direction. We have spoken at many high profile forums and podcasts, and published a blog explaining the rationale behind our transition. We know that the demand for communication of our transition has so far exceeded our ability to offer clear answers and messages regarding our emergent strategy, but we expect 2025-26 to feel quite different.

The legacy of our work over the last thirteen years, which has been instrumental to our transition, will form a major part of our communication in 2025. Examples of this work may include an archive website, a series of podcasts on the most important themes and learning and in-person community events. We want the legacy work to celebrate our extraordinary grantees, partners and team, as well as offer honesty and reflection on the innovations, tensions, contradictions and mistakes that have brought us to where we are now and our transition.

We set out below some detail of the action inquiry work undertaken in 2023-24.

Nurturing Alternative Realities Action Inquiry

The intention of this theme was to gather together insights and relationships from the **Governance, Knowledge, Narratives** and **Practices** action inquiries, break down any artificial barriers between them, and explore more actively their interconnections. While this was useful for internal conversations, the announcement of Lankelly Chase's transition led to some renewed separation of the workstreams as the funded partners re-focused on the impact of the transition on their work as individuals, organisations and small groups.

The transition meant that we did not pursue new relationships or work. Instead, we consolidated existing relationships by supporting current grantees with additional funding, capacity building, gatherings and preparation for exiting the relationship with Lankelly Chase.

In the Practices and Narratives action inquiries, the work was mainly to support grantees to continue their work while preparing for Lankelly Chase's exit as a funder. The Transformational Governance group are already well on their way to being a self-organising collective while also launching work such as the 'Community Value Exchange.'

In the Knowledge action inquiry, we have mainly been working alongside a group of grant partners who were convened under the theme of 'knowledge justice' in 2021. Individually, these partners have been continuing with their projects across a range of themes and settings, including community advocacy, activism, academia and research, and at the intersection of these. Collectively, the Knowledge group has recruited independent facilitation and documentation support to explore and articulate their shared priorities and interests, including framing a story of their work to last beyond Lankelly Chase funding, undertaking capacity- and field-building work in their own networks, and developing independent collaborations in smaller pairs/groups.

Place Action Inquiry

Over the past year we have continued to transition Lankelly Chase's involvement in our Place work, and explore what it means for us to exit well. We committed £2m in 2023-24 and a further £2m in 2024-25 to enable the place-based teams to resource the steps they need to take as they look to life beyond our funding.

Our ambition has been to co-create a cross-place temporary stewarding group to hold the next phase of work, enabling us to have more collective conversations as to what we have learnt from Place, what this is telling us, and its future work. In December 2023 we invited representatives from across Lankelly Chase's Place work to explore being part of this group. Members of the group currently include representation from Trustees, Places, LocalMotion, Lankelly Chase place staff, Social Change Nest, and two independent process holders. Between us, we've spent several years exploring the conditions to devolve decision-making and to support the critical connections between people in and across communities.

The Stewarding group has over the past year been exploring the support mechanisms to hold where it goes next. Cross-place visits and facilitated discussions have highlighted both similarities and differences in terms of ways of being in and holding the work. It is expected that the differences will influence where, how and who will shape future collaborations in place work in 2025/26.

For the second part of 2024, representatives from the stewarding group have been in a live participatory resource allocation process looking at the distribution of funding pots provided by Lankelly Chase for 2025-26.

This experiment will draw specifically on learning from the work of four Groups with whom Lankelly Chase been exploring how to devolve decision-making: the Disruptive Explorers in Barking & Dagenham, the Community Bridgebuilders in Gateshead, the Greater Manchester Systems Changers and the Marmalade Planning Group in Oxford. The intention also to contribute to, and benefit from, the experience of others engaged in similar work across and beyond the UK.

Everyone involved is committed to collaboration, time will tell whether that is with the current configuration of stewarding group members or a wider and or distributed groups of collaborators who will drive the evolution of Place-based approaches beyond funding from Lankelly Chase.

We also contributed £1m to LocalMotion, alongside four other funders, as we remain committed to its principles of collaboration between funders and places, and the devolution of decision making to local groups.

Greater Manchester

The Core Group in Greater Manchester is exploring and revealing its appetite for what it could become without Lankelly Chase. They are asking partners to reflect and share wisdom on the following types of questions:

- What binds us beyond money? For example, in our work or community, can we name some of the systems (themes) we are trying to resist or nurture into being?
- What is our dream for this collective/network to become?
- What are the principles that could guide us?
- What is the life-affirming infrastructure that might make this all become a reality?

The core team is expanding slightly in 2024-25 to include additional members in a role called Temporary Stewards. Expanding the core group signifies a crucial step towards more decentralised decision-making and community organising as the group moves into a commitment for collaborative work beyond Lankelly Chase.

Learning into Liberation

Learning into Liberation was developed through 2023-24 as a space for some of our grantees to engage in learning and unlearning around the language and logics of competition, capital, philanthropy and institutional grant giving. The work has been taking place with the temporary stewards in Greater Manchester, alongside their usual meetings exploring relationships to money and practice.

Working on the important writings and reflections of actors like bell hooks and their explicit naming of 'the system' as white supremacist, heteropatriarchal etc, the space endeavoured to create conditions for Lankelly Chase staff and partners to explore and own language that gives vindication and (in some part) explanation to the 'illogic'. Work completed in September 2024 and it is hoped it will feed into the next iteration of Lankelly Chase's work.

Movements

We have been investing in movement enabling organisations since 2018, and since 2020 this work took on more urgency when it became obvious that most institutions lacked the practice or trust to organise communities in the midst of Covid. In 2023-24, we recontextualised this work as part of our focus on the polycrisis, and acknowledged that the issues that movements are responding to are not contained by borders. Our funding took on a stronger international focus, framed as: 'what is required to move flexible money to movements globally?'.

The work undertaken in response to this question fell into two categories:

1. **Regranters.** We have funded War on Want to work with other movement regranters to move £2m to movements across the globe over 2024-2026. A learning element has been intentionally built into this, to maximise the opportunities for other foundations and re-granters to build on this prototype.
2. **Fiscal hosts.** We have supported development work to scope the potential for a values-driven, movement-aligned fiscal host for pan-European movements work. We also funded two research projects — one in partnership with the Human Rights Funders Network and another with the Prospera Secretariat — on fiscal sponsorship, which raised valuable perspectives on why values-based fiscal

sponsorship is more expensive, key considerations in deciding whether a fiscal sponsor is right for you, common tensions in fiscal sponsor relationships and how to navigate them, and what philanthropy can do immediately to make fiscal sponsorship better for everybody.

Investment

As part of the preparation for our transition, our Resourcing Social Movements Lead and Investment Director collaborated on research exploring best practice in community stewarded capital strategies. Thirty five organisations in the UK, US, and Europe were interviewed. Organisations included a mix of foundations seeking to shift power to communities, community organisations and Lankelly Chase grantees.

Key insights:

- There is a wealth of learning from participatory grant making for participatory investment and redistribution initiatives, but key differences exist. For example, large amounts of capital put an additional weight of responsibility on communities that alter power dynamics plus 'investment' decisions, which usually carry an expectation of 'return of capital', require additional capacity building for communities around financial confidence and skill sets. However, the learning clearly illuminated under-utilisation of vital knowledge held within communities.
- Traditional foundations should strongly consider 'closing the gap' between investment and grant making functions, currently separated from each other. Without this, foundations cannot confidently say that their investment decisions are not undermining their grant making. Strategies for doing so include bringing in more grantee and social movement involvement in investment decisions, starting first with the 'outcome' to be achieved (defined with communities) and then working out whether investments, grant funding or a mixture is most appropriate (diversifying the financial toolbox), and transitioning to non-extractive investments.
- Non-extractive investment practices are terms that work for the community. This requires mindset shifts in the investor community around 'returns' and 'risk', including returns going to communities first and institutional investors bearing higher risk.

THE LEGAL REQUIREMENTS

The objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales. The Trustees define the policies that underpin the Foundation's programmes and throughout 2023-24 the work of the Foundation continued to be shaped by the following vision and mission statement. As outlined in the Introduction to this report., this statement will be subject to change as we start to operationalise the next phase of our work, and that will be reflected in next year's report:

Our vision is of world healed by justice, equity and inclusion, where all people can live with dignity and opportunity in supportive communities.

Our belief is this can only be achieved if we fully embrace the interdependent nature of our existence.

Our mission is not one we can undertake alone. We work with partners to change systems of injustice and oppression that result in the mental distress, violence and destitution experienced by people subject to marginalisation in the UK.

Our role is to resource activity where people can come together to explore what it means to reveal, question and dismantle systems that perpetuate disadvantage, or to explore how to heal, reimagine and renew systems so that all people can live with dignity and opportunity in supportive communities.

Values

Determined: real change takes tenacity, kindness and commitment. We work with humility and the knowledge that there are no simple answers.

Open: we want to build relationships based on shared humanity, kinship and respect. We are always open to new ideas and evidence and we share whatever we learn for the benefit of everyone.

Reflective: we want to find out what really works. We challenge assumptions and we use feedback as a powerful tool for learning.

History

The LankellyChase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. On 9 December 2004, the two Trustee bodies amalgamated the trusts and the new LankellyChase Foundation was incorporated.

Structure, governance and management

The Board of Trustees administers the Foundation. The Board appoints Trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a Trustee may, if agreed unanimously by the Board, be asked to serve an additional four-year term. The Chair is appointed by the Trustees and serves for a maximum of two three-year terms.

Periodically the Board reviews the range of skills among Trustees and may recruit new Trustees to fill any gaps in the skillset of the Board. New Trustees have historically been recruited through external competition, a process that may be complimented or superseded by the use of the Foundation's networks to identify individuals who may not be reached by more traditional methods. In addition to making appointments based on the skills, values and connections deemed necessary by the Board, new Trustees may be recruited to bring challenge and alternative perspectives. This ensures the Board and the method of governance continues to evolve.

The full Trustee Board currently meets three times a year to manage the Foundation ("business meetings"), and three times a year for strategic work ("strategic meetings"). This is in addition to whole team and Board strategic away days. The day-to-day administration continues to be delegated to the Chief Executive who is supported in this by the wider staff team.

The Board of Trustees currently has two sub-committees. They are:

- The Resources and Risk Committee which oversees the main risk and audit requirements, and monitors and reviews budgets and human resources.
- The Investment Committee (Chaired by the Chair of the Foundation) which oversees the management of the Foundation's assets, as delegated by the full Board.

Risk management

The Trustees are responsible for establishing and monitoring Lankelly Chase's internal control systems. Until March 2024, the risk register was presented to the Resources and Risk Committee annually.

Since our new strategy has introduced high levels of change, the risk register is presented for review to the whole Board at each Board meeting and is available to all Trustees upon request. The Trustees' approach to risk is to manage rather than eliminate, and view risks as opportunities to be taken, not just threats. Currently, Trustees are satisfied that the system of internal controls in place is adequate, and these internal controls are reviewed as part of the day-to-day management processes within the Foundation.

The risk register is a live document which is held collectively by the staff team and reviewed and updated monthly, and many of the risks identified remain live within the work. There is also a strong understanding at Executive and Board-level that much of the work we are engaged in might involve more risk than other funders would be comfortable with. However, we have management processes in place to manage those risks where possible, and we consider both success and failure to be crucial parts of the change journey.

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The Trustees have held that the principal risk to Lankelly Chase is that it does not fulfil its core mission of changing systems of injustice and oppression, and this is what led to our decision not to continue as a legacy institution of philanthropy. We are currently identifying the new strategic and operational risks that face us as we determine the alternative futures for our assets. These risks will continue to be managed as per the process above.

Public benefit requirement

The Trustees aim to meet their public benefit responsibilities, as laid out in Section 17 of the Charities Act 2011, by using the Foundation's resources to support agencies that seek to enable some of the most disadvantaged people in our society to lead full and independent lives.

Review of grant activity

Portfolio Teams – teams predominantly made up of Lankelly Chase colleagues with expertise across the organisation – continued to be the primary method by which grant proposals were discussed and agreed in the year 2023-24. The Executive Committee as a formal meeting place remains effectively dissolved, although the entity and mandate remain to provide delegated authority to Portfolio Teams.

The mandate for Portfolio Teams is as below:

Each team will reflect the diversity of roles and experiences of the Organisation – and will include both internal and external facing Lankelly Chase roles. The teams may include third party participants. The quorum is three members as approved by Resources and Risk Committee on 29th September 2021. The budget is delegated to the Portfolio Team by the Board following a formal request from the Portfolio Team. Third party participants may be allocated voting rights on financial allocation – provided there is no conflict of interest e.g. awarding that participant money. Portfolio Teams will flag to Trustees if the grants are deemed to be political and/or unusual in nature of risk e.g. controversial. Additionally, all grant requests above the upper delegated limit (£404,817 in 2023/24) must be referred to the Board.

Devolved decision-making in Place

Decision making has been devolved to local 'Coordination Teams' (also known as 'core teams') in the places where Lankelly Chase has been working in a deep and sustained way – Barking and Dagenham, Oxford, York, Greater Manchester and Gateshead. The process we are using is as follows:

- The place leads from Lankelly Chase and the Coordination Team in the local area have put in place an agreed set of processes regarding risk management, operations and due diligence before any decision-making has been devolved. These have been reviewed and signed off by the Resourcing Team in a process approved by Trustees.
- The requirement for Lankelly Chase staff members to be present when Coordination Teams make financial decisions was removed by the Board in December 2023.

The 'How' Team

The 'How' team is working to a different mandate, as approved by Trustees, which further devolves decision-making to allow for this to be more nimble and autonomous, whilst maintaining scrutiny, fairness and accountability. It covers the following:

- Decisions up to £11,879 can be made by an individual, up to a limit of £50,000 per person, per year.
- Decisions up to £59,394 can be made by a proposer with a seconder drawn from the wider 'How' team on a rotational basis, up to a limit of £250,000 per proposer, per year.

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- Decisions over £59,394 and up to a maximum of £404,817 require discussion with, and sign-off by, the entire (quorate) team.
- All decisions need to be minuted and logged in the tracking spreadsheet.
- All decisions made are reviewed by the whole 'How' team at the business meetings, which happen monthly.

For 2023/24, the How Portfolio Team was reorganised into three sub-teams – 'Movements', 'Investments' and 'Nurturing Alternative Realities (NAR)'. All three continues to operate under the existing How Portfolio Team mandate, however Movements also began work to set up a further devolved decision-making process to redistribute a dedicated fund. This process will be completed by September 2024, and will be ratified by the Board.

Organisation	Strategic Area	Description	Grant amount (£)
Active Oxfordshire	Oxford	Delivery of Active Neighbourhood Scan interventions	40,000
Adira Mental Health and Wellbeing Services CIC	Comms	To fund phase 2 of Weave	5,000
Advocacy Academy	Resourcing Movements	Core funding	100,000
African Families in the UK (AFIUK) CIC	Oxford	Parent Power Staffing and Core funding	21,012
African Families in the UK (AFIUK) CIC	Oxford	Parent Power Staffing and Core funding	29,124
African Families in the UK (AFIUK) CIC	Oxford	Resident Writer	1,300
African Families in the UK (AFIUK) CIC	Oxford	Towards leading work with teenage children	18,140
Age UK Gateshead Limited	Gateshead	To extend the employment contracts of the bridgebuilders for 12 months	20,030
Alleyne& CIC	NAR	To enable equitable participation in collective activities with the Knowledge Justice group	8,284
Alleyne& CIC	Care grants	Core funding	30,000
Änderwerk gGmbH	Resourcing Movements	Exploring infrastructures to better resource and support movements & collectives in Europe	65,000

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Anne Matthews Trust	NAR	Research about reparations and organisations from a non-developmental international aid perspective	70,000
Antonia Spencer	NAR	To explore the concept of destruction as generative force	20,000
Antz Junction	Network	Experimenting new ways of funding advocacy	7,000
Ariadne Network (Global Dialogue)	Resourcing Movements	Towards work with Edge Funders Alliance	10,000
Article 11 Trust	Resourcing Movements	Core funding	50,000
Article 11 Trust	Resourcing Movements	Towards Groups responding to the Gaza crisis	22,000
Arts at the Old Fire Station	Oxford	Infrastructure Communications	24,900
Arts at the Old Fire Station	Oxford	Storytelling development	32,500
Arts at the Old Fire Station	Oxford	Staff time	24,631
Arts at the Old Fire Station	Oxford	Learning development	30,000
BAC-IN CIC	Comms	Book launch	10,000
Barking and Dagenham Giving	Barking and Dagenham	Disruptive Explorers Collective	220,000
Basic Income Earth Network (BIEN)	NAR	To support development of the regional hubs	50,000
Bensham Grove Community Centre	Gateshead	To extend the employment contracts of the bridgebuilders for 12 months	18,102
Bensham Grove Community Centre	Gateshead	Core funding	70,850
Bensham Grove Community Centre	Gateshead	Unique Bensham Women - Building Bridges for Gateshead Women	1,750
Beyond the Rules via Dark Matter Laboratories Limited	NAR	Phase 3 of BTR including movement orchestration	200,000
Birmingham Pathfinder CIC	Care grants	Core funding	200,000
Birmingham Pathfinder CIC	Place (others)	Core funding	21,992

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Black Protest Legal Support via The Article 11 Trust	Resourcing Movements	Core funding	20,000
Breathe via New Economy Organisers Network	Resourcing Movements	To support Breathe	50,000
Breen Centre	NAR	To support participation and engagement in 'knowledge justice' work	10,000
Breen Centre	Care grants	Core funding	30,000
Citizens UK Charity	Oxford	Changing the Narrative with The Oxford Academy	25,000
ClimateTipping Point via Climate 2025 Limited	Resourcing Movements	Core funding	70,000
Closer Collective CIC	Resourcing Movements	Towards existing research on values-based fiscal sponsorship	40,000
Collaborate Out Loud CIC	Greater Manchester	Seed funding to explore what life affirming infrastructure could exist in GM that nurtures alternative realities	10,000
Collective Impact Agency CIC	Gateshead	Core funding	83,952
Collective Impact Agency CIC	Gateshead	To support place communications	10,000
Collective Impact Agency CIC	Gateshead	To fund GCB Website Development	2,450
Collective Impact Agency CIC	Gateshead	As Fiscal host for the bridgebuilder role	23,435
Collective Impact Agency CIC	Gateshead	To cover the cost of GCB event	7,968
Comfrey Project CIO	Gateshead	Extension of Bridgebuilder roles	34,456
Comfrey Project CIO	Gateshead	Collaboration between the GCB and The Comfrey Project	1,194
Comfrey Project CIO	Gateshead	Extension of Bridgebuilder roles	45,077
Community Centred Knowledge via The Social Change Nest CIC	NAR	Community development work using African centred cosmologies and principles of Ubuntu	100,000
Conyach Advocacy & Engagement	NAR	To coordinate & host a knowledge	6,500

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		symposium alongside Gypsy, Roma & Traveller communities	
Conyach Advocacy & Engagement	Care grants	Core funding	20,000
Cross Place Stewardship Group via The Social Change Nest CIC	Place (others)	Stewarding Group Grant	73,000
Culture Hack Labs via New World Foundation	NAR	Towards delivery of an experimental training programme	10,000
Culture Hack Labs via New World Foundation	NAR	Contribute to costs incurred for the Territories of Transition work	30,000
Culture Hack Labs and Futuros Indigenas via New World Foundation	NAR	Core funding	70,000
Debt for Climate via Climate 2025 Limited	NAR	Core funding	55,000
DIPACT CIC	Greater Manchester	Seed funding to develop the DIPACT offering in GM	10,000
Edge Funders Alliance	NAR	Towards Global Engagement Lab	10,000
Edge Funders Alliance	Resourcing Movements	Working with Ariadne Network to aim to steer the trajectory of progressive philanthropy	10,000
Embrace the Mess via Public Interest Research Centre Limited	Resourcing Movements	Core funding	15,000
Emergence Network via Open Collective Foundation	NAR	To cultivate a thriving underground network of post activist practitioners	35,000
Esmee Fairbairn Foundation	Place (others)	To continue to fund the Local Motion movement	1,000,000
Expert Citizens CIC	Care grants	Core funding	200,000
Felipe Viveros	NAR	Seed funding grant to explore funding a narratives ecosystem	20,000
Funders Fortifying the Infrastructure for Narrative Power via Closer Collective CIC	NAR	To support continued engagement that will share and build on existing research on values based fiscal sponsorship	100,000
Gateshead Coordination Team via Collective Impact Agency	Gateshead	To act as a fiscal host for the	57,031

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		Gateshead Coordination Team	
Gateshead Football Club Community Foundation CIO	Gateshead	To fiscally host funds and provide administrative support to the Sports and Wellbeing Project	23,166
Gateshead Football Club Community Foundation CIO	Gateshead	To host and support one of the Bridge Builder full-time roles	26,535
Gateshead Muslim Society	Gateshead	Sewing group equipment and costs	1,800
Gateshead Visible Ethnic Minorities Support Group	Gateshead	To extend the employment contracts of the bridgebuilders for 12 months	34,452
Gateshead Visible Ethnic Minorities Support Group	Gateshead	Deaf Festival November 2024	15,840
Gateshead Visible Ethnic Minorities Support Group	Gateshead	Continuation of Language sessions for refugees and asylum seekers	10,000
Gateshead Visible Ethnic Minorities Support Group	Gateshead	Planning of Deaf Festival	8,140
Gateshead Youth Council	Gateshead	Saturday School and Mentoring	35,992
Geeks for Social Change Ltd	Network	Funding pot for the creation and facilitation of a trans healing network in GM	25,000
Generative Journalism Community Of Practice via Opus Independents Ltd	NAR	Development of Community of Practice	30,000
Glue Collective Ltd	NAR	Core funding	25,000
Good Ancestor Limited	Investments	Core funding	150,000
Greater Manchester Spaces Fund 2	Greater Manchester	Towards design and learning process for phase 1 & 2, solidarity grant and liberation grant	388,888
Greater Manchester Systems Changers Community via The Social Change Nest CIC	Network	To support the 'Learning into Liberation'	65,000
Greater Manchester Systems Changers Community via The Social Change Nest CIC	Greater Manchester	To expand the core team and to follow the research question of 'who are we without Lankelly's funding'?	613,600

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Hamish Makgill	NAR	Explore what Hospicing in context of climate crisis for orgs and businesses	10,000
Healing Justice London CIC	Resourcing Movements	Continuation of Dreamspace	50,000
Healing Justice London CIC	Resourcing Movements	Core funding	100,000
The Hologram via The Social Change Nest CIC	NAR	Continue developing the Hologram, an alternative model of care based on solidarity, cooperation and interdependence	50,000
Hospicing Modernity UK Collective via Social Change Nest CIC	NAR	Explore what Hospicing in context of climate crisis for communities and organisations	20,000
Independent Workers Union of Great Britain (IWGB)	Resourcing Movements	To support IWGB towards the charitable purpose compliant parts of the campaign by the unionised workers at IWGB	40,000
Indigenous Commons via NEO Philanthropy Inc.	Care grants	Core funding	60,000
Joan Orma Productions Ltd	Comms	Continuation of 'The Living and Sinking Island'	30,000
Kids of Colour CIC	Greater Manchester	Core funding	80,000
LGND Campaigns Ltd	Resourcing Movements	For Worker Organising for a Green New Deal Project	50,000
Lived Insights From Experience CIC	York	Core funding	25,000
Lived Insights From Experience CIC	York	Support for operations and project costs	10,000
Love & Power	Resourcing Movements	Core funding	10,500
Medact	Resourcing Movements	Support building the skills and capacity of health workers	20,000
Media Resources Co-operative Limited	NAR	Core funding	15,000
Middleton Cooperating Limited	Care grants	Core funding	200,000
National Survivor User Network	NAR	To help 'build the field' of knowledge	10,000

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		justice through re-granting and redistributing resources	
Nedes for the Gateshead Social Harmony and Dialogue Project via The Social Change Nest CIC	Gateshead	For the Gateshead Social Harmony and Dialogue Project	9,566
North East Diversity, Education and Solidarity via Connected Voice	Gateshead	To enable NEDES to run their Saturday school and mentoring programme	6,900
Northern Heart and Soul CIC	Greater Manchester	To create the conditions for the hyper local community in Wigan in becoming a self-organising and self-renovating community	100,000
Opus Independents Ltd	NAR	To support the system's demonstrators work in Sheffield	50,000
Opus Independents Ltd	Care grants	Core funding	50,000
Our Agency network via The Social Change Nest CIC	Greater Manchester	To contribute to relieving poverty	935,000
Ownership Futures Ltd	Investments	Diagnose and provide evidence outlining the problems inherent to the current UK pension system	150,000
Oxford Hub	Oxford	Systems Changers - Family Hubs	13,000
Oxford Hub	Oxford	To resource the administration of the planning group	3,300
Oxford Hub	Oxford	Core funding	150,000
Oxford Hub	Oxford	Continuation of participatory grant making	60,000
Oxford Hub	Oxford	Running costs for the Systems Changers	102,093
People's Newsroom via Opus Independents Ltd	NAR	Core funding	200,000
Platform (London)	Comms	To support community arts and communication as part of Platform's 'Seeds for a Revolution' project	10,000

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Platform (London)	Care grants	Core funding	40,000
Prison Reform Trust	NAR	To help 'build the field' of knowledge justice through re-granting and redistributing resources	10,000
Public Interest Research Centre Limited	NAR	Support their Building Narrative power training course	30,000
Public Law Project	Care grants	Core funding	50,000
QueerArts UK CIC	York	Core funding	58,602
Racial Justice Network	Resourcing Movements	Core funding	100,000
RadHR Ltd	Resourcing Movements	Towards initial conversation to bring together individuals who are invested in resourcing social movements	2,000
RadHR Ltd	Resourcing Movements	Core funding	50,000
RadHR Ltd	Care grants	Core funding	50,000
Radical Ecology CIC	Resourcing Movements	Core funding	20,000
Rekindle School Ltd	Greater Manchester	Towards legal cost	15,000
Rekindle School Ltd	Greater Manchester	To support the development of Rekindle School as an Island of Sanctuary	55,000
Research for Action Limited	NAR	Collaborative research into local democracy	80,000
Resist and Renew via Platform (London)	Resourcing Movements	Core funding	15,000
Rory Dickinson	Network	To fund the work of the collective looking at late-stage capitalism and post-capitalist futures	10,000
Sistren via The Centre for Innovation in Voluntary Action	Resourcing Movements	Core funding	100,000
Sociable Weavers via Whose Knowledge	NAR	Core funding	77,000
Social Change Agency Ltd	Place (others)	To continue to develop a community of practice and associated guidance	10,000

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		materials on payment for participation and involvement practices	
SoundDelivery Media	Care grants	Core funding	45,000
Spaceship Dot Earth Ltd	NAR	Core funding	30,000
Spaceship Dot Earth Ltd	NAR	To fund an additional 5 places on The Remix	5,000
Stichting Systemic Justice	Resourcing Movements	Core funding	50,000
Story Compound Limited	Comms	To produce 'Asylum Queens' – short film on African and Caribbean women in the UK	25,000
Sunflower Analysis Limited	Resourcing Movements	Core funding	10,000
Tenants Union UK Limited	Network	Core funding	5,000
Theatre In Flow CIC	Greater Manchester	To support members of GM Systems Changers community	4,400
Theatre In Flow CIC	Greater Manchester	Seed funding to develop anti-racist practice within GM	10,000
Together with Young People partnership in York via The Social Change Nest CIC	York	For the 'Together with Young People' partnership in York	27,101
Together with Young People partnership in York via The Social Change Nest CIC	York	For the 'Together with Young People' partnership in York	10,000
Transformational Governance Collective via Huddlecraft CIC	NAR	Next phase of work with learning cohorts, building the space	191,500
Transmit Enterprise CIC	Gateshead	Bridgebuilder top up pot	10,500
Transmit Enterprise CIC	Gateshead	To resource support capacity	5,000
Travel.Radio Limited	Network	Funding the technical equipment and the capacity to set up their own locally owned and sustained media outlet	60,000
Ubele Initiative CIC	Resourcing Movements	Core funding	40,000
Verdade Consulting Ltd	NAR	To help 'build the field' of knowledge justice	10,000

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War on Want	Resourcing Movements	Core funding	100,000
War on Want	Resourcing Movements	Core funding	81,000
War on Want	Resourcing Movements	Core funding	2,000,000
We Are Purposeful	Resourcing Movements	Re-granting work that benefits girls, young feminist and human rights activists in the U.K, Europe and the Global South	58,000
Wevolution	NAR	Core funding	240,000
Women's Environmental Network Trust	Care grants	Core funding	70,000
York in Recovery CIC	York	Core funding	25,000
York in Recovery CIC	York	To support operations and project work	10,000
York Multiple Needs Complex Network via The Social Change Nest CIC	York	To host enabling and infrastructure capacity which supports work addressing multiple complex needs in York	59,639
York Multiple Needs Complex Network via The Social Change Nest CIC	York	To hold payment for involvement funds on behalf of York MCN	6,420
York Multiple Needs Complex Network via The Social Change Nest CIC	York	For the York MCN Network	10,000
York Together group via The Social Change Nest CIC	York	To host the core activities and infrastructure of the York Together Group	200,353
York Together group via The Social Change Nest CIC	York	To support the operations and resourcing activities of the York Together Group	202,430
	Total		12,154,395

Financial Report

The Trustees authorised a total budget (excluding investment management and social investment fees) for 2023-24 of £17,937k made up of:

- £20,900k programme costs
- £2,476k staff costs, governance and office costs

There was also a budget of £21k for capital expenditure.

Total expenditure, excluding investment management fees was £15,569k. This was made up of:

- £13,157k programme costs (2023: £14,006k).
- £2,412k staff costs, governance and office costs (2023: £1,625k)

£2.8k was spent on capital items in the year (2023: £15k)

Income

Total income during the year was £1,544k (2023: £815k).

There has been an increase in total investment income from £815k to £1,544k, the largest part of this being income from listed investments which increased from £790k to £1,344k. The majority of our listed equity holdings are now held through accumulation shares in pooled funds, where previously we had greater, direct exposure to income-bearing holdings. Social investment income was £9.5k (2023: £Nil). Other interest income has increased from £36k to £60k due to increases in interest rates.

Other income, in the form of a contribution from Greater Manchester Combined Authority (GMCA) towards participatory grant making work was received on 7th February 2024.

There was no donation received from Northwood Trust in the year (2023: £14k excluding tax relief).

Fundraising practice

Lankelly Chase Foundation does not derive any income from fundraising. Lankelly Chase Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Spending policy

Trustees and staff regularly review progress against the Foundation's strategic aims and a workplan is developed by the staff team (plus external partners with regards to place-based work).

The budgeting process for 2023-24 was a collective one, with the entire staff team encouraged to contribute to the programmatic budget, as well as some of the budgets in places. Portfolio Teams developed budgets and work plans for the year ahead which were approved by the Board.

It is our vision and mission that are the main determinants of each year's expenditure.

Investment strategy

The purpose of our investments is to enable us to fulfil our mission. Our current investment objectives are:

- to achieve a sustainable financial return, in a manner which is wholly consistent with our charitable objects, that will enable us to continue to fund our grant-giving over the long term;
- in seeking a sustainable financial return, to seek to avoid investments which contribute to systems that perpetuate severe and multiple disadvantage and to seek investments which contribute positively to addressing severe and multiple disadvantage; and
- in seeking a sustainable financial return, to support the reduction of global greenhouse gas emissions to net-zero by investing in a way which is carbon negative. We want to be as ambitious as possible and, at least, aligned with the Paris Agreement goals to limit global heating to 1.5 degrees in a way that is equitable and just.

Our current investment strategy has been based on long term goals. Our new shorter horizon means that in 2024-25 we will review our investment strategy to identify mission-aligned ways in which we can reduce levels of risk and volatility in our portfolio. This will ensure that Trustees are able to plan for the future redistribution of assets with greater certainty.

Investment management

Our assets are currently invested in the following strategies, largely comprising pooled public market funds with diversified investment styles and objectives.

- Baillie Gifford Positive Change
- Impax Environmental Markets
- Liontrust Sustainable Future Global Growth
- Montanaro Better World
- Schroders Global Sustainable Growth
- Schroders Cazenove discretionary fixed income portfolio, which includes holdings in the Lombard Odier Global Climate Bond Fund, Rathbone Ethical Bond Fund, and Threadneedle UK Social Bond Fund
- Stewart Investors Asia Pacific Sustainability

Performance

The Foundation's investment portfolio produced a financial return of positive 7.3% during the year, compared to a negative return of 4.6% in the preceding year. After cash withdrawals, this saw the value of invested assets decrease from £129.4m at 31st March 2023 to £121.4m at 31st March 2024.

Social investments

Social investments are not an active part of the investment strategy, and no new social investments were made in the year to 31 March 2023. Following further repayments of capital during the year, legacy social investments at 31 March 2024 totalled £886,452 (2023: £895,201).

Reserves policy

As the Foundation's endowment is expendable, it is all available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Trustees consider it prudent to have short-term access to cash equal to approximately twelve months' projected expenditure.

Remuneration policy

The overall goal of the Foundation's remuneration policy is to ensure that staff members are remunerated fairly and in a way that ensures that the Foundation attracts and retains the right skills to have the greatest impact in delivering our charitable objectives.

Lankelly Chase aims to maintain a competitive and fair salary structure which is clearly defined and communicated to all employees with procedures that are applied consistently in a non-discriminatory manner. The Foundation benchmarks salaries against an appropriate comparative sector/set of organisations. Benchmarked bands are agreed for each post and set by the Resources and Risk Committee. A Pay Committee comprising the senior management team approves individual salary changes up to and including Director roles. The CEO salary is approved by the Board.

Lankelly Chase is a living wage employer and commits to paying at least the London Living Wage to all employees, including interns.

Lankelly Chase offers an Enhanced Parental Leave policy offering all new parents the same opportunity to take paid leave, regardless of gender, sexual orientation or how they became a parent (whether through birth, adoption, parental responsibility or surrogacy). This has been made available after passing probation, rather than the original requirement of 12 months of service and reflects a commitment to living the values of the Foundation.

The Foundation does not currently pay remuneration to Trustees.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of Lankelly Chase Foundation 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charity 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. As 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.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 23 October 2024 and signed on their behalf by

Asif Afridi
Chair of Trustees

Independent auditor's report to the members of The LankellyChase Foundation

Opinion

We have audited the financial statements of The LankellyChase Foundation (the 'charitable company') for the year ended 31 March 2024 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 2024 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 LankellyChase Foundation'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 Resources and Risk committee, 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.

Jonathan Orchard (Senior statutory auditor)

17 December 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Statement of financial activities for the year ended 31 March 2024

	Note	Restricted fund £	Unrestricted fund £	2024 £	2023 £
Income from:					
Investments	2	-	1,344,416	1,344,416	790,012
Donations		-	-	-	25,455
Other income		200,000	-	200,000	-
Total incoming resources		200,000	1,344,416	1,544,416	815,467
Expenditure on:					
Investment management fees		-	99,895	99,895	94,079
Charitable activities	3	200,000	15,368,897	15,568,897	15,630,896
Total expenditure		200,000	15,468,792	15,668,792	15,724,975
Net expenditure before net (losses)/gains on investments		-	(14,124,376)	(14,124,376)	(14,909,508)
Net (losses) on investments		-	8,342,653	8,342,653	(7,203,261)
Net movement in funds	4	-	(5,781,723)	(5,781,723)	(22,112,769)
Reconciliation of funds:					
Total funds brought forward at 1 April		-	121,745,818	121,745,818	143,858,587
Total funds carried forward at 31 March		-	115,964,095	115,964,095	121,745,818

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

The LankellyChase Foundation

Balance sheet as at 31 March 2024

			2024		2023
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		25,827		41,885
Investments					
Managed funds	11		121,374,754		129,368,788
Social investments	12		886,452		895,201
			122,287,033		130,305,874
Current assets					
Debtors	13	50,035.51		106,517	
Cash at bank and in hand		2,200,157		2,765,917	
		2,250,192		2,872,434	
Liabilities					
Creditors: amounts falling due within one year	14	(8,423,130)		(9,275,111)	
Net current (liabilities)/assets			(6,172,938)		(6,402,677)
Total assets less current liabilities			116,114,095		123,903,197
Creditors: amounts falling due after one year	15		(150,000)		(2,157,379)
Total net assets			115,964,095		121,745,818
The funds of the charity					
Restricted funds	16		-		-
Unrestricted funds	16		115,964,095		121,745,818
			115,964,095		121,745,818

The financial statements were approved by the Board of Trustees and authorised for issue on 23 October 2024 and are signed on its behalf by:

Asif Afridi
Chair of Trustees

Company registration number 5309739

Statement of cash flows for the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net income/(expenditure) for the reporting period			
As per the statement of financial activities		(5,781,723)	(22,112,769)
Depreciation charges		18,906	20,609
Losses/(gains) on investments		(8,342,653)	7,203,261
Dividends and interest from investments		(1,344,416)	(790,012)
Decrease/(Increase) in debtors		56,482	(48,065)
Decrease/(Increase) in creditors		(2,859,360)	1,890,925
Net cash used in operating activities		(18,252,764)	(13,836,052)
Cash flows from investing activities:			
Dividends and interest from investments		1,344,416	790,012
Purchase of fixed assets		(2,848)	(15,335)
Return or impairments of social investments		8,749	15,059
Movement on cash within investments		(2,367,292)	195,838
Proceeds from sale of investments		26,673,588	9,379,394
Purchase of investments		(7,969,609)	(8,445,229)
Net cash provided by investing activities		17,687,003	1,919,739
Change in cash and cash equivalents in the year		(565,761)	(11,916,312)
Cash and cash equivalents brought forward at 2 April		2,765,917	14,682,229
Cash and cash equivalents carried forward at 31 March		2,200,156	2,765,917

Notes to the financial statements for the year ended 31 March 2024

1. Accounting Policies

Basis of 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.

Public benefit entity

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

Going concern

Whilst acknowledging the current volatility in the markets the Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Investment income is accounted for when received by the Foundation or its agents. Social investment interest income is recognised when receivable on an accruals basis. Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is generally the date of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading: expenditure on charitable activities which includes the costs of programme activities and grantmaking undertaken to further the purposes of the charity and their associated support costs.

Charitable activities are those costs relating to the programme activities of the Foundation and include grants, governance and support costs. Grants are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investment managers' fees are grossed up for any rebates received.

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Support costs are those related to all the other activities of the organisation and are apportioned on the basis set out in note 4.

Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of the overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the proportion of staff time attributable to each activity.

Operating lease commitments

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over the remaining life of the lease
Office furniture and equipment	25% per annum

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included in unrestricted reserves in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities (SOFA). The Foundation does not acquire put options, derivatives or other complex financial instruments.

Social investments

Social investments are carried at fair value or impaired cost where it is not practicable to recognise at fair value. Such investments are subject to regular review and any impairment is charged to the SOFA. Investment valuations are not enhanced to more than original cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Foundation 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.

Pension costs

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

Funds

As the Foundation's endowment is expendable, unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objects of the Foundation. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

2. Income from investments

	2024 £	2023 £
Listed investments	1,275,062	754,126
Bank interest	59,828	35,886
Social investment income	9,525	-
Total investment income	1,344,416	790,012

3. Expenditure on charitable activities

For 2023-24 we continued a thematic approach where Portfolio Teams looked after a particular area of the Foundation's work. The budget was set up in this way and so expenditure for the statutory accounts has followed the same approach, as set out below.

	2024 £	2023 £
Programme-related costs		
Strategic areas:		
Who	-	1,058,347
Place	6,218,603	4,227,975
Comms	88,999	278,452
Care grants	1,054,975	-
Transition Pathway	11,341	-
How	5,786,094	8,437,515
Other	(3,243)	3,845
	<u>13,156,769</u>	<u>14,006,134</u>
Governance costs (note 5)	376,567	104,335
Support costs (note 6)	2,035,562	1,520,427
	<u>15,568,897</u>	<u>15,630,896</u>

4. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2024 £	2023 £
Depreciation	18,906	20,609
Operating lease rentals		
Property	94,651	87,172
Other	13,022	10,530
Auditor's remuneration (excluding VAT):		
Audit	15,500	14,500
VAT on audit cost	<u>3,100</u>	<u>2,900</u>

5. Governance costs

	2024 £	2023 £
Legal expenses	9,285	13
Auditor's remuneration	18,600	17,400
Membership of PRI	1,122	1,049
Trustee expenses	9,064	9,053
Trustee training and conferences	16,012	-
Trustee meeting costs	70,469	6,439
Board advisors, facilitation, learning, stakeholder consultation, change management	251,133	69,841
Other governance related administration expenses	882	540
	<u>376,567</u>	<u>104,335</u>

6. Support costs

The key elements of support costs are set out below:

	2024 £	2023 £
Staff costs (note 7)	1,568,402	1,238,379
HR-related costs	53,457	10,616
Premises costs including utilities and repairs	116,697	104,770
Legal and professional costs	27,604	27,355
Travel, subsistence and hosting of events	50,206	21,510
Training and conferences	135,477	27,548
Subscriptions and memberships	34,317	17,636
Telephone, postage, stationery and printing	21,765	19,781
Website and IT costs	24,537	22,882
Bank charges	1,502	1,452
Sundries	(17,310)	7,890
Depreciation	18,906	20,609
	<u>2,035,562</u>	<u>1,520,427</u>

7. Analysis of staff costs, Trustee expenses and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries	1,228,133	995,306
Social security costs	132,940	107,100
Employer contribution to defined contribution pension schemes	150,970	103,888
Temporary staff	51,677	28,022
Other forms of employee benefits	4,683	4,063
	1,568,402	1,238,378

The following number of employees received benefits in excess of £60,000 (excluding employer pension costs and employer National Insurance contributions) during the year between:

	2024	2023
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	3	1
£80,001 - £90,000	2	1
£110,001 - £120,000	1	1
£150,001 - £160,000	1	-

The total employee benefits including employer pension contributions and employer National Insurance contributions of the key management personnel were £737,618 (2023: £410,803).

The Chief Executive received a gross salary after salary sacrifice with employer pension contributions in the following band: £150,001 - £160,000 (2023: £130,001 - £140,000).

The key management personnel (including the Chief Executive) received salary payments (gross salaries after sacrifice) plus employer pension contributions and other benefits in the following bands.

The LankellyChase Foundation

	2024	2023
	No.	No.
£60,001 - £70,000	-	0.9
£70,001 - £80,000	-	0.9
£90,001 - £100,000	2.9	1.0
£110,001-£120,000	1.0	-
£130,001-£140,000	-	1.0
£150,001-£160,000	1.0	-
£180,001-£190,000	1.0	-
Total	5.9	3.8

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £9,064 (2023: £9,053). 5 Trustees incurred expenses (2023:7) relating to attendance at meetings of the Trustees.

The Foundation's Trustees were not paid nor received any other benefits from employment with the Foundation in the year (2023: £nil).

8. Staff numbers

The average monthly number of employees (head count based on number of staff employed) during the year was 18.3 (2023: 18.7).

9. Related party transactions

There were no related party transactions in the year (2023: £7,200).

10. Tangible assets

	Leasehold improvements £	Furniture & equipment £	Total £
Cost			
At 1 April 2023	144,620	149,843	294,464
Additions	-	2,848	2,848
At 31 March 2024	144,620	152,691	297,311
Depreciation			
At 1 April 2023	143,630	108,949	252,578
Charge for the year	991	17,916	18,906
At 31 March 2024	144,620	126,864	271,485
Net book value at 31 March 2024	-	25,827	25,827
Net book value at 01 April 2023	990	40,895	41,885

All assets are used for charitable purposes.

11. Investments – managed funds

Investments comprise:

	2024 £	2023 £
Listed investments	116,916,199	127,277,526
Cash held as part of the investment portfolio	4,458,555	2,091,262
Total market value	121,374,754	129,368,788

The LankellyChase Foundation

	2024 £	2023 £
Fair value at 1 April	127,277,526	135,414,953
Additions at cost	7,969,609	8,445,229
Disposal proceeds	(26,673,588)	(9,379,394)
Net (loss) on change in fair value	8,342,653	(7,203,261)
Fair value at 31 March	116,916,200	127,277,526
Cash balances	4,458,555	2,091,262
Total Market Value	121,374,755	129,368,788

12. Investments – social investments

The movement in social investments held by the Foundation during the year ended 31 March 2024 and the previous year are shown in the two tables below:

Year end 31 March 2024	At 1 April 2023 £	Purchases in year/ (return of capital) £	Impairment reversal £	At 31 March 2024 £
Big Issue Invest	-	(3,243)	3,243	-
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	195,201	(8,749)	-	186,452
	895,201	(11,992.16)	3,243.04	886,452

The previously impaired investment in Big Issue Invest was fully repaid and the impairment was reversed as a result. The funds were paid to the foundation in December 2023.

Year end 31 March 2023	At 1 April 2022 £	Purchases in year/ (return of capital) £	Impairment reversal £	At 31 March 2023 £
Big Issue Invest	6,310	(3,067)	(3,243)	-
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	203,950	(8,749)	-	195,201
	910,261	(11,816)	(3,243)	895,201

13. Debtors

	2024 £	2023 £
Other debtors	11,498	11,458
Prepayments	38,538	81,059
Accrued income	-	14,000
	50,036	106,517

14. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	101,145	139,227
Grants payable within one year	8,027,774	8,981,309
Taxation and social security	57,831	37,544
Other creditors	20,636	-
Accruals	215,741	117,031
	8,423,130	9,275,111

Reconciliation of movement in grants creditors

	2024 £	2023 £
At 1 April 2023		
Grants falling due within one year	8,981,309	5,772,191
Grants falling due after more than one year	2,157,379	3,496,360
Total grants creditor	11,138,688	9,268,551
Grant adjustments	(95,261)	13,800
New grants awarded in year	12,154,395	13,299,334
Grants paid in year	(15,020,048)	(11,442,998)
At 31 March 2024	8,177,774	11,138,688
At 31 March 2024		
Grants payable within one year	8,027,774	8,981,309
Grants payable after more than one year	150,000	2,157,379
Total grants creditor	8,177,774	11,138,688

15. Creditors: amounts falling due after one year

	2024 £	2023 £
Grants payable (all payable in 2-5 years)	150,000	2,157,379
	150,000	2,157,379

16. Movement in funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Current year

	At 1 April 2023 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2024 £
Unrestricted funds	121,745,818	9,687,069	(15,468,792)	115,964,095
Restricted funds	-	200,000	(200,000.00)	-
Total funds	121,745,818	9,887,069	(15,668,792)	115,964,095

Prior year

	At 1 April 2022 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2023 £
Unrestricted and total funds	143,858,587	(6,387,795)	(15,724,974)	121,745,818
Total funds	143,858,587	(6,387,795)	(15,724,974)	121,745,818

17. Operating lease commitments

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

The LankellyChase Foundation

	Land and buildings		Other assets	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	94,892	36,322	8,469	9,897
One to five years	362,091	-	626	10,997
	<u>456,983</u>	<u>36,322</u>	<u>9,095</u>	<u>20,895</u>

18. Legal status of the charity

The Foundation is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE LANKELLYCHASE FOUNDATION

England & Wales - Charity number 1107583

Accounts

The LankellyChase Foundation

Annual report and financial statements for the year
ended 31 March 2023

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Statutory information

The LankellyChase Foundation ('the Foundation') is a charitable company limited by guarantee and is incorporated in the United Kingdom (no. 5309739). The registered office address is Greenworks, Dog & Duck Yard, Princeton Street, London WC1R 4BH.

Legal and administrative information

The Foundation is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the Trustees of the charity for the purposes of charity law and throughout this report are referred to as 'the Trustees'.

The following details are for the year ended 31 March 2023 and also include changes up to the date on which the accounts were signed.

Trustees	Asif Afridi (R)	Chair
	Myron Rogers (I,R)	
	Amanda Hailes	
	Marai Larasi (I)	
	Darren Murinas (R)	
	Baljeet Sandhu (I)	
	Robin Tuddenham (I)	Retired 28 th June 2023
Co-optees	Andrea Marmolejo (I)	Retired 9 th February 2023
	Jeremy Rogers (I)	Retired 9 th February 2023

(I) indicates members of the Investment Committee
(R) indicates member of the Resources and Risk Committee
Any individual Trustee has the right to attend any committee meeting.

Staff team	Edel Brady-Jackson	Administrator, Place Action Inquiry
	Dominic Burke*	Investment Director
	Lisa Clarke	Action Inquiry Manager
	Jessica Cordingly*	Director (on parental leave from 1 November 2021 to 31 August 2022)
	Julian Corner*	Chief Executive
	Karen Crompton*	Director (since 1 May 2023)
	Renee Davis	Communications Manager
	Joe Doran	Action Inquiry Manager
	Oliver French	Action Inquiry Manager
	Carrina Gaffney	Action Inquiry Manager
	Rachael Gibbons	Action Inquiry Manager
	Ania Jeleniewska-Kaczmarczyk	Head of Finance
	Anita Kamya	Finance Assistant

The LankellyChase Foundation

Joan Kirungi	Office and Admin Assistant
Habiba Nabatu*	Director (since 1 May 2023)
Jenny Oppenheimer	Action Inquiry Manager
Cathy Stancer*	Director (on placement from 19 September 2022 to 31st March 2024)
Jyotsna Ram	Action Inquiry Manager (started on 20 June 2022)
Amirali Torabi	Action Inquiry Manager (started on 4 July 2022 left on 20th September 2023)
Clare Neville	Interim Executive Assistant (started on 29 August 2022 left on 24 May 2023)
Patty Silveira	Interim Executive Assistant (started on 21 May 2023)

Key management personnel Although in a small staff team every member is considered to be key, for the purposes of the Statement of Recommended Practice (SORP 2015), those team members marked * have been designated as key management personnel.

Principal and registered office	Greenworks, Dog and Duck Yard Princeton Street London WC1R 4BH
Telephone	020 3747 9930
Website	www.lankellychase.org.uk
Company registration number	5309739
Country of registration	England and Wales
Country of incorporation	United Kingdom
Charity registration number	1107583

Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
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Bankers	The Royal Bank of Scotland Group 1 st Floor, Houblon House 62-63 Threadneedle Street London EC2R 8HP Lloyds TSB Bank plc Market Place, Didcot Oxfordshire OX11 7LQ
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The LankellyChase Foundation

Legal advisors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Investment managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

Baillie Gifford & Co
Calton Square 1 Greenside Row, Edinburgh EH1 3AN

Impax Asset Management
7th Floor 30 Panton Street, London SW1Y 4AJ

Liontrust Asset Management plc
2 Savoy Court, London WC2R

Montanaro Asset Management Ltd
53 Threadneedle Street, London EC2R 8AR

Stewart Investors
23 St Andrew Square, Edinburgh EH2 1BB

Report of the Trustees

Introduction

In our 2021-22 annual report, we noted that philanthropic institutions were finally feeling the heat of accountability. We welcomed the increased rigour and questioning this was bringing, while also pointing to deeper structural dysfunction that wouldn't be resolved by increased accountability alone:

“Lankelly Chase continues to embody the contradiction of a powerful wealthy organisation striving for equity. There remains a degree of ‘power over’ others that is neither in the interests of justice nor of interconnection. Like every philanthropic institution, our money continually creates the risk of a ‘them and us’ detachment in our relationship with others that is the reverse of a systemic approach.”

Our concerns about this contradiction only increased in the following year, especially as we couldn't see a way of resolving it within available models of institutional philanthropy. We began to see that moving to a healthier, more sustainable world required that we intentionally transition from a model that continually risks extraction, othering and harmful hierarchy. We laid the ground for this realisation in last year's report:

“We need to reimagine how funding and resourcing roles can align more clearly with the values that characterise a healthier and more sustainable world. We mean here values such as mutuality, interdependence, community and care. Nineteenth century models of philanthropy and charity, based on colonial capitalism, will never help us to understand how good work should be resourced in this world. We need to connect with the narratives and belief systems suppressed by that paradigm, as well as with our community.”

These insights are not new to Lankelly Chase. They have always been central to the work of many of our grantees and yet have only been in the margins of the analysis upon which we have acted. While we have spent the last decade engaged in action inquiries explicitly intended to shift power and support moves towards justice and equity, it is only in the last three years that we have started properly to question whether the institutional system of philanthropy can ultimately be an effective vehicle for this work.

Several factors have led to this point:

- There is a growing consensus among civil society organisations worldwide that we need to shift power from institutional philanthropy to communities and grassroots networks if we are to realise the latter's genuine potential.
- There is now compelling evidence, surfaced during the Covid pandemic, that institutional philanthropy has consistently failed to move money to grassroots organisations and networks, particularly those led by people of colour. This is because of institutional philanthropy's distance and detachment from those communities.
- We have growing awareness, shaped by UN research, of the social, economic and environmental calamity we now all face and the need for proportionately bold action.

- After working hard to align our investment strategy with our mission, we have hit against the limits of what institutional philanthropy can do to invest in ways that don't perpetuate harms.
- After testing several models ourselves, we have dwindling belief that the innovations of institutional philanthropy – including many models of participatory grant making, place-based funding and sustainable/social investment – can ever overcome the inherent problems of institutional philanthropy. These problems stem from philanthropy's roots in the extortions, expropriations and servitudes of colonialism.

Greater accountability has pushed many philanthropic institutions, including Lankelly Chase, to improve their working practices, which has obviously been important and necessary. But if we rest on the hope that improvements alone will add up to a healthy resourcing system for social justice work in the UK, then we have not understood the gravity of our situation. Indeed we risk perpetuating the myth that institutional philanthropy can somehow be a cure for the harms caused by the very systems that shaped and sustain it.

This degree of contradiction is not defensible in an age of existential consequence and interlocking crises. Humanity urgently needs to make different choices and forge new pathways.

In June 2022, we reached the conclusion that the continuation of Lankelly Chase as a philanthropic institution was no longer a model that supported our mission. As Trustees of Lankelly Chase, we are assured by a decade of experimentation and learning that our institutional model is now an obstacle in pathways towards more mutual, interdependent and caring approaches.

This was obviously a difficult conclusion to reach. Lankelly Chase has been widely viewed as a force for good over its sixty plus year history. Many charities can point to pivotal grants from Lankelly Chase that have helped them pursue their own crucial missions. There is much of which we and our predecessors can be proud.

Ending the current institution of Lankelly Chase will undoubtedly be experienced as a loss by some. However, our clear intention is to open up collaborative spaces for much more aligned and effective alternatives to emerge that continue the legacy of our work in more effective ways.

In July 2023, we announced a five year process of working out alternative futures for our assets, including our capital, learning and the protective factors that come from being an endowed charitable foundation. This work needs to be much deeper and more nuanced than simply deciding how to reallocate our endowment. If the work is reduced to a 'spend down' strategy then it will have contributed little to addressing the contradictions that motivate this change. It will require us to work in deep collaboration with those whose work, struggle and vision have helped us see that alternative futures are both essential and possible.

With communities, we will develop a strategy for transitioning over the next five years from this current institutional funding model to alternatives that align accountability, ownership and investment much more closely with the communities and change we have aimed to serve.

By the end of the five years, we expect ownership of our assets to have been wholly redistributed, as part of a wider process of change.

We intend to document this journey very carefully, as we know that many will be watching closely and hoping to learn lessons for their own contexts. We do not think that we can or should be trying to create any kind of blueprint or map, however many people have shared with us their struggles with their own organisational contradictions, and so the more we can learn for the benefit of the wider funding system, and not just ourselves, the more public benefit we can hopefully create.

As early steps in this process, we have:

- Hosted drop-ins for our grantees to ensure that they fully understand the decision.
- Offered assurances that all current grants and contracts will be honoured.
- Contracted the consultancy incharge to support the Board and staff team manage the transition.
- Started internal work to design spaces for community dialogue.
- Made public our 'in principle' decision to give £8m to the Baobab Foundation to support their goal to create a new endowment 'by and for' black communities. We are currently agreeing the terms of this gift.

As we transition, we will continue to support many of our current grantees whose work and insights have allowed us to understand the need to reimagine what resourcing should look like. This annual report sets out how the work of our action inquiries has been supporting brave, soulful people, organisations and networks in the current year, and our plans for continued support in the year ahead.

Our work has recently been organised into action inquiries, six of which have been thematic and five place-based, alongside our communications work. All have contributed profoundly to the decision we have made, and have allowed us to connect with and learn from an extraordinarily rich community of social justice leaders.

However the action inquiries have been quite siloed in the way they've been managed, and have created artificial boundaries within our work which have prevented us seeing the bigger whole. We are currently working out how to reorientate the work, networks and learning of these action inquiries towards the transition pathway. Many of our partners are engaged in deep transition work, and we want to ensure that we are acting in a way that fosters critical connection between them, rather than creating separation and competition.

Below we set out a brief summary of the work that has happened this year and of our plans for 2023-24.

Our Place-Based Action Inquiries

The place team has gone through a series of consequential and consecutive wide ranging processes over the past year, most notably the place associates had collectively decided, and were working out, what transitioning from their roles by April 2023 meant for the places

and themselves while the team were undertaking a stock take of all the place work that was happening- where it might be leading, what that might look like and what that might take.

Even though the situation was at times confusing and unclear, the stock taking process was a useful tool that reinforced our view that though each place was different, there were many common themes. Those common themes are largely unchanged from the previous year though are now more nuanced, clear and purposeful. This has been supported by the spread of devolved decision making and core groups within each place. While not all places have mandated decision making over the allocation of resources in those localities, there is always an embedded group that discusses and directs activities in each place meaning that no decision affecting a place is made unilaterally within Lankelly Chase (though Lankelly team members are always involved).

At our recent place team/associates conversation it became clear there is a desire to spread the more meta conversations among a greater diversity of the people working in the places. Greater ownership of, and involvement in, the work and learning arising from the places is an explicitly stated need to move the work to the next level and will be addressed in part by the Place Networks stream which has been developed in collaboration with partners working in place over 2022/23 and is intentionally and explicitly about solidarity, a direct attempt to de-silo Lankelly's current place work and centre it in anti-oppressive movement practice to create connections and a sustainable network infrastructure.

Our own internal learning support has shifted in kind. When our previous learning support contract ended we deliberately chose to work with Rivers Coaching. Rivers have a stance; they are intentionally and overtly liberatory in their view. They support and challenge the Place team to ensure anti-oppressive practice is embodied and embedded while providing individual coaching and brave spaces in which to explore the past, present and future. We began with a six month "getting to know you" phase which enabled us to co-create a meaningful working agreement that will see us through the next 18 months.

Place work is slow, iterative and deliberative and as such most grants in place have been to enable people to "stay in the work". Alongside our designated "places", we work with a number of other groups and organisations around the country who are also working in a "place based way" and they will become part of the wider place network in 2023/24.

Gateshead

The work in Gateshead over the past year has fallen broadly into two main streams that have flowed concurrently, often merging and sometimes diverging, that the team has been defining as "in here" and "out there". Two mutually reinforcing concepts that are enabling the team to step into newly formed roles that are functional in exploring new ways to create and support systemic change (out there) while creating the cultural expressions and procedural mechanisms that structures community insights from marginalised people into financial decision-making (in here).

There has been an expansion of the core team in Gateshead which has in turned necessitated an identity and a name. The core team is now called the Gateshead Community Bridgebuilders (GCB).

The group has continued its work on long standing pieces such as the community led systems inquiry that has iterated and grown over two and a half years and the inquiry into participatory grantmaking at a neighbourhood level. Involvement in these projects has spread whilst the newer members of the GCB have been able to understand their origins and how they feed into the work that the group will be collectively undertaking in the coming year.

Significant investment has been put into the “in here” stream over 2022/23. Attempting to break down the gap between “the people making funding decisions” and “marginalised people doing the work” has meant constantly working on culture, practice and mindsets. We have undertaken two facilitated money workshops to help better understand how our personal feelings towards money could impede better working as resource holders. In turn, “out there” has nascent focuses on language justice, education exclusion, accessibility and community connections.

Our associates in Gateshead will transition to a new role of learning support which, while the work deepens on those specific areas, will enable a greater view of how the “out there” work is connected and mutually supporting and how the “in here” work can form the structural and cultural bedrock to allow it to sustain. Another key role for the learning support will be to spread and communicate both streams of work to a wider range of interested parties.

Oxford

The Oxford core team has established three lines of inquiry (though with significant overlap); human systems, meaningful measurement and building and sharing power. The lines of inquiry were officially ‘launched’ at Oxford’s Marmalade festival in 2022, and invited public service officials, community-based organisations and partners, as well as residents connected to the work, to explore findings. The Marmalade festival will take place in April 2023 again this year, continuing the demonstration of the work that has taken place in the network over the past 12 months.

The overall purpose of the 2022-23 phase was to deepen existing relationships, expand to new communities including more liberatory groups and establish presence on a hyper-local level. This has been successful through a number of locally-led collaborative processes, in particular a pivotal moment for the Oxford partners was the delivery of ‘Systems Changers’ with the Parent Power group based in Blackbird Leys. The space was essential in allowing for deeper discussions of inequality, systems-change actors and conversations about power. Following the Systems Change programme, there was a call from participants to be trained in community organizing, citing this method as a positive addition to the focus on systems change. In March/April 2023 there is a process of onboarding for community organisers, who have been recruited through the Systems Change programme and articulated a passion to deliver deep and meaningful organizing in Blackbird Leys.

Over the next year, the team have expressed the need to continue to build momentum around the three lines of inquiry, and to allow the content and direction to be shaped by the energy of the partners. The team have reflected, that when the energy hasn’t been followed based on the experience of the partners, the work hasn’t totally championed the idea to change the narrative of Blackbird Leys. However, when it has, there have been fruitful conversations and strategies on how to build momentum around topics such as the school to

prison pipeline. It is important therefore, to considerably support and resource the inquiries, allowing space for new narratives to emerge. The work in 23-24 will considerably strengthen the structure of the overall Marmalade core team, particularly with the three community organisers joining and positively influencing the make-up and influence of the group.

Greater Manchester

The last year has been both exhausting and exciting in Greater Manchester. We have been even more committed to our solidarity funding approach in a city with so much inequity. We have continued to prioritise the liberation of resources to working-class women and young people of colour, but not exclusively in communities, organisations, and networks that challenge injustice and create the conditions for healthier systems to emerge.

Over the last year, we naively thought we would be a fully functioning, self-organising community. Instead, we are a community surviving burnout and physical and mental ill health alongside many moments of joy, care, respect, and celebration. Love for each other and the community is a thread that binds us together.

Related to this, one of the highlights from this last year was the Dreamweaver's gathering. We held a four-day gathering and invited our 'fellow dreamers and weavers, colleagues and collaborators, friends and family' to celebrate and witness each other. We created a space where the community could dream up a future rooted in equity, justice, and liberation.

The event was vibrant, creative, joyful, inspirational, appreciative, and full of love and laughter. It became clear that gatherings like this are nourishing and vital as they weave together all the threads between us which counter that feeling of being alone in the fight for justice and liberation.

One of the intentional aims for the gathering was to start paying attention to the threads of work that partners have energy for and to weave them into our plan for the year. The energy for self and community organising, food sovereignty, land and housing justice, economic justice and a continued need for healing spaces were all abundant. In turn, we have organised the work in GM around inquiries or communities of practice.

We have started in earnest to support a Food sovereignty Inquiry. At the Dreamweaver's gathering, Victoria Holden and Rose Ssali from Grassroots and Sawn held a workshop dreaming into 'In 2050 in a liberated Manchester, we all have an acre of land - what does this look and feel like?' This work has tapped into something incredibly pertinent. There are now up to 40 grassroots community groups organising hyper-local food networks and doing a lot of work exploring community asset transfers and the development of a network of community land trusts.

There has also been a lot of momentum around our collective Economic Justice work. Through the new relationships we made via the Spaces fund in 2021, we have distributed follow-on funding to 30 grassroots community groups, charities, and art collectives. This has been essential for their survival – giving them the time and space to breathe and go deeper into organising and community building. Interestingly, the ripple effects of the original Spaces fund inspired the Greater Manchester Combined Authority to ask if we would match fund

another version of Spaces. The community said yes to this proposition and is designing the second version of participatory grant-making in GM.

Continuing our solidarity funding approach, we have agreed multi-year grants with Mama Health Partnership and SAWN, including capital costs for a building purchase. Rekindle moved into their new school, and all of these partners, Northern Heart and Soul and GM Tenants Union will be coming together to explore housing and racial justice next year.

Finally, a Universal Living Income demonstrator group includes Mama Health, Northern Heart and Soul, Middleton Co-operative, New Economics Foundation and Our Agency. This grouping is now connected with UBI Lab Manchester, and is gaining traction at an ever-increasing pace.

The other important activity from the last year is that we have finally launched a learning programme with the Institute for Development Studies. 18 people from within the GM Systems Changers community are being trained to become systemic and participatory action researchers. This means that instead of learning being outsourced, this group can become the community's learning partner and teach others in their own networks. We all know that we have many learning skills between us, but we need to hold systematic processes to ensure we capture emerging learning as it happens. The ecosystem will be much healthier, and we hope this group will become a community of practice that can go on and apply for more learning tender opportunities.

The following year will focus on these aims:-

1. To create spaces where the community **reimagines the infrastructure** required to support our individual and collective 'path to liberation' (to use the phrase of Rivers Coaching)
2. To **transform** ourselves into a self-organising community
3. To resource the **healing** of each other and the communities we support and belong to.
4. To **learn** alongside and from each other and **spread** this learning

York

The York MCN network continues to operate as a gathering place for people thinking and acting differently about local responses to 'multiple complex needs'. As well as a shared space for connecting and learning, the network has also acted as an incubation hub for specific workstreams, experiments and collaborations, which this year has included potentially ground-breaking work on the interaction between 'payment for involvement' and the benefits system. Members of the network have also been taking steps to reform and reframe its governance, operations, and decision making models, and to bring more people and voices into roles of leadership and responsibility. The network has been working through conversations and debates about the boundaries – both useful and limiting – of the 'multiple needs' definition which dictates the policy, commissioning and service provision in York (and elsewhere), continuing to ask the ever-present question of 'who's missing?'

The 'Deciding Together' participatory grantmaking experiment distributed over £200,000 to 20 groups in the local community. This proved to be a popular and successful demonstrator of participatory principles in action, and modelled the involvement of marginalised voices in

decision making and resourcing. Work has continued to spread and embed these principles across York.

The Together With Young People collective has built up a range of youth-led activities, networking events and creative outputs, opening up a space for new thinking and collaboration on issues affecting disadvantaged children and young people in the city. TWYP has also aimed to model and live its core values through collective and transparent budget management on a shared funding platform (Open Collective) and emphasising the leadership of young people.

LIFE, a group of people with lived experience of marginalisation and exclusion, have continued to develop their skills and leadership. They've contributed their energy and insights to various local initiatives, including independent research on the local homelessness resettlement pathway, and a book of graphic design, photography and creative writing which explores and challenges the language and stereotyping surrounding the issue of homelessness.

The existing initiatives have been funded on an 'interdependent' basis – sharing various elements in common including people, interests, values, principles and behaviours – but up to this point have been operationally independent. This year they've done some regathering to consider what a shared, locally owned governance and resourcing model might look like which can span the whole range of work, and which can hold an overarching strategy covering the next iteration(s) of the work funded so far. This will also mean moving on from Lankelly Chase holding a primary resourcing and decision making role – so over the next year, considerable energy and focus will be dedicated to continuing this devolved decision making journey and installing locally accountable governance processes to determine how resources are held, used and distributed in York.

Barking & Dagenham

Work in Barking and Dagenham has continued to focus on building networks of participatory activity, collective learning and community-led decision making. This year there has been a major focus on groundwork and induction for a local coordination team, dubbed the 'Disruptive Explorers', who will hold overall strategic and decision-making responsibility for the next phase of Lankelly Chase investment in the Borough. This has included an Art of Hosting-led learning process and workshops to identify shared priorities and platforms, as well as discussions of what the group does *not* want to be and do – i.e. represent 'business as usual' in reflecting the existing power dynamics and resource flows in the Borough. A foundational decision the group has made has been to choose BD Giving to hold funds on its behalf for the next year (rather than staying in and being periodically released from Lankelly Chase), given its local base and the innovative work on its endowment and investment strategy.

BD Giving has also launched the 'Grow Fund' as a major participatory grantmaking exercise and invested in its digital inclusion capacity with LCF funds. Kingsley Hall have also continued to host a linked group of community actors and activists to learn and develop skills around participation and inclusion, including grantmaking, decision making and conflict resolution.

We have also been working towards the transition of the directly contracted Lankelly Chase 'Associate', who has nurtured the work to date, and the end of that particular role; this will be followed in the next phase by the handing over and distribution of 'weaving' and 'coordination' roles more widely across the work and the people involved, according to the priorities and decisions of local colleagues.

This activity and trajectory is continuing into the year ahead with a sense of transition, devolution and stepping into new responsibilities, and an overall reframing away from 'Lankelly Chase funded activities' towards locally stewarded resources and initiatives.

Local Motion

LocalMotion was created in 2020 as a collective endeavour of six funders (City Bridge Trust, Esmée Fairbairn Foundation, Lankelly Chase Foundation, Lloyds Bank Foundation, Paul Hamlyn Foundation (PHF), Tudor Trust) who decided a new path was needed to tackle the causes of deep-rooted structural injustices facing people in towns and cities across the UK.

This year has seen us move deeper into the development stage of the work, collaborating across 'core groups' in each of the six places - Carmarthen, Enfield, Lincoln, Middlesbrough, Oldham, and Torbay. Two overarching aims drive the work:

- Achieving long term systemic change that tackles the root causes of social, environmental, and economic injustices, based on local communities' priorities;
- Learning as much as possible about how collaborative philanthropy can work more effectively to achieve long term systemic change with local communities (and influencing change within our own organisations and others).

Over the course of the year there have been several Place visits which have highlighted the work each core group has been doing to reach out to community members and organisations, understanding how best to build on what is already there, revealing what and who is missing from the work and testing new ways of working. These visits have also provided an opportunity to share the challenges in the work and build solidarity across places in facing these.

The work in many ways mirrors our own with our partners in Places elsewhere - each place has its own starting point in the journey of change, the main difference (addition) being the collaboration across funders and the potential opportunity to influence and be influenced on how best to build healthy funding systems for social justice.

It is an ambitious programme, and the Director of Coordination role (Kathleen Kelly) has been crucial in being able to hold and build the infrastructure across the work. Several key strands have been developed - such as governance support, the introduction of a skills academy, a communications strategy and learning framework, with Lankelly's own learning and partnerships feeding into this work.

The collaboration has meant that insights can be quickly highlighted and elevated so that both internal and external expertise can and has been drawn on. The impact of the training, broadening of perspectives across the work is evidenced in a subtle shift in how conversations have been held in communities and with whom. In a recent trip to Torbay we heard and witnessed how power was being disrupted by young people and heard a subtle shift to more systemic conversations, which highlighted the interdependencies across place

actors and the desire to move to a more abundant approach in the work around food poverty.

What will happen next year?

- The goal of the next year will be to continue to build and consolidate learning across the 6 Places drawing in and on our own learning and partnerships in Place work, along with our broader transition pathway plans.
- To explore potential opportunities for collaboration and difference across funders, holding the contradictions we face as philanthropists in our ambition to move us towards a healthy resourcing system for social justice work.
- To put back to the six foundations' boards for a decision during 2023 on whether to proceed to the longer-term delivery phase of the initiative

Corra Foundation

Lankelly Chase's long-standing relationship with the Corra Foundation's Place work (Getting alongside communities) has continued to deepen this year through collaboration and funding of a Systems Changers approach in Kilwinning (North Ayrshire). The learning has been gathered over the course of the last 2 years and will continue into 2024, with early feedback from individual 'Systems Changers' describing how impactful they have found the programme both personally and as a staff member, volunteer, activist.

Due to the positive impact, the programme of work is due to be extended into a second area in West Dunbartonshire. Lankelly has continued to inform thinking around the design of the new programme by linking local leads in Scotland to Lankelly Place Associates / leads and facilitators to share learning including most recent changers programmes in Oxford.

We have also shared thinking around the need to broaden the 'content' of the toolbox or grounding in thinking that helps to inform and shape the change work in place (and beyond) as it has moved towards a more justice and liberatory lens.

As we move into next year, we will continue to deepen our relationship through reciprocal shared learning and strategic analysis of what moves us towards a healthy resourcing system for social justice work.

Our Thematic Action Inquiries

Resourcing Social Movements

When existing social and political structures are unable or unwilling to come up with alternatives, social movements become the drivers of change. Social movements come about when playing by the rules has proven to be ineffective again and again. Social movements aim to change the rules of the game (or even the game) rather than claim a position within the game. They are not about access to the table of power or representation around the table but constructing new rooms.

In 2022/23, Jenny Oppenheimer who pioneered resourcing social movements within Lankelly Chase took a well-deserved career break. Jo Ram and Ali Torabi were given the task of holding the work and relationships. Together with movements activists and existing

partners they put together the Solidarity Plan - which took the work beyond action inquiry. The Solidarity plan identified three key priorities:

- De-risking individuals' actions so collective action can thrive. This entails building the legal support ecosystem, well-being and safety (physical and digital), and new paths to justice that are not restricted by current charitability models.
- Supporting movements to take off. This entails building movement infrastructure that will enable movements to go to the next stage; organising within philanthropy, so philanthropy becomes a collaborator with movements, and facilitating cross-movement solidarity.
- Piloting LankellyChase as a Climate Justice catalyst.

One of the key insights of the year was that a lot of conversations in the UK funding sector can often treat the UK as a metaphorical island, somehow disconnected from global trends and forces. Even those of us with 'homes' beyond British borders can often fall into the habit of seeing the problem and the solution through thoroughly British lenses.

We know historically movements have been most successful when ideas, tactics, strategies have crossed pollinated beyond imagined or imposed borders. So in all solidarity work we always kept an eye on how we could strengthen international solidarity in and between movements.

In the Azadi (freedom) plan for 2023/24, the movements collective will go beyond borders to bring movements' practice of internationalism to British philanthropy.

Investment

Our action inquiry into Investments uses three interconnected toolkits: capital allocation (our own investments), distribution (grant-making), and stewardship (how we show up, as an asset owner, in ways which influence the wider systems of financial capital).

The five-year strategy outlined in the introduction to this Annual Report provides a bolder, more assertive stance from which to identify and shape opportunities for intervention within systems of investment and capital stewardship. Our continuing priorities for this inquiry heading in to 2023-24 are:

1. Improve material conditions through tangible reforms within the dominant systems of investment and finance. Interventions should reflect our increasingly critical appraisal of the limits of - indeed, complicity in - dominant responsible, ESG, or sustainable investing discourse and practices.
2. Disrupt and destabilise the power of financial capital. This is a necessary condition for the realisation of our strategic vision of just social and ecological relations.
3. Developing and resourcing democratic and accountable models of capital stewardship, as critical infrastructure supporting our strategic vision.

Our highlights from the past 12 months reflect these three work strands, which often overlap in practice. Within the first, for example, we seed-funded the Ethnicity Pay Gap, a collaborative multi-year campaign strategy initiated by ShareAction, Runnymede Trust, and

several other partners, which seeks to remove racialised pay disparities in listed UK companies.

In the second and third, we funded the Good Ancestor Movement to support the design and deployment of regenerative and reparative models of capital stewardship and participated in the development of a “progressive advisor network”. Combining disruptive interventions in the flawed ‘ESG’ industry with rigorous efforts to redirect investment onto sustainable and just pathways, our grant partner r3.0 continued to engage with sustainability standard-setting processes. These processes typically focus on the financial materiality of so-called “sustainability factors” for private capital owners, rather than attempting to align capital stewardship with democratic and scientific pathways for socio-ecological sustainability.

We also seed-funded a project by the think-tank Common Wealth to critically examine the flaws of the capitalised pension system - including its role in driving inequality, financialisation, and extractive growth - and develop viable proposals for alternative models.

In the year ahead, we will focus on building movement-directed and accountable capital stewardship strategies alongside the Resourcing Social Movements action inquiry and our wider network.

Knowledge

As referenced in last year’s annual report, ‘the basis on which knowledge is generated, legitimised and used is fundamental to our work’. This was true when Lankelly Chase was focused on a (reasonably) clearly defined set of issues such as ‘severe and multiple disadvantage’ and is equally, if not more, true as our work moves onto bigger and broader conceptions of justice and equity.

Over the last year we have continued to support and work alongside the group of seven partners first convened through an open funding call in 2021. We have renewed funding for their work to enable the formation of a more deliberate and co-led collective or community of practice exploring and modelling themes of knowledge justice. The work has different shades and flavours, covering such apparently disparate themes as Afrofuturist research practices, power dynamics and neuroscience, community voice and power, lived experience of the criminal justice system, and indigenous language and rights in the UK. It also combines academic, creative, artistic and activist backgrounds and skills. However, we and the group have been keen to move on from this inquiry as a ‘set of projects’, or examples of how and why to approach the concept of knowledge differently and under different frameworks and assumptions (although it is that too), and towards a more coherent and cohesive vision of what a shared intervention might be.

We have been helping the group to strengthen the links between and across each other’s work, including through shared budget management covering the costs of collaboration, especially with a geographically dispersed group (spanning England, Scotland and Northern Ireland). We have also convened residential/symposium events for the group focused on sharing insights, experiences and learning from their work in a mutually supportive and inquisitive environment. The group has also begun to collect examples of their work and what has inspired their thinking, with a view to establishing an archive or library of communicable products/outputs.

As well as this small community of practice, we have agreed a major core funding partnership with *Whose Knowledge?* a global campaign to centre the knowledge and thinking of marginalised communities, particularly online. The development (and budget) of this relationship has been shared with the Narratives inquiry, which is another demonstration of the links between 'knowledge' and the rest of our work.

Over the next year, the group will be sharpening and articulating their sense of shared intent; building a communications strategy/approach to share their work and outlook; exploring and developing a devolved resourcing role (i.e. holding a budget to seek and support other work which exposes, disrupts and reimagines knowledge practices); and making links with other networks both within and outside Lankelly Chase, including through the merging of the previous knowledge, governance and practices inquiries into a shared 'alternative realities' theme.

Practices

Our practices action inquiry is an invitation to be intentional about the practices we choose to do in order to transform the way we show up in the world, so that we can transition to a world rooted in equity and justice.

We paused on the activities in the action inquiry once the transition pathway decision was made in June 2022. However, there is learning that will serve our work over the coming years. This starts by articulating the context we are in, as detailed in the introductory paragraph to the annual report.

Intentional practice, sitting under the field of knowledges, is acting and being that recognises and lives a different reality. At its basic level, knowledge is about exploring the nature of the knowable or the nature of reality (*ontological*) and how we know what we say we know, what constitutes acceptable, valid and legitimate knowledge (*epistemological*). However, it is difficult to approach knowledge directly, so practices is a way to enable an ontological shift.

To shape this ontological shift, towards justice and a different way of relating to ourselves each other and beyond human, we are learning to work less in the first column and more in the second column, while being careful of not falling in the dualities even as they are laid out below.

Decontextualised	Contextualise
Yes but	Yes and/and/and.....
Oppositional pairs	Complementary pairs
Universalism	Pluriverse
Objective + outside of	Subjective + part of
One way change happens	Plurality of how change happens
Prioritising cognitive reality over other domains	Working with cognitive, relational, spiritual and affective realities

We have identified some of the practices that might support us to do the above.

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- somatic/embodied
- Immersive experiences
- systems/complexity thinking
- land/nature based & indigenous knowledge
- The domain of not knowing but holding space for/mystery
- spiritual
- story telling/narratives
- creative/artistic
- conscious raising (e.g. political & historical education)

We have to yet agree what this learning means for the transition pathway, although it might point to our intentional practices around:

- Governance/democratic being
- Hospicing Lankelly Chase (the organisation, ideas and stories)
- Care and repair
- Coalition building

Narratives

The Narratives action inquiry is a direct challenge to dominant Western ways of knowing. Through a solidarity funding approach, we have been distributing resources to support people, practices and infrastructure that acknowledge our entanglement and interdependence with each other and our more-than-human kin.

The action inquiry is embedded in what John Heron and Peter Reason call 'Extended Epistemology.' It is part of our commitment to legitimatising how humans produce knowledge 'beyond the boundaries of abstracted, intellectual thought alone.' More specifically, this action inquiry focuses on 'Presentational Knowing' or, as Tyson Yunkaporta calls it, the 'dreaming mind.' These are yet-to-be-fully-formed ideas shared through language, poetry, song, music, dance, movement, drama, visual arts etc. They all tell stories and contribute to narratives that define how we turn up in a world that is fit for our times.

Over the last year, this solidarity funding approach has seen us distributing grants to individual practitioners, artistic communities and infrastructure bodies working at the intersections of class, climate, gender and racial justice.

Kumari Arts, O N C A, Global Arts Northwest, and Community Arts North West have core and commissioning grants to commission artists in their networks. Katy Rubin has taken Theatre of The Oppressed on a UK tour and trained over 100 people in the method. At its heart, this approach challenges hierarchy and power, and its impact on commissioning structures in Greater Manchester with the GM Jokers is significant.

We have also continued to invest in partnerships with organisations and networks exploring a news and media infrastructure rooted in justice, equity, collaboration and healing. We have foundational relationships with Bureau Local, Inclusive Journalism Wales, the Independent Media Association, Heard, People's Newsroom, and the Regenerative Journalism Community of Practice. Another highlight has been the News and Media community of

practice designing and implementing an 'equitable funding model', which we hope to spread across the sector.

Finally, it has been crucial that we form partnerships with pioneering global, movement-supporting feminist collectives who acknowledge our entanglement and interdependence with each other and our more-than-human kin. Culture Hack Labs, Whose Knowledge? Stories for Systems Change from the Collective Impact Lab and Spaceship Earth recognise the magnitude of our planetary crises. They are all developing processes and methodologies that support the emergence of an ontological shift that acknowledges - among many things - our entanglement and interdependence with each other, especially the Global Majority and our more-than-human kin.

Governance

The first part of the year was focused on the continuation of the exploration into traditional governance: who makes decisions on what and how, through grants to the Beyond the Rules collective, Research for Action (exploring democratic participation in local authorities), Centric (community research into “street governance”) and the process of transitioning the Transformational Governance group into a collaboration that was willing and able to hold the funds to resource the next stage, via Huddlecraft as a fiscal host.

During this period, the culmination of two pieces of work were realised that had heavy Lankelly Chase involvement. Grantmaking Beyond the Rules and Funding Governance for Systemic Transformation. These pieces, though different in tone and content, were thematically similar in that they both exposed that it was impossible to disentangle the action of grant-making from the complexities of finance, and all of the issues that come with it. These reports complemented Lankelly’s own thinking around what it takes to fundamentally shift the resourcing of social justice work.

As much as grant-making does not exist in a vacuum, it became clear that some of the action inquiries were artificially scaling vertically in silos rather than horizontally. So the second half of the year, aided by a greater trust in interconnectedness, saw grants from the governance budget line spread more into a cross cutting space, mostly about looking at “money” differently. Further resources were allocated to UBI Lab Network. We supported Wards Corner to organise around a community asset transfer. We supported the international Bioregional summit and became the first supporter of the Indigenous Commons- an international group of indigenous leaders looking at what it would take if the world’s bioregions were governed using pre-colonial practices.

Next year there will, pending approval, be only two “governance specific” pieces of work continuing- namely Research for Action’s deepened exploration into what democracy and participation looks like in a disenfranchised and polarised society and the culmination of the learning cohorts in the Transformational Governance group.

Beyond the Rules will hopefully continue but its focus will shift from solely governance to a pluralistic and multi-faceted approach to resourcing and governing social justice. We should be working with WEvolution, looking at the governance of small groups of women and how using and viewing money- namely micro financing- works in practice. We’ll also be looking at Blueprint 0: what is a regenerative and distributed economy? Allied to this, we will be

supporting both the Democratic Ownership summit and the UBI summit to understand our role in these economic movement spaces.

Governance may be the process that allows other processes to work well, but this year has shown it cannot be viewed, and supported, as a standalone pillar of social change. It may be central to how a group operates, but so is everything else.

Nurturing Alternative Realities

Although the separate lenses of our thematic action inquiries have helped us to cluster thinking and action in manageable ways, they have also detracted from a sense of a whole and haven't made sense to those we have funded, who view themselves as part of a much more interconnected world. We have recently taken the decision to merge the Knowledge, Narratives, Practices and Governance action inquiries under the working title Nurturing Alternative Realities. In the year ahead, rather than cultivating lots of new relationships, we hope to extend an invitation to existing partners to find ways of strengthening the connective tissue between us to support the Transition Pathways that many of them and we are on.

Communications

From February 2022 until April 2022, we ran the place-based series called Common Ground. Via our website, it was a space for our partners in Gateshead, York, Greater Manchester and Barking and Dagenham to share their experiences and learning. Each place had their own content week (events, blogs, twitter takeovers, photo series'), and we had Common Ground co-created publications which explored the themes of power, participation and perspective across the five places. These were co-written by the Lankelly team, our partners and our learning partner Northumbria University.

In June 2022, we supported the work of the GM Systems changers Dreamweavers gathering. As listed on the GM Systems changers website, it was: "a [four day] gathering where we could celebrate all the work that unites us as we challenge injustice. A gathering where we could weave together the work already being done to heal, re-imagine and renew systems so that all people can live with dignity and opportunity in supportive communities."

Via Lankelly's Instagram account, we used the stories feature to candidly capture the highlights from across the four days.

We have continued to carry out the work of our racial justice series through film and podcast. All are still in production, and we are looking forward to hearing them online, and seeing them on screens of all sizes over the year and beyond.

We funded Untelevised to create a podcast series around the themes of language and linking it with topics surrounding social justice such as 'socialism, capitalism, institutionalised racism.

We have funded Story Compound to create a film called *Asylum Queens*, which looks at the injustices African and Caribbean women face when seeking asylum in the UK. We have also funded Black Curatorial, to produce and film *The Sinking and Living Island*, a documentary of the environmental impact colonisation has had in the Caribbean. With a particular focus on Barbados, as the first plantocracy in the transatlantic slave trade. The film will spotlight

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Bajan voices and include contributions from the Prime Minister Mia Motley as well as local farmers and journalists.

THE LEGAL REQUIREMENTS

The objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales. The Trustees define the policies that underpin the Foundation's programmes and have agreed the following vision and mission statement. We want our values to communicate our passion and inform our everyday relationships, belief systems and attitudes across the delivery of our work.

Our vision is of world healed by justice, equity and inclusion, where all people can live with dignity and opportunity in supportive communities.

Our belief is this can only be achieved if we fully embrace the interdependent nature of our existence.

Our mission is not one we can undertake alone. We work with partners to change systems of injustice and oppression that result in the mental distress, violence and destitution experienced by people subject to marginalisation in the UK.

Our role is to resource activity where people can come together to explore what it means to reveal, question and dismantle systems that perpetuate disadvantage, or to explore how to heal, reimagine and renew systems so that all people can live with dignity and opportunity in supportive communities.

Values

Determined: real change takes tenacity, kindness and commitment. We work with humility and the knowledge that there are no simple answers.

Open: we want to build relationships based on shared humanity, kinship and respect. We are always open to new ideas and evidence and we share whatever we learn for the benefit of everyone.

Reflective: we want to find out what really works. We challenge assumptions and we use feedback as a powerful tool for learning.

History

The LankellyChase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. On 9 December 2004, the two Trustee bodies amalgamated the trusts and the new LankellyChase Foundation was incorporated.

Structure, governance and management

The Board of Trustees administers the Foundation. The Board appoints Trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a Trustee may, if agreed unanimously by the Board, be asked to serve an additional four-year term. The Chair is appointed by the Trustees and serves for a maximum of two three-year terms.

Periodically the Board reviews the range of skills among Trustees and may recruit new Trustees to fill any gaps in the skillset of the Board. New Trustees have historically been recruited through external competition, a process that may be complimented or superseded by the use of the Foundation's networks to identify individuals who may not be reached by more traditional methods. In addition to making appointments based on the skills, values and connections deemed necessary by the Board, new Trustees may be recruited to bring challenge and alternative perspectives. This ensures the Board and the method of governance continues to evolve.

The full Trustee Board currently meets three times a year to manage the Foundation ("business meetings"), and three times a year for strategic work ("strategic meetings"). This is in addition to whole team and Board strategic away days. The day-to-day administration continues to be delegated to the Chief Executive who is supported in this by the wider staff team.

The Board of Trustees currently has two sub-committees (both of which meet three times a year, between two to four weeks before the full Board convenes for business meetings). They are:

- The Resources and Risk Committee which oversees the main risk and audit requirements, and monitors and reviews budgets and human resources.
- The Investment Committee (Chaired by the Chair of the Foundation) which oversees the management of the Foundation's assets, as delegated by the full Board.

Risk management

The Trustees are responsible for establishing and monitoring Lankelly Chase's internal control systems. The risk register is presented for review to the Resources and Risk Committee annually, with risk updates provided to Committee members on an ongoing basis. The risk register is made available to all Trustees upon request, and the Resources and Risk Committee may recommend that the Board reviews the register at any point. The Trustees approach to risk is to manage rather than eliminate, and view risks as opportunities to be taken as well. Currently, Trustees are satisfied that the system of internal controls in place is adequate, and these internal controls are reviewed as part of the day-to-day management processes within the Foundation.

The risk register is a live document which is held collectively by the staff team and reviewed regularly, and many of the risks identified remain live within the work. There is also a strong understanding at Executive and Board-level that much of the work we are engaged in might involve more risk than other funders would be comfortable with. However, we have management processes in place to manage those risks where possible, and we consider both success and failure to be crucial parts of the change journey.

The Trustees have held that the principle risk to Lankelly Chase is that it does not fulfil its core mission of changing systems of injustice and oppression, and this is what led to our decision not to continue as a legacy institution of capitalist philanthropy. We are currently identifying the new strategic and operational risks that face us as we determine the alternative futures for our assets. These risks will continue to be managed as per the process above.

Public benefit requirement

The Trustees aim to meet their public benefit responsibilities, as laid out in Section 17 of the Charities Act 2011, by using the Foundation's resources to support agencies that seek to enable some of the most disadvantaged people in our society to lead full and independent lives.

Review of grant activity

Portfolio Teams – teams predominantly made up of Lankelly Chase colleagues with expertise across the organisation – were the primary method by which grant proposals were discussed and agreed in the year 2022-23. The Executive Committee as a formal meeting place remains effectively dissolved, although the entity and mandate remain to provide delegated authority to Portfolio Teams.

The mandate for Portfolio Teams is as below:

Each team will reflect the diversity of roles and experiences of the Organisation – and will include both internal and external facing Lankelly Chase roles. The teams may include third party participants. The quorum is three members as approved by Resources and Risk Committee on 29th September 2021. The budget is delegated to the Portfolio Team by the Board following a formal request from the Portfolio Team. Third party participants may be allocated voting rights on financial allocation – provided there is no conflict of interest e.g. awarding that participant money. The ability of the third party to hold voting rights will be decided by the Executive Committee. As with the Executive Committee, Portfolio Teams will flag to Trustees if the grants are deemed to be political and/or unusual in nature of risk e.g. controversial.

Devolved decision-making in Place

Decision making has been devolved to local ‘Coordination Teams’ (also known as ‘core teams’) in two of the places where Lankelly Chase works in a deep and sustained way – Greater Manchester and Gateshead. The process we are using is as follows:

- In Manchester, two Lankelly Chase staff members must be present for financial decisions to be made. The rest of the team is made up of local people drawn from across different sectors and communities who are engaged in systems change-making work. In Gateshead the requirement for Lankelly Chase staff members to be present was removed by approval of the Board in May 2022.
- The place leads from Lankelly Chase and the Coordination Team in the local area have put in place an agreed set of processes regarding risk management, operations and due diligence before any decision-making has been devolved. These have been reviewed and signed off by the Resourcing Team in a process approved by Trustees.

The ‘How’ Team

The ‘How’ team is working to a different mandate, as approved by Trustees, which further devolves decision-making to allow for this to be more nimble and autonomous, whilst maintaining scrutiny, fairness and accountability. It covers the following:

- Decisions up to £10,750 can be made by an individual, up to a limit of £50,000 per person, per year.

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- Decisions up to £53,750 can be made by a proposer with a seconder drawn from the wider 'How' team on a rotational basis, up to a limit of £250,000 per proposer, per year.
- Decisions over £53,750 and up to a maximum of £366,350 require discussion with, and sign-off by, the entire (quorate) team.
- All decisions need to be minuted and logged in the tracking spreadsheet.
- All decisions made are reviewed by the whole 'How' team at the business meetings, which happen monthly.

At the end of the financial year the decision was taken to dissolve the How Portfolio Team and we are in the process of approving new mandates for teams to take distinct work forward.

Organisation	Strategic area	Description	Grant amount (£)
Association of Community Organisations for Reform Now Ltd (ACORN)	Networks	Inflation uplift	9,000
ADIRA Mental Health and Wellbeing Services CIC	Comms internal	Inflation Uplift £1,725 plus an additional amount of £2,000 to cover the increase costs of the project.	3,725
African and Caribbean Women's Centre (AFRICAB)	Greater Manchester	Core Funding to further their work in Greater Manchester	20,000
African Families in the UK (AFIUK) CIC	Oxford	Inflation uplift	1,125
AFS Catalyst Ltd	Governance	Inflation uplift	2,670
Age UK Gateshead Limited	Gateshead	Inflation uplift	4,744
Age UK Gateshead Limited	Gateshead	To cover counselling costs	1,380
Age UK Gateshead Limited	Gateshead	Additional funds to cover salary	6,974
Age UK Gateshead Limited	Gateshead	Bridge Builder role - additional funding to cover salary	18,252
Age UK Gateshead Limited	Gateshead	To cover extending salary	10,889
Alleyne& CIC	Knowledge	Core costs plus residential planned in Belfast	60,000
Alliance Publishing Trust	Comms internal	Continued comms support to run the magazine	15,000
An Untold Story	Place - other	Inflation uplift	2,625
Anne Mathews Trust	Core Skills	Additional grant to cover: cost of living increase £12,750; support to grassroots organisations serving people from refugee and asylum seeking backgrounds £15,000 and building international solidarity £10,000.	37,750
Anti Raids new grant via Migrants Organise Ltd	Networks	To fund Anti Raids Network's national in person network gathering and pay for translation and printing costs to update legal Know Your Rights cards in 29 languages.	6,000
Article 12 In Scotland	Core Skills	To recruit and support young people who will be involved in 'This Land' project.	18,000
Arts at the Old Fire Station	Place learning and comms	Towards cost of producing the Oxford Instalment of the Common Ground Comms series	1,620
Arts at the Old Fire Station	Oxford	Inflation uplift	22,500

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Arts at the Old Fire Station	Oxford	Inflation uplift	975
Arts at the Old Fire Station	Oxford	Storytelling support for community organisations.	16,125
Arts at the Old Fire Station	Oxford	To support comms work related to annual Marmalade Festival and the year-round activity.	21,500
Arts at the Old Fire Station	Oxford	To continue to part fund the role of Creative and Engagement and Learning Coordinator.	10,750
Arts at the Old Fire Station	Oxford	Continuation of funding to contract a freelancer to lead the Clear Signal inquiry.	32,250
Axiom News via Opus Independents Limited	Comms strategic	Training sessions for Generative Journalism	5,000
Barking & Dagenham Giving	Barking & Dagenham	Toward the creation of an online community platform for resident engagement.	35,000
Barking & Dagenham Giving	Barking & Dagenham	BD Giving will hold this as banker for the Disruptive Explorers	265,000
Barking & Dagenham Giving	Investments	To obtain legal advice on participatory granting governance.	10,041
Bensham Grove Community Centre	Gateshead	Inflation uplift	5,467
Bensham Grove Community Centre	Gateshead	To support one of the current Bridge Builder roles.	14,196
Beyond the Rules via Dark Matter Laboratories Limited	Governance	Funding to support the work of Beyond the Rules for one year	127,680
Beyond the Rules via Dark Matter Laboratories Limited	Governance	Additional funding to support the work of Beyond the Rules	16,658
Beyond the Rules via Dark Matter Laboratories Limited	Governance	Inflation uplift	10,825
Bioregional Learning Centre CIC	Governance	To support the organisation of the international Bioregional Summit.	10,000
Birmingham SEMH Pathfinder via Lumen Christi Catholic Multi Academy Company	Place - other	To support Pathfinder's work	150,000
Birmingham SEMH Pathfinder via Lumen Christi Catholic Multi Academy Company	Place - other	To support with holding a staff retreat	10,000
Black Curatorial Ltd	Comms internal	To fund documentary "The Sinking and Living Island" - environmental impact colonization has had in the Caribbean.	63,275
Black Equity Organisation (BEO)	Trustee Discretionary	Core funding	500,000
Black Equity Organisation (BEO)	Trustee Discretionary	Inflation Uplift	37,600
Black Protest Legal Support via The Article 11 Trust	Networks	Core funding	115,600
Breathe via New Economy Organisers Network (NEON)	Networks	Inflation uplift	7,500
Breathe via New Economy Organisers Network (NEON)	Networks	Funding to support training/workshop sessions on community organising/climate justice	7,500

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Breathe via New Economy Organisers Network (NEON)	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
Breen Centre	Knowledge	To continue their work on knowledge justice.	60,000
Breen Centre	Knowledge	Costs of hosting and convening a Knowledge residential in Belfast	7,500
Centre for Knowledge Equity CIC	Knowledge	To work alongside other funded partners convened around the theme of knowledge justice	30,000
Centre for Knowledge Equity CIC	Networks	Inflation uplift	13,125
Centre For Welfare Reform Limited	Governance	Inflation uplift	10,500
Centric Community Research Limited	Governance	Funding to support the work of Centric in governance research for one year	20,000
Centric Community Research Limited	Governance	Inflation uplift	1,500
Circles Cooperative	Core Skills	Work to continue the socio-technical system.	70,000
Civic Square Birmingham CIC	Comms strategic	Core funding	345,000
Civic Square Birmingham CIC	Place learning and comms	Site visits & sharing learning for legal work on land purchase	50,000
Climate Justice Coalition via War on Want	Networks	Fund mobilisation activities across the UK for demanding climate justice at COP27	50,000
Climate Tipping Point Ltd via Climate 2025	Networks	Upskilling movements and grassroots groups with tech and digital skills, free tools and digital security training.	70,000
Climate Tipping Point Ltd via Climate 2025	Networks	Core funding	80,000
Climate Tipping Point Ltd via Climate 2025	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
Climate Tipping Point Ltd via Climate 2025	Networks	Core funding	60,000
Coffee Afrik CIC	Core Skills	A research trip to deep dive into the practices of Doughnut Economics and Community Wealth Building.	7,000
Collaborate Out Loud CIC	Greater Manchester	Funding to resource the Policy Makers Inquiry.	70,000
Collective Change Lab	How learning and comms	To write up the learnings and turn them into shareable content about Systems Storytelling.	35,000
Collective Impact Agency CIC	Place - other	Inflation uplift	7,290
Community Organisers Ltd	Place - other	Digital organising- PT role for 6 months	8,000
Community Resources for Change	Barking and Dagenham	To take forward the 'Social Infrastructure' work in B&D and to organize and collaborate with different local partners on the themes of debt and social isolation.	20,000
Connecting Wisdom Ltd	Greater Manchester	The purpose is to design, support and hold space for learning emerging out of Spaces 2, participatory grant making.	25,000

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Conyach Advocacy & Engagement	Knowledge	To fund expenses incurred in the Nawken Knowledge project	2,700
Cooperation Town Ltd	Core Skills	To support Cooperation House project.	50,000
Culture Hack Labs via New World Foundation	Comms strategic	Core funding and a learning programme.	255,000
Data collection for border abolition	Networks	Collecting and visualising localised data, to demonstrate where and how public authorities are informing on local migrants and collaborating with immigration raids.	76,620
Debt for Climate via Climate 2025 Ltd	Core Skills	To fund communications work.	10,000
Decolonising Economics via The Social Change Nest CIC	Core Skills	Towards a strategy for care and liberation by starting with establishing a community of practise and visualising an economic democracy.	275,000
Democratic Society Limited	Governance	Core funding.	162,030
Democratic Society Limited	Governance	Inflation uplift	12,150
DisCO	Governance	Support to work together with communities in the UK and learn through radical listening in order to co-design and enact anti-capitalist, feminist and decolonial economies and the unique technologies needed to make them happen.	50,000
E.Eseonu Limited	Knowledge	To use anti-colonial and Afrofuturist research methods to co-produce knowledge about racial inequalities alongside Black young people; to explore opportunities to influence policy with these insights; to share and connect with others working in field(s) of knowledge and justice.	50,650
Embrace the Mess via Public Interest Research Centre (PIRC)	Networks	Pilot Community Organising course in 2023.	25,000
Emergence Network via Science and Nonduality	Core Skills	To fund a space where people can relate to problems differently and avoid falling into 'solutionisms'; a space to un-problem the problems and lean in with curiosity and stay with the trouble.	47,770
Expert Citizens CIC	Place – other	Inflation uplift	27,655
Expert link	Place - other	Inflation uplift	3,750
FairShare Educational Foundation (T/A ShareAction)	Investments	Ethnicity pay gap campaign.	150,000
FairShare Educational Foundation (T/A ShareAction)	Investments	Core funding.	150,000
Food Sovereignty via Social Change Nest	Greater Manchester	To fund the inquiry around food sovereignty.	50,290
Friends Provident Foundation	Networks	To sign up to the Index of Foundation Diversity, Transparency and Accountability.	5,000
Gateshead Foodbank	Gateshead	To continue to fund LZ hours for coordination and support in the GCT work for a 6 months period.	10,088

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Gateshead Foodbank	Gateshead	To continue to fund LZ role with the GCT for coordination and support for 18 months period.	42,787
Gateshead Visible Ethnic Minorities Support Group	Gateshead	Inflation uplift.	2,540
Gateshead Visible Ethnic Minorities Support Group	Gateshead	To cover extension of role to cover bridgebuilder support and CT participation.	6,400
Gateshead Visible Ethnic Minorities Support Group	Gateshead	6-month pilot of English language sessions as part of the Bridgebuilder Role.	5,000
Geeks for Social Change Ltd	Greater Manchester	Inflation uplift.	4,500
Geeks for Social Change Ltd	Greater Manchester	Continuing to develop PlaceCal roadmap, which will be piloted for the network programme.	140,000
GM Coalition of Disabled People	Greater Manchester	Core funding.	20,000
GM Spaces Follow on Fund	Greater Manchester	Further follow-on funding/breathing space grant.	120,000
GM Spaces Follow-on Fund	Greater Manchester	Inflation uplift.	87,750
GM Spaces Fund 2	Greater Manchester	To support the hold the facilitation of the participatory grant making process.	25,000
Good Organisation (Social Ventures) CIC	York	Inflation uplift.	4,875
Grapevine (Coventry and Warwickshire) Ltd	Networks	Inflation uplift.	9,000
Grapevine (Coventry and Warwickshire) Ltd	Place - other	To fund 50% of a full-time Team Leader over two years for Grapevine's new organisational structure.	48,901
Growing Rights Instead of Poverty Part via RAPAR	Core Skills	To continue the knowledge creation and movement building programme.	25,800
Hackney Council for Voluntary Service	Governance	Reversal of 2019-20 grant previously part cancelled.	12,500
Healing Justice London CIC	Various	Towards 'Rehearsing Freedoms' programme.	350,000
Healing Justice London CIC	Networks	Inflation uplift.	16,000
Heard Organisation Limited	Comms strategic	Funding to provide on-line training for strategic communications and narrative change work.	155,147
Heart of Hastings CLT Limited	Place – other	Core funding.	205,000
Hologram via Open Collective Europe	Core Skills	Fund the development of The Hologram: feminist, peer-to-peer support.	50,000
Huddlecraft CIC	Governance	To receive and hold the funds for the Transformational Governance group- including making payments to members and the learning cohort.	148,251
IDS Learning Programme	Greater Manchester	To fund community groups to participate 18 months learning journey to be Systemic Action Learning practitioners.	172,500
Illuminate	Core Skills	Funding to support the network developed by Illuminate.	40,000

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Imkaan	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
Inclusive Journalism Cymru CIC	Comms strategic	Core funding.	35,000
Inclusive Journalism Cymru CIC	Comms strategic	Core funding.	140,000
Indigenous Commons via NEO Philanthropy Inc.	Governance	To fund pre-launch planning and development.	24,165
Institute of Development Studies (IDS)	Greater Manchester	To support holding 18 months learning process in Greater Manchester.	74,000
Jericho Road Project	Place learning and comms	Site visits & supporting women in Greater Manchester on housing justice.	20,000
Jigsaw Recovery Project CIC	Gateshead	Cover the cost of the Peer Enabler Role.	40,372
Jigsaw Recovery Project CIC	Gateshead	Inflation uplift.	1,700
Joseph Rowntree Foundation	Governance	To support JRF with costs for in person meeting.	1,000
Journalism Award	Comms strategic	News & Media follow on funding.	270,000
Kakuma refugee camp via Imkaan	Networks		38,339
Katy Rubin	Comms strategic	To support the coordination and facilitation of 4 Legislative Theatre trainings around the UK this year.	12,500
Kauma Foundation CIC	Comms strategic	To fund development of the artist network which is made up of people intentionally marginalised by systems of oppression.	30,000
Kids of Colour CIC	Greater Manchester		20,000
Kingsley Hall Church & Community Centre	Barking and Dagenham	Inflation uplift.	3,101
Kingsley Hall Church & Community Centre	Barking and Dagenham	Inflation uplift.	1,800
Kingsley Hall Church & Community Centre	Barking and Dagenham	Funding to conclude a learning cycle for the Working Group on participatory methods.	17,000
Labour for a Green New Deal	Networks	Worker-Climate conferences and seminars to support workers and unions in using industrial action to achieve climate-worker demands and a just transition.	50,000
Leeds GATE	Place - other	Inflation uplift.	9,150
Living Rent	Governance	Inflation uplift.	9,000
London Renters Union Limited	Governance	Inflation uplift.	4,650
London Renters Union Limited	Place learning and comms	Core funding.	120,000
Love & Power	Networks	To fund research into mass-based membership/people-funded movements to support the understanding and growth of movement infrastructure in the UK.	10,000
Mama Health and Poverty Partnership (MHaPP) CIC	Greater Manchester	Core funding.	300,000
Mama Health and Poverty Partnership (MHaPP) CIC	Core Skills	Greater Manchester Living Income exploratory work	30,000

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Many to Many Grantmaking via Opus Independents	Governance	To fund an experiment in multilateral funding agreements.	122,000
May Day Rooms via The Fourth Group Ltd	Networks	To support the production of a video series.	21,900
Media Resources Co-operative Ltd	Comms strategic	Core funding.	25,000
Middleton Co-operating Limited	Various	Core funding.	100,000
National Survivor User Network (NSUN)	Knowledge	To continue the work on knowledge justice; and join a collective inquiry of others undertaking and learning from work in this field.	61,000
New Economics Foundation	Core Skills	Greater Manchester Living Income exploratory work	221,725
New Economy Organisers Network (NEON)	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
New Economy Organisers Network (NEON)	Comms strategic	To support US Collaboration trip which will strengthen networks between US-UK new economy actors.	15,000
New Economy Organisers Network (NEON)	Networks	Inflation uplift.	8,250
New Economy Organisers Network (NEON)	Networks	Inflation uplift.	4,500
New Economy Organisers Network (NEON)	Networks	In collaboration, NEON and the TUC will support workers to develop ambitious decarbonisation plans for their industries.	50,000
New Northern Weave via Social Change Nest	Core Skills	Funding to self-organise the group.	30,000
News and Media Cohort via Social Change Nest	How learning and comms	To support experimenting with devolved decision making.	35,000
No Borders MCR	Greater Manchester	Core funding	20,000
North East Young Dads & Lads Project CIO		Costs to employ Peer Enabler on the System Barriers Inquiry.	32,878
North East Young Dads & Lads Project CIO	Gateshead	Inflation uplift.	1,700
Northern Heart and Soul CIC	Core Skills	To support cover costs for the 12-month development phase to explore the possibility of Living Income work in Greater Manchester.	25,000
Northern Heart and Soul CIC	Comms internal	Budget for media training in Wigan with young people with Media Cubs & True Level Media.	15,000
Northern Soul Consultancy Ltd	Greater Manchester	To cover the preliminary costings for leasing the building for Rekindle School.	10,000
On Road Media	Comms strategic	Inflation uplift.	3,737
ONCA	Various	To fund a creative artistic network for core costs and commissioned pieces of work which is at the intersection of racial, gender, climate and class justice.	150,000
OnCommons	How learning and comms	Inflation uplift (5,625 Euros)	5,037

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OnCommons	Governance	To support post Blueprint activation (to follow threads that have arisen from the current r3.0 blueprint work); 10,000 Euros.	8,662
OnCommons	Investments	To engage with sustainability standard-setting process and develop 'Transcending ESG' campaign (20,000 Euros)	16,947
OnCommons	Investments	Core funding (225,000 Euros)	197,020
Opus Independents	Governance	Inflation uplift.	10,500
Opus Independents	Comms internal	To support the series of capacity building conferences for activist and campaign organisations.	14,700
Opus Independents	Governance	To support in the production of a feasibility study for UBI Lab NI.	15,000
Opus Independents	Comms strategic	A four-month research and development project to design a sustainable future for The People's Newsroom.	38,250
Othering & Belonging Institute	Core Skills	To create a network of leaders to counter the far-right threat in Europe and US and increasingly in other parts of the world.	50,000
Our Agency CIC	Greater Manchester	Core funding.	120,000
Ownership Futures Ltd	Various	Project on UK pension system.	49,000
Oxford Hub	Oxford	Inflation uplift.	8,100
Oxford Hub	Oxford	To contribute towards the cost of training for colleagues at the Oxford Hub.	4,800
Oxford Hub	Oxford	To fund the systems changers.	25,050
Oxford Hub	Oxford	Recruit and employ 3 Systems Changers Participants as Community Organisers.	80,000
Participatory Grantmaking Community	Governance	Contribution towards London gathering.	1,000
Platform London	Various	Inflation uplift	2,250
Platform London	Various	Preparatory work for UK Community FEAST project.	50,000
Poverty Truth Network	Networks	Inflation uplift.	9,000
Prism the Gift Fund (Future Foundations)	Core Skills	Core funding.	10,000
Prison Reform Trust	Knowledge	To continue the work on knowledge justice and join a collective inquiry of others working in this field.	60,000
Project Tallawah via Imkaan	Networks	Core funding.	385,000
Public Interest News Foundation (PINF)	Comms strategic	To support cover conference costs.	7,500
Public Law Project	How cross cutting	Core funding.	309,000
Public Law Project	Place – other	Inflation uplift.	23,175
Racial Justice Network	Networks	Core funding.	100,000
Racial Justice Network	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
RadHR	Networks	Core funding.	19,675
RadHR	Networks	Inflation uplift.	1,500

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RadHR	Networks	Creating a radical HR online community and providing resources.	20,000
RadHR	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
Radical Ecology CIC	Networks	Towards Black Atlantic Innovation Network.	40,000
Recovery College Collective	Gateshead	Cover the cost of the Peer Enabler Role.	32,878
Recrear	Comms internal	Funding to enable 10 movement partners to engage in the research and learning work with Recrear.	35,000
Refugee and Asylum Participatory Action Research (RAPAR)	Core Skills	RAPAR & Growing Rights Instead of Poverty Partnership (GRIIP) partnership.	20,000
Refugee and Asylum Participatory Action Research (RAPAR)	Greater Manchester	To continue funding for the Hub Set.	76,243
Research4Action	Governance	To undertake an action research project into democratising governance in local authorities.	46,275
Resist and Renew via Platform London	Networks	Movement focussed training and facilitation collective.	25,000
Resourcing Racial Justice via Thirty Percy Foundation	Networks	Core funding.	10,000
Right Way Up	Core Skills	To re-imagined what the sector might look like and how to proceed with the next phase of the project.	10,700
Rivers Coaching	Core Skills	To explore and develop the intentional practices around path to liberation.	60,000
Rooted Innovation Ltd	Core Skills	To support Rooted Innovation Limited with funds towards The Joy Circles Project.	50,000
Royal Institute of International Affairs	Investments	Fostering a community of practice for building actionable knowledge over the system intervention points that will shift the UK investment system towards socially beneficial investments.	50,628
Shamshad Khan	Core Skills	To support people doing social justice work in Greater Manchester.	20,000
Sheba Arts CIC	Greater Manchester	Core funding.	40,000
Sistern via The Centre for Innovation in Voluntary Action	Networks	To support movements and radical organizations that are not currently served well by corporate law firms.	108,620
Social Change Nest	Networks	For re-granting to grassroots campaign.	50,000
Social Change Nest	York	Inflation uplift.	9,903
Social Change Nest	York	To support the process of designing a payment for involvement policy in York.	1,300
Solidarity Hull CIC	Core Skills	Core funding.	10,000
Solidarity Hull CIC	How cross cutting	Core funding.	14,700
Sound Delivery Media	Comms strategic	Inflation uplift.	3,375

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Sound Delivery Media	Comms strategic	To support hire an Operations Manager.	45,000
Spaceship Dot Earth	Comms internal	Core funding and bursaries.	35,000
St Chad's Community Project	Gateshead	To cover the cost of the Peer Enabler Role.	43,004
Stichting Systemic Justice	Networks	Core funding (50,000 Euros).	42,000
Stichting Systemic Justice	Networks	To fund research project -accessing current barriers to funding for movements and collectives (10,585 Euros).	8,922
Stir to Action	How cross cutting	Core funding.	50,000
Stir to Action	Comms internal	Core funding.	7,500
Stir to Action	Comms internal	Core funding.	6,000
Stir to Action	Place learning and comms	Core funding.	50,000
Story Compound	Comms internal	Funding to produce a short documentary.	23,000
Support and Action for Women Network (SAWN)	Greater Manchester	Core funding.	25,650
Support and Action for Women Network (SAWN)	Greater Manchester	Core funding.	150,000
Support and Action for Women Network (SAWN)	Greater Manchester	Capital cost grant.	160,000
Support and Action for Women Network (SAWN)	Greater Manchester	Inflation uplift.	2,250
Support and Action for Women Network (SAWN)	Greater Manchester	Funding for Internal Storyteller.	15,000
Taiwo Ogunyinka via Social Change Nest	Core Skills	To engage in a collective inquiry into the possibility of transforming racial justice movements, through an examination of the interpersonal challenges of organising and community-building.	10,700
Tax Justice UK	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
Teams Medical Practice	Gateshead	To reimburse Teams Medical Practice for some employment cost they incurred during the course of the place-based Teams and Dunstan inquiry.	2,950
Ten Years Time	How cross cutting	Core funding.	75,000
Tenants Union UK	Greater Manchester	Core funding.	20,000
The Article 11 Trust	Networks	Project funding for a small regranting programme to support grassroots groups defend the right to protest.	150,000
The Advocacy Academy	Networks	Core funding.	50,000
The Comfrey Project	Gateshead	Inflation uplift.	7,482
The Comfrey Project	Gateshead	Cover the cost of the Peer Enabler Role.	32,878
The Fourth Group Ltd t/a School of Social Justice	Networks	To support the production of a video series.	97,600
The Good Ancestor Movement	Investments	To support development of non-extractive investment models for	50,000

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		solidarity and social movement 'economy'.	
The Media Trust	Comms internal	Resource development to disseminate learnings from your Intersectional Reporting Programme to charities.	7,000
The Shareholder Commons	Investments	Inflation uplift.	8,250
The Ubele Initiative	Networks	Core funding.	50,000
The Ubele Initiative	Networks	Funding to support extra time spent on scoping anti-racist infrastructure Harakati project.	7,000
The Ubele Initiative	Core Skills	To support the work of The Ubele Initiative practices in transformational systemic change.	16,000
The World Transformed	Networks	To support TWT ahead of the annual festival 2023.	25,000
Transmit Enterprise CIC	Gateshead	Inflation uplift.	4,724
Transmit Enterprise CIC	Gateshead	To allow 6xCommunity Bridgebuilders in Gateshead to have easier access to funds required to fulfil their roles.	15,500
Transmit Enterprise CIC	Gateshead	To fund an 18 month extension to RG' contract.	66,500
Transmit Enterprise CIC	Gateshead	Topping up the existing Bridgebuilder pot of funds currently held and administrated by Transmit Enterprise.	922
TRC via New World Foundation	Trustee Discretionary	Supporting the publication of TRC book on post-capitalist philanthropy (150,000 USD)	135,747
Two Ridings Community Foundation	York	Inflation uplift.	3,920
UBI Lab Manchester via Opus Independents Ltd	Core Skills	Greater Manchester Living Income exploratory work	31,260
Unlimited Potential	Greater Manchester	Inflation uplift.	7,500
Untelevised (Filmanthropy CIC)	Comms internal	To fund a podcast series around the themes of language and linking it with topics surrounding social justice	10,000
Verdade Consulting Ltd	Knowledge	To create imaginative media content which helps to explore questions of truth, knowledge and justice in societal responses to social harm and marginalisation.	60,500
War on Want	Networks	Inflation uplift.	25,500
War on Want	Networks	To fund a cross- movement relationship building, learning and strategizing space in London.	150,000
War on Want	Networks	Funding to enable participation in the What Moves Movements' inquiry.	2,560
Wards Corner CBS	Governance	Support the "Tottenham Model" of community- led urban regeneration.	50,000
Whose Knowledge via Sanmathi Ltd	Various	Core funding.	600,000
WOC Azadi Collective via Social Change Agency	Core Skills	To fund transformative space for WOC to come together and work in	157,625

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		solidarity to heal and liberate ourselves from patriarchy, white supremacy and colonialism.	
Women's Community Matters	Place – other	Inflation uplift.	3,750
Women's Community Matters	Barrow	To pay for staff time to enable continue in roles to co-ordinate the work alongside a plethora of third sector and statutory partners, and families in the community.	100,000
Women's Environmental Network	Comms internal	To support with Comms work.	10,000
Women's Environmental Network	How learning and comms	Core funding.	50,000
Women's Environmental Network	Comms strategic	To fund a strategic overview for the next phase of the work.	10,000
Women's Environmental Network	Greater Manchester	Inflation uplift.	2,250
Wythenshawe Network via Caritas Diocese of Shrewsbury	Greater Manchester	Engaging a more diverse group of SEND people and organisations to work on researching gaps in provisions, develop a localised SEND support system, training and raising awareness.	20,000
York Council for Voluntary Service	York	Inflation uplift.	6,820
Young Womens Outreach Project	Gateshead	To cover the employment cost of the Peer Enabler roles to work on the System Barriers Inquiry over an 18 months period.	52,130
		Total:	13,299,334

Financial Report

The Trustees authorised a total budget (excluding investment management and social investment fees) for 2022-23 of £17,937k made up of:

- £16,138k programme costs
- £1,799k staff costs, governance and office costs

There was also a budget of £36.5k for capital expenditure.

Total expenditure, excluding investment management fees was £15,631k. This was made up of:

- £14,006k programme costs (2022: £11,858k).
- £1,625k staff costs, governance and office costs (2022: £1,444k)

£15k was spent on capital items in the year (2022: £35k)

Income

Total income during the year was £815k (2022: £2,415k).

Total investment income has declined from £2,415k to £815k, the largest part of this being income from listed investments which fell from £2,415k to £790k. The majority of our listed equity holdings are now held through accumulation shares in pooled funds, where previously we had greater, direct exposure to income-bearing holdings. Social investment income was £Nil which was in line with expectations (2022: £Nil). Other interest income has increased from £0.8k to £36k due to increases in interest rates.

Voluntary income, in the form of a donation from Northwood trust was received on 3rd April 2023 at £14k which with tax relief made a total income of £25k (2022: £Nil). Both, donation and tax relief has been accounted for on an accrual basis.

Fundraising practice

Lankelly Chase Foundation does not derive any income from fundraising. Lankelly Chase Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Spending policy

Trustees and staff regularly review progress against the Foundation's strategic aims and a workplan is developed by the staff team (plus external partners with regards to place-based work).

The budgeting process for 2022-23 was a collective one, with the entire staff team encouraged to contribute to the programmatic budget, as well as some of the budgets in places. Portfolio Teams developed budgets and work plans for the year ahead which were approved by the Board.

It is our vision and mission that are the main determinants of each year's expenditure.

Investment strategy

The purpose of our investments is to enable us to fulfil our mission, which is to help to change systems that perpetuate severe and multiple disadvantage.

Our current investment objectives are:

- to achieve a sustainable financial return, in a manner which is wholly consistent with our charitable objects, that will enable us to continue to fund our grant-giving over the long term;
- in seeking a sustainable financial return, to seek to avoid investments which contribute to systems that perpetuate severe and multiple disadvantage and to seek investments which contribute positively to addressing severe and multiple disadvantage; and
- in seeking a sustainable financial return, to support the reduction of global greenhouse gas emissions to net-zero by investing in a way which is carbon negative. We want to be as ambitious as possible and, at least, aligned with the Paris Agreement goals to limit global heating to 1.5 degrees in a way that is equitable and just.

In last year's Annual Report, we reported the transition of our endowment to a new investment philosophy centred around mission-alignment. This involved an evolution of the policies and processes through which we steward the endowment and led us to invest our capital with a new set of investment managers.

The strategic reorientation discussed in the introduction to this Annual Report represents an intentional disjuncture with many of the beliefs and assumptions which underpin our current approach to investment. It states that:

"We have pursued 'sustainable' investment strategies in order to maintain our income in ways that don't contravene our mission. We nonetheless remain active players in an extractive approach to investment, the impact of which on people, land and nature worldwide is impossible to account for. We would not award grants to organisations on the same basis. We want to explore radical and viable alternatives in collaboration with others.

From 2023/24 we are starting a five year process of working out alternative futures for our assets, including our capital, learning and the protective factors that come from being an endowed charitable foundation."

Investment management

Our assets are currently invested in the following strategies, largely comprising pooled public market funds with diversified investment styles and objectives.

- Baillie Gifford Positive Change

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- Impax Environmental Markets
- Liontrust Sustainable Future Global Growth
- Montanaro Better World
- Schroders Global Sustainable Growth
- Schroders Cazenove discretionary fixed income portfolio, which includes holdings in the Lombard Odier Global Climate Bond Fund, Rathbone Ethical Bond Fund, and Threadneedle UK Social Bond Fund
- Stewart Investors Asia Pacific Sustainability

Performance

The Foundation's investment portfolio produced a financial return of negative 4.6% during the year, compared to a negative return of 0.5% in the preceding year. After cash withdrawals, this saw the value of invested assets decrease from £137.7m at 31st March 2022 to £129.4m at 31st March 2023.

One of the key factors influencing financial performance was the negative impact that inflation and interest rate rises have had on growth-oriented “sustainability” strategies such as those held in our portfolio.

Social investments

Social investments are not an active part of the investment strategy, and no new social investments were made in the year to 31 March 2023. Following further repayments of capital during the year, legacy social investments at 31 March 2023 totalled £895,201 (2022: £910,261).

Reserves policy

As the Foundation's endowment is expendable, it is all available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Trustees consider it prudent to have short-term access to cash equal to approximately twelve months' projected expenditure.

Remuneration policy

The overall goal of the Foundation's remuneration policy is to ensure that staff members are remunerated fairly and in a way that ensures that the Foundation attracts and retains the right skills to have the greatest impact in delivering our charitable objectives.

Lankelly Chase aims to maintain a competitive and fair salary structure which is clearly defined and communicated to all employees with procedures that are applied consistently in a non-discriminatory manner. The Foundation benchmarks salaries against an appropriate comparative sector/set of organisations. Benchmarked bands are agreed for each post and set by the Resources and Risk Committee. A Pay Committee comprising the senior management team approves individual salary changes up to and including Director roles. The

Deputy Chief Executive salary is approved by Resources and Risk and the CEO salary by the Board.

Lankelly Chase is a living wage employer and commits to paying at least the London Living Wage to all employees, including interns.

Lankelly Chase offers an Enhanced Parental Leave policy offering all new parents the same opportunity to take paid leave, regardless of gender, sexual orientation or how they became a parent (whether through birth, adoption, parental responsibility or surrogacy). This has been made available after passing probation, rather than the original requirement of 12 months of service and reflects a commitment to living the values of the Foundation.

The Foundation does not currently pay remuneration to Trustees or Co-optees.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of Lankelly Chase Foundation 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charity 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. As 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.

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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.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 27 September 2023 and signed on their behalf by

Asif Afridi
Chair of Trustees

Independent auditor's report to the members of The LankellyChase Foundation

Opinion

We have audited the financial statements of The LankellyChase Foundation (the 'charitable company') for the year ended 31 March 2023 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 2023 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 LankellyChase Foundation'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 Resources and Risk committee, 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.

Jonathan Orchard (Senior statutory auditor)

Date: 14 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities for the year ended 31 March 2023

	Note	2023 £	2022 £
Income from:			
Investments	2	790,012	2,415,243
Donations		25,455	-
Total incoming resources		815,467	2,415,243
Expenditure on:			
Investment management fees		94,079	780,691
Charitable activities	3	15,630,896	13,301,304
Total expenditure		15,724,975	14,081,995
Net expenditure before net (losses)/gains on investments		(14,909,508)	(11,666,752)
Net (losses) on investments		(7,203,261)	(2,570,923)
Net movement in funds	4	(22,112,769)	(14,237,675)
Reconciliation of funds:			
Total funds brought forward at 1 April		143,858,587	158,096,262
Total funds carried forward at 31 March		121,745,818	143,858,587

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

All income and expenditure was unrestricted in both periods.

Balance sheet as at 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	10		41,885		47,159
Investments					
Managed funds	11		129,368,788		137,702,053
Social investments	12		895,201		910,261
			130,305,874		138,659,472
Current assets					
Debtors	13	106,517		58,452	
Cash at bank and in hand		2,765,917		14,682,229	
		2,872,434		14,740,681	
Liabilities					
Creditors: amounts falling due within one year	14	(9,275,111)		(6,045,206)	
Net current (liabilities)/assets			(6,402,677)		8,695,475
Total assets less current liabilities			123,903,197		147,354,947
Creditors: amounts falling due after one year	15		(2,157,379)		(3,496,360)
Total net assets			121,745,818		143,858,587
The funds of the charity					
Unrestricted funds	16		121,745,818		143,858,587
			121,745,818		143,858,587

The financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2023 and are signed on its behalf by:

Asif Afridi
Chair of Trustees

Company registration number 5309739

Statement of cash flows for the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period					
As per the statement of financial activities		(22,112,769)		(14,237,675)	
Depreciation charges		20,609		15,154	
Losses/(gains) on investments		7,203,261		2,570,924	
Dividends and interest from investments		(790,012)		(2,415,243)	
Decrease/(Increase) in debtors		(48,065)		52,536	
Decrease in creditors		1,890,925		2,082,831	
Net cash used in operating activities			(13,836,052)		(11,931,474)
Cash flows from investing activities:					
Dividends and interest from investments		790,012		2,415,243	
Purchase of fixed assets		(15,335)		(34,889)	
Return or impairments of social investments		15,060		52,022	
Movement on cash within investments		195,838		6,331,593	
Proceeds from sale of investments		9,379,394		179,233,483	
Purchase of investments		(8,445,229)		(169,082,280)	
Net cash provided by investing activities			1,919,740		18,915,172
Change in cash and cash equivalents in the year			(11,916,312)		6,983,698
Cash and cash equivalents brought forward at 1 April			14,682,229		7,698,531
Cash and cash equivalents carried forward at 31 March			2,765,917		14,682,229

Notes to the financial statements for the year ended 31 March 2023

1. Accounting Policies

Basis of 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.

Public benefit entity

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

Going concern

Whilst acknowledging the current volatility in the markets the Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Investment income is accounted for when received by the Foundation or its agents. Social investment interest income is recognised when receivable on an accruals basis. Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is generally the date of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading: expenditure on charitable activities which includes the costs of programme activities and grantmaking undertaken to further the purposes of the charity and their associated support costs.

Charitable activities are those costs relating to the programme activities of the Foundation and include grants, governance and support costs. Grants are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investment managers' fees are grossed up for any rebates received.

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Support costs are those related to all the other activities of the organisation and are apportioned on the basis set out in note 4.

Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of the overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the proportion of staff time attributable to each activity.

Operating lease commitments

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over the remaining life of the lease
Office furniture and equipment	25% per annum

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included in unrestricted reserves in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities (SOFA). The Foundation does not acquire put options, derivatives or other complex financial instruments.

Social investments

Social investments are carried at fair value or impaired cost where it is not practicable to recognise at fair value. Such investments are subject to regular review and any impairment is charged to the SOFA. Investment valuations are not enhanced to more than original cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Foundation 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.

Pension costs

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

Funds

As the Foundation's endowment is expendable, unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objects of the Foundation. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

2. Income from investments

	2023 £	2022 £
Listed investments	754,126	2,306,135
Interest on cash held as part of the investment portfolio	-	108,377
Bank interest	35,886	756
Social investment income	-	(25)
Total investment income	790,012	2,415,243

3. Expenditure on charitable activities

For 2022-23 we continued a thematic approach where Portfolio Teams looked after a particular area of the Foundation's work. The budget was set up in this way and so expenditure for the statutory accounts has followed the same approach, as set out below.

	2023 £	2022 £
Programme-related costs		
Strategic areas:		
Who	1,058,347	3,539,625
Place	4,227,975	4,250,647
Comms	278,452	27,593
How	8,437,515	3,917,917
Other	3,845	121,886
	14,006,134	11,857,668
Governance costs (note 5)	104,335	44,829
Support costs (note 6)	1,520,427	1,398,807
	15,630,896	13,301,304

4. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2023 £	2022 £
Depreciation	20,609	15,154
Operating lease rentals		
Property	87,172	87,004
Other	10,530	10,126
Auditor's remuneration (excluding VAT):		
Audit	14,500	12,600
VAT on audit cost	2,900	2,520

5. Governance costs

	2023 £	2022 £
Legal expenses	13	-
Auditor's remuneration	17,400	15,120
Membership of PRI	1,049	1,049
Trustee expenses	9,053	-
Trustee training	-	2,092
Trustee meeting costs	6,439	1,934
Governance review	69,841	23,950
Other governance related administration expenses	540	684
	<u>104,335</u>	<u>44,829</u>

6. Support costs

The key elements of support costs are set out below:

	2023 £	2022 £
Staff costs (note 7)	1,238,379	1,114,623
Recruitment costs	-	19,260
HR-related costs	10,616	24,200
Premises costs including utilities and repairs	104,770	103,219
Legal and professional costs	27,355	24,730
Travel, subsistence and hosting of events	21,510	10,308
Training and conferences	27,548	28,157
Subscriptions and memberships	17,636	16,811
Telephone, postage, stationery and printing	19,781	14,661
Website and IT costs	22,882	20,899
Bank charges	1,452	1,136
Sundries	7,890	5,649
Depreciation	20,609	15,154
	<u>1,520,427</u>	<u>1,398,807</u>

7. Analysis of staff costs, Trustee expenses and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries	995,306	910,941
Social security costs	107,100	87,042
Employer contribution to defined contribution pension schemes	103,888	93,101
Temporary staff	28,022	19,380
Other forms of employee benefits	4,063	4,160
	1,238,379	1,114,624

The following number of employees received benefits in excess of £60,000 (excluding employer pension costs and employer National Insurance contributions) during the year between:

	2023 No.	2022 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£110,001 - £120,000	1	1

The total employee benefits including employer pension contributions and employer National Insurance contributions of the key management personnel were £410,803 (2022: £483,846).

The Chief Executive received a gross salary after salary sacrifice with employer pension contributions in the following band: £130,001 - £140,000 (2022: £130,001 - £140,000).

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The key management personnel (including the Chief Executive) received salary payments (gross salaries after sacrifice) plus employer pension contributions and other benefits in the following bands.

	2023 No.	2022 No.
£60,001 - £70,000	0.9	0.9
£70,001 - £80,000	0.9	0.9
£80,001 - £90,000	-	2.0
£90,001 - £100,000	1.0	-
£130,001-£140,000	1.0	1.0
Total	<u>3.8</u>	<u>4.8</u>

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £9,053 (2022: £1,131). 7 Trustees incurred expenses (2022:3) relating to attendance at meetings of the Trustees.

The Foundation's Trustees were not paid nor received any other benefits from employment with the Foundation in the year (2022: £nil).

8. Staff numbers

The average monthly number of employees (head count based on number of staff employed) during the year was 18.7 (2022: 16.1).

9. Related party transactions

One of the members of the current Board took on a project that extended well beyond the day to day voluntary responsibilities of a Trustee role, and required the specific expertise. As a result, one of the Trustee has been contracted as an associate and paid for. This payment was agreed and approved by the members of the Board in advance.

The consultants and their fees paid in 2023 is listed in the table below and totalled £7,200 (2022: £1,000):

	31 Mar 2023 £	31 Mar 2022 £
Marai Larasi	7,200	-
Baljeet Sandhu	-	1,000
	<u>7,200</u>	<u>1,000</u>

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10. Tangible assets

	Leasehold improvements £	Furniture & equipment £	Total £
Cost			
At 1 April 2022	144,620	134,508	279,128
Additions	-	15,335	15,335
At 31 March 2023	144,620	149,843	294,463
Depreciation			
At 1 April 2022	140,658	91,311	231,969
Charge for the year	2,972	17,637	20,609
At 31 March 2023	143,630	108,948	252,578
Net book value at 31 March 2023	990	40,895	41,885
Net book value at 31 March 2022	3,962	43,197	47,159

All assets are used for charitable purposes.

11. Investments – managed funds

Investments comprise:

	2023 £	2022 £
Listed investments	127,277,526	135,414,953
Cash held as part of the investment portfolio	2,091,262	2,287,100
Total market value	129,368,788	137,702,053

The LankellyChase Foundation

	2023 £	2022 £
Fair value at 1 April	135,414,953	148,137,079
Additions at cost	8,445,229	169,082,280
Disposal proceeds	(9,379,394)	(179,233,483)
Net (loss) on change in fair value	(7,203,261)	(2,570,923)
Fair value at 31 March	127,277,526	135,414,953
Cash balances	2,091,262	2,287,100
Total Market Value	129,368,788	137,702,053

12. Investments – social investments

The movement in social investments held by the Foundation during the year ended 31 March 2023 and the previous year are shown in the two tables below:

Year end 31 March 2022	At 1 April 2022 £	Purchases in year/ (return of capital) £	Impairment £	At 31 March 2023 £
Big Issue Invest	6,310	(3,067)	(3,243)	-
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	203,950	(8,749)	-	195,201
	910,261	(11,816.39)	(3,243.03)	895,201

During the course of the year the fund in which Big Issue Invest hold the investment was liquidated. Consequently, the investment was fully impaired. The remaining funds were paid to the foundation in December 2022. At the year-end, the Foundation had committed to no further social investments (2022: £nil) to be made in the following year.

Year end 31 March 2022	At 1 April 2021 £	Purchases in year/ (return of capital) £	Impairment reversal £	At 31 March 2022 £
Big Issue Invest	52,041	(45,731)	-	6,310
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	210,242	(8,158)	1,867	203,950
	962,283	(53,889)	1,867	910,261

13. Debtors

	2023	2022
	£	£
Other debtors	11,458	61
Prepayments	81,059	58,391
Accrued income	14,000	-
	106,517	58,452

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	139,227	86,238
Grants payable within one year	8,981,309	5,772,191
Taxation and social security	37,544	29,114
Other creditors	-	9,613
Accruals	117,031	148,050
	9,275,111	6,045,206

Reconciliation of movement in grants creditors

	2023 £	2022 £
At 1 April 2022		
Grants falling due within one year	5,772,191	5,464,684
Grants falling due after more than one year	3,496,360	1,525,677
Total grants creditor	9,268,551	6,990,361
Grant adjustments	13,800	(92,129)
New grants awarded in year	13,299,334	11,044,899
Grants paid in year	(11,442,998)	(8,674,580)
At 31 March 2023	11,138,688	9,268,551
At 31 March 2023		
Grants payable within one year	8,981,309	5,772,191
Grants payable after more than one year	2,157,379	3,496,360
Total grants creditor	11,138,688	9,268,551

15. Creditors: amounts falling due after one year

	2023 £	2022 £
Grants payable (all payable in 2-5 years)	2,157,379	3,496,360
	2,157,379	3,496,360

16. Movement in funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Current year

	At 1 April 2022 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2023 £
Unrestricted funds	143,858,587	(6,387,795)	(15,724,974)	121,745,818
Total funds	143,858,587	(6,387,795)	(15,724,974)	121,745,818

All income and expenditure in the year related to unrestricted funds.

Prior year

	At 1 April 2021	Incoming resources & gains	Outgoing resources & losses	At 31 March 2022
	£	£	£	£
Unrestricted and total funds	158,096,262	(155,680)	(14,081,995)	143,858,587
Total funds	158,096,262	(155,680)	(14,081,995)	143,858,587

17. Operating lease commitments

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

	Land and buildings		Other assets	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	36,322	87,172	9,897	6,483
One to five years	-	36,322	10,997	6,176
	<u>36,322</u>	<u>123,494</u>	<u>20,895</u>	<u>12,658</u>

18. Legal status of the charity

The Foundation is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE LANKELLYCHASE FOUNDATION

England & Wales - Charity number 1107583

Accounts



The LankellyChase Foundation

Annual report and financial statements for the year
ended 31 March 2022

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Statutory information

The LankellyChase Foundation ('the Foundation') is a charitable company limited by guarantee and is incorporated in the United Kingdom (no. 5309739). The registered office address is Greenworks, Dog & Duck Yard, Princeton Street, London WC1R 4BH.

Legal and administrative information

The Foundation is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the Trustees of the charity for the purposes of charity law and throughout this report are referred to as 'the Trustees'.

The following details are for the year ended 31 March 2022 and also include changes up to the date on which the accounts were signed.

Trustees	Myron Rogers (I,R)	Chair
	Morag Burnett (I,R)	Vice Chair – retired 27 th October 2021
	Asif Afridi (R)	
	Hilary Berg	Retired 27 th October 2021
	Amanda Hailes	
	James Keenan	Retired 10 th January 2022
	Marai Larasi (I)	
	Darren Murinas (R)	
	Baljeet Sandhu (I)	
	Simon Tucker (R)	Retired 27 th October 2021
	Robin Tuddenham (I)	

Co-optees	Andrea Marmolejo (I)
	Jeremy Rogers (I)

(I) indicates members of the Investment Committee

(R) indicates member of the Resources and Risk Committee

Any individual Trustee has the right to attend any committee meeting.

Staff team	Edel Brady-Jackson	Administrator, Place Action Inquiry
	Dominic Burke	Investment Director
	Lisa Clarke	Action Inquiry Manager (started 1 March 2022)
	Jessica Cordingly*	Director (on parental leave from 1 November 2021)
	Julian Corner*	Chief Executive
	Karen Crompton	Head of Operations
	Renee Davis	Communications Manager
	Joe Doran	Action Inquiry Manager

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	Alice Evans*	Deputy Chief Executive (left 31 August 2021)
	Oliver French	Action Inquiry Manager (on parental leave from 1 March 2021 to 31 August 2021)
	Carrina Gaffney	Action Inquiry Manager
	Rachael Gibbons	Action Inquiry Manager (started 15 November 2021)
	Ania Jeleniewska-Kaczmarczyk	Head of Finance
	Anita Kamya	Finance Assistant (started 12 July 2021)
	Joan Kirungi	Office and Admin Assistant (started 19 July 2021)
	Habiba Nabatu	Action Inquiry Manager (on parental leave from 3 August 2020 to 2 August 2021)
	Jenny Oppenheimer	Action Inquiry Manager
	Cathy Stancer*	Director
	Mary Ward	Executive Assistant (left 6 October 2021)
Key management personnel	Although in a small staff team every member is considered to be key, for the purposes of the Statement of Recommended Practice (SORP 2015), those team members marked * have been designated as key management personnel.	
Principal and registered office	Greenworks, Dog and Duck Yard Princeton Street London WC1R 4BH	
Telephone	020 3747 9930	
Website	www.lankellychase.org.uk	
Company registration number	5309739	
Country of registration	England and Wales	
Country of incorporation	United Kingdom	
Charity registration number	1107583	
Other names	Lankelly Chase	
Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL	
Bankers	The Royal Bank of Scotland Group 1 st Floor, Houblon House 62-63 Threadneedle Street London EC2R 8HP	

The LankellyChase Foundation

	Lloyds TSB Bank plc Market Place, Didcot Oxfordshire OX11 7LQ
Legal advisors	Bates Wells 10 Queen Street Place London EC4R 1BE
Investment managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA
	CCLA Investment Management (until 10 December 2021) Senator House, 85 Queen Victoria Street London EC4V 4ET
	Ruffer LLP (until 12 December 2021) 80 Victoria Street London SW1E 5JL
	Sarasin and Partners LLP (until 17 November 2021) Juxon House, 100 St Paul's Churchyard London EC4M 8BU
	Baillie Gifford & Co (from 10 December 2021) Calton Square 1 Greenside Row, Edinburgh EH1 3AN
	Impax Asset Management (from 3 November 2021) 7th Floor 30 Panton Street, London SW1Y 4AJ
	Liontrust Asset Management plc (from 16 November 2021) 2 Savoy Court, London WC2R
	Montanaro Asset Management Ltd (from 18 November 2021) 53 Threadneedle Street, London EC2R 8AR
	Stewart Investors (from 13 December 2021) 23 St Andrew Square, Edinburgh EH2 1BB

Report of the Trustees

Introduction

In 2021-22 philanthropic institutions finally felt the heat of accountability. The rise of Black Lives Matter brought about a myriad of conversations about power and privilege that revealed to trusts and foundations the degree of disconnect between our funding approaches and the experiences of those who most urgently need resources.

In response to the scale of the world's interlocking crises, Lankelly Chase committed to striving for a world healed by justice, equity and inclusion, and to tackling the systems of oppression that keep us divided. We did so to make explicit our solidarity with those who face the daily harms of injustice and inequity, while being conscious that it is all too easy for powerful organisations to coopt concepts without an appreciation of what they mean to those they most affect or in ignorance of the struggle that gave them substance.

In measuring up to our vision, we know there is much we have to unlearn and relearn about the kind of relationships that can embody justice and equity in our work. We have taken great inspiration from the people we fund and partner with, but we know that we need to do the work ourselves if we are to offer effective solidarity and allyship. This report sets out some of the steps we are taking.

Before setting these out, we want to be clear about the path that brought us to this point. It not only explains some of the organisational DNA that shapes our work, but it also helps illuminate the wider case for change in philanthropy.

Background

Ten years ago, Lankelly Chase set out to disrupt its own methodology of funding charitable service provision through a framework of siloed problems and solutions. Our new analysis of these problems tried to surface more of their complexity and interconnectedness. As a result, we argued for a 'systems approach' to understanding how solutions might be generated.

Without precedents for philanthropic foundations using systems approaches, we knew this work was an experiment. We didn't know whether a foundation, with all its power and privilege, could become a good practitioner of a marginal discipline like systems thinking. As our CEO Julian Corner wrote in a 2020 [article](#), "When Lankelly Chase embraced the goal of 'systems change' we asserted that to change systems, we had to change ourselves. In saying this, we didn't comprehend how fundamentally we embodied a harmful paradigm". The degree to which we needed to change in order to become a healthy systems actor is only now starting to come into view.

The harmful paradigm that Julian described was one that assumes a hierarchy of actors, with some better able to analyse, understand and make decisions. This assumption of hierarchy underpins the racism, sexism and other discriminatory mindsets that our work aims to tackle, but we had failed to see how little we had escaped it in our own work.

Any attempt to work at a systems level requires the practitioner to define the boundary of the system. In our case, we chose 'severe and multiple disadvantage' as the boundary, naming interlocking disadvantages such as homelessness and mental ill health. The difficulty we

discovered with a foundation choosing the system boundary is that our funding power causes others to have to choose that boundary as well. So, any problems with the choice become problems for them. If the systems practitioner is mainly in a facilitative role, then the effects might be manageable. But a funder has the power to influence the terms of engagement within the system. Those whose work is vital to the health of the system, but who don't share our analysis, are excluded.

By 2020/21, it had become clear that our systems analysis had disproportionately excluded people and communities of colour. This was disastrous for our social justice mission and highlighted that a white-dominated perspective had prevailed both within the executive and non-executive teams. As a result, people with racial justice expertise now sit on our board, and we disbanded the all-white leadership team in order to allow for more diversity of decision making and to shift decision making power to those with different expertise in the team.

Despite these changes, Lankelly Chase continues to embody the contradiction of a powerful wealthy organisation striving for equity. There remains a degree of 'power over' others that is neither in the interests of justice nor of interconnection. Like every philanthropic institution, our money continually creates the risk of a 'them and us' detachment in our relationship with others that is the reverse of a systemic approach.

So where does this leave us? If foundations like Lankelly Chase have reached for systems approaches because of the need to embrace complexity, but are struggling to square this with their power and privilege, then have we reached a stalemate? As Julian went on to ask in the same article: "can charity ever be an effective means of ending social harms? I have in mind here Audre Lorde's famous and wise warning: 'the master's tools will never dismantle the master's house. They may allow us temporarily to beat him at his own game, but they will never enable us to bring about genuine change'.

We are determined to keep pushing ourselves to learn lessons and to make Lankelly Chase as useful as it can be to the changes that need to happen. This certainly means us holding a different kind of system role or position, characterized by more meaningful accountability. We saw the beginnings of what this might look like in our relationship with Resourcing Racial Justice, in which they have held us to account for our racial justice practice as we redistributed money to their fund.

However, we have to go much further than accountability. We need to reimagine how funding and resourcing roles can align more clearly with the values that characterise a healthier and more sustainable world. We mean here values such as mutuality, interdependence, community and care. Nineteenth century models of philanthropy and charity, based on colonial capitalism, will never help us to understand how good work should be resourced in this world. We need to connect with the narratives and belief systems suppressed by that paradigm, as well as with our community.

Over 2022/23, we will be exploring with our community what it means to shift the role of money from hierarchical to collective power. This will be an open and generative inquiry, and it will aim to build on some of the clues that are starting to come from the work of our community.

Our work in 2021/22

Our work, framed as action inquiries, is designed to help reveal and disrupt oppressive systems and to create space for reimagination and collective rebuilding. The themes of this work, including governance, knowledge, narratives and practices, are trying to get at the 'wiring' of systems, including how they are governed and organised, with whose knowledge, with what practices, and shaped by what narratives. As such, we are working at the level of the architecture of systems, especially the mindsets and behaviours that shape 'how things are done' and how things need to be done in a sustainable future.

For some time, however, the content of our work, 'the what', was not congruent with our approach, 'the how'. While we were funding work that was reimagining the status quo, this wasn't how we were behaving. Increasingly, we are moving towards greater congruence. We have formed strategic partnerships with experts such as the Centre for Knowledge Equity, Resourcing Racial Justice, Our Agency and a number of networks, where we are in deep dialogue about the values and principles of our collective work. Our Governance action inquiry, for example, is owned and led by partnerships of which we are only one part.

In our place-based work, these principles have come together in ever greater leadership of the work by local teams and networks, who hold most of the decision making and shape the strategy. These teams have sponsored several participatory grant making processes, opening up decision making to a much wider constituency of people.

This is a far cry from the days when Lankelly Chase set out its 'severe and multiple disadvantage' analysis and asked funded organisations to help it change the system. Who gets to define the problem is now frequently held by a wider collective, and we have had to cede control in order to allow more of the system in. None of this is perfect, there is a long way to go, but we are starting to feel that communities of accountability and mutuality, with philanthropic funded embedded but not determining, are a real possibility.

Having set out some of the philosophy behind the action inquiries, we now set out a bit more detail about how they are progressing and what we are planning for 2022/23. Although they started as siloed, these action inquiries are now quite intertwined, as they are essentially different lenses on the same thing.

Governance - this action inquiry is based on the assumption that environments create mindsets and that mindsets create outcomes. By environments, we mean the architecture that shapes the way things are done: the forms and processes used, who gets to make decisions, where meetings take place, what the rules are. If the architecture were different (or at least viewed differently), could that change mindsets and therefore outcomes? We have been supporting three collaborative work strands to explore this:

- **Future of Regulation:** This is an exploration, led by the Centre for Public Impact, into whether a generative and positive relationship can exist between regulatory bodies and the people they regulate.
- **Beyond the Rules:** What started as a deep collaboration of Lankelly Chase, Black Thrive, York MCN Network, DemSoc and Dark Matter Labs exploring 'the rules of doing good', is now a network of over 500 people and organisations around the world

looking at building shared resources and a movement for how we do “good”.

- **Inquiry into Systemic Governance:** a collaboration of Transition Network, Shared Assets, Practical Governance, Forum for the Future and Lankelly Chase are working together to form a Community of Doing and Learning around systemic governance.

Where next? While the two latter pieces will hopefully move into their next respective phases, we are starting new partnerships with Citizen Network and the Neighbourhood Democracy Network and with the UBI Lab network (who will also be involved in work in Greater Manchester). We will hopefully work with an international working group exploring Funding Governance for Transformation and exploring new ways of resource redistribution beyond grant making with a new collaboration. The governance inquiry will continue to support explorations such as community governance and its interface with the local authority through reinforcing and bridging existing collaborations whilst seeking some new partnerships.

Networks – we have said for some time that the scale of change needed in the world will not result from a set of individual transactions between funders and organisations. We need to help foster the interrelations and sense of critical mass. So this action inquiry has been looking at ways of weaving and supporting infrastructure networks and hubs. We have homed in on the work of activist networks that focus on intersectionality and shifting power e.g., by sharing knowledge, creating identity and solidarity, centring lived experience and sharing common purpose, including War on Want, Tipping Point UK, Advocacy Academy, Breathe (hosted by NEON), and Imkaan. We have also been supporting work to explore the role and needs of community organising and organisers.

Lankelly Chase is pushing itself to work in a more networked way with other funders, and we have collaborated on a number of initiatives related to networks:

- with the Centre for Public Impact and the RSA on a Systems Convening Handbook, co-authored by Bev and Etienne Wenger, which was launched in July, with considerable interest across multiple sectors.
- with Joseph Rowntree Foundation, Centre for Knowledge Equity and Expert Citizens on a small collaborative fund that will allow experimentation at the intersection of poverty and racial justice. A networked mindset and participatory approach are key to groups being considered.
- with Joseph Rowntree Charitable Trust on a consultation process to enable the racial justice movement in the UK to flourish.

Where next? The Networks action inquiry has morphed into a focus on movements. We believe that movements are primary builders in the work that leads to wider social change, and they have enabled transformative gains for the whole of society. We will test out different approaches to how movements are funded, strengthened and cultivated, for instance, through infrastructure support, and we will seek to learn alongside movement leaders.

Knowledge – the basis on which knowledge is generated, legitimised and used is fundamental to our work. We have several long-standing partnerships in action inquiry. To join these, in early 2021 we opened a time limited knowledge fund providing small grants to eight new partners. These aimed at supporting set of partnerships which explore, demonstrate and

model:

- Principles of participation, democracy and equity in the creation, interpretation and use of knowledge
- Collective sense-making and the involvement of different perspectives, particularly at local community level
- Working across and/or challenging academic and evidential hierarchies, including equalizing the relationship of power and prestige between clinical, learned and lived experience
- Exposing and questioning core frameworks and assumptions (e.g., about what and who is deemed valuable, or concepts of progress, productivity, growth, success etc)
- Challenging the way that knowledge is created and used to separate rather than connect people, issues and communities.

Working with the Centre for Knowledge Equity, these organisations have formed a learning group that is guiding the next phase of the work.

Where next? Other than continuing to work with existing partners, and making further grants in this area, it is likely that we'll work to integrate the theme of knowledge into our wider work as it is showing up everywhere.

Narratives - narratives are our sense-making systems that drive our thoughts, decisions, and actions. To support a transition to a world healed by justice, equity, and inclusion, we need new narratives that don't seek to silence or oppress people.

This year, we worked with a cohort of 12 organisations and networks funded through our News and Media Fund. This included independent news and multi-media platforms such as Bristol Cable, The Ferret and Fully Focused. Untelevised and The Traveller Times centre people subject to marginalisation and explore different governance models. Amaliah and gal-dem are themselves from racialised communities and were excluded from newsrooms, so they established hugely successful platforms. There is also The Guardian Foundation supporting at-scale community-led journalism. Ethnic Minorities Youth Support Team (EYST) and The Student View primarily work with working-class young people to make the 'pipeline' of journalists more diverse. PINF are looking to provide infrastructure for and amplify the work of solutions journalism and public interest news.

We have agreed an additional three years' funding for Bureau Local, who are researching what shared infrastructure might be needed by community news organisations. They have launched The People's Newsroom, which 'builds community power' through journalism. Newsrooms created by, with and for everyone.

Where next? Over the next year, we will strengthen relationships with existing partners and look to distribute resources to creative practitioners and networks that support narrative frames around justice, equity, liberation, and post-extractive capitalism. We also know that we need to look at which creative practices such as Afrofuturism support different narratives frames to come into being.

Systemic Practices: this new action inquiry is focused on deepening and spreading systemic practices as identified by people we work with, not us. Particular emphasis will be on practices that i) enable us to have deep conversations across boundaries, while staying in relationships,

ii) enable collective caring work and iii) connect with cross sector alliances nationally and internationally.

What lies behind our focus on systemic practices?

Our work in place has showed that there is potential for change/shifts when people across boundaries come together to take responsibility for outcomes in 'systems'. But this work of creating cross boundary spaces is not often recognised, resourced, or understood properly, including by us. Covid 19 showed that grassroots networks responded to people's needs, as large organisations shut down. People subjected to marginalisation are often forced to create their own networks of care. We want to support more of this work. We are likely in the midst of a meta-crisis, where systems of domination, exploitation and separation are leading to and/or mainlining ecological disasters, poverty, racism, increasing pandemics, species extinction and inequality. The longer world governments take to fundamentally address climate change, the more drastic the solutions are likely to be. The easy scapegoats will be poor, racialised and 'othered' communities nationally and globally.

One way of responding to these challenges is to cultivate our collective capacity to engage in relationships that allow us to have difficult conversations about who we are, without falling out. While we do that, we fund and recognise that for people subjected to marginalisation collective care is how they thrive and survive. Additionally, if we are all interconnected and entangled, connecting cross sector alliances nationally & internationally might allow us to spread and share practices while building solidarity.

What next? This is long term work, with a group of about 10 organisations who already work across boundaries and are learning what it takes to do this. It will also include a fund for grassroots organisations working with refugees and asylum seekers; continuing to develop and expand our Systems Changers programme; commissioned work on healing, trauma and wellbeing; and practices used by people of South Asian heritage and Romany Gypsies, Irish Travellers, Scottish Gypsy Travellers and Roma. And there are also small grants to elders in the communities who have been doing work for years, but they have never been given space to articulate/write/share/codify their practices.

Investments – later in this report we explain our approach to investment. We have made a lot of progress, but we do not view this as an end point. As capital investment is one of the most powerful systems with which we are engaged, we have a wider responsibility to reveal and disrupt the harms it causes and to reimagine alternatives. Investments is therefore also an action inquiry. For example:

- We co-authored and published a [report](#) on behalf of the Charities Responsible Investment Network, exploring the compatibility of limitless growth in economic activity and investment returns with true sustainability.
- We [responded](#) to the Charity Commission's consultation on updated responsible investment guidance, and alongside this we were part of a steering group supporting two Sainsbury family trusts which were seeking a High Court review of the law as it applies to charity investment in the context of the climate crisis. The ruling came after the period covered by this report, in which the judge blessed the trustees' Paris-aligned investment policies, said they were responsible, diligent, careful and had acted

properly and lawfully and, importantly, in the process redefined the investment duties and powers of charity trustees generally.

- We began work as part of the 18-member Global Investor Panel for the [Deep Transition Futures Project](#), a collaboration with academics. The Panel will work over 18 months alongside academic experts in societal transitions to develop an investment philosophy which can help initiate, amplify and accelerate shifts toward socially just and environmentally sustainable futures, or a 'Second Deep Transition'.
- We co-hosted a roundtable discussion with Chatham House's Hoffman Centre for Sustainability and the Financial Systems Thinking Innovation Centre ('FinSTIC'), to explore the application of systems thinking to problems in the investment system.

Where next? In 22/23, we hope to have socialised both of our objectives within our investment manager, peer and wider networks, and to have assessed - through taking action - the potential of leverage points, including investor activism rooted in movement demands, legal interventions, influencing policy, standards and regulation.

We hope to deepen and expand our relationships with aligned actors and to identify and progress pathways for influence with investment system decision makers and stakeholders.

Place – we chose to work in places because we wanted a boundary for engaging with messy interconnected systems. We also knew that we needed to have skin in the game and commit to a set of real human systems rather than dabble in ideas. Nearly all of the learning and themes from our other action inquiries are showing up in these places. This isn't because we apply our learning to those places, but because when people work to reveal and disrupt systems of oppression and reimagine a different future, it is the architecture, wiring and behaviour and mindsets that most insistently surface in the work.

As a result, there is a great deal of cross pollination between the other action inquiries and the places, because people in those places are keen to connect with the wider network of activity that we are supporting and so draw in other partners into their work. This points to significant aspect of this place work: Lankelly Chase is becoming a minority partner in decision making about strategy and funding, as a local teams and networks draw on our funding and networks but act with more autonomy. Lankelly Chase does have staff members and Associates working with these teams and networks, but we are in a process of working out how to create space for yet more local and diversified leadership.

The work is necessarily quite different in each place, but there are a number of features in common:

- The importance of networks/'nourishing spaces' for people to come together outside of usual (more constrained) work and across multiple initiatives/parts of the system (which starts to build critical mass)
- Experiments with different devolved/participatory mechanisms for distribution of resources
- Deliberately centring people subject to marginalisation

- Spreading conditions that enable people to be free to do the work that's needed/that's meaningful to them within networks of solidarity, mutual support and knowledge exchange
- Inability of traditional philanthropy to supply what's needed, requiring self-conscious dismantling of the inherent barriers
- Challenges for people locally doing this work while enmeshed in business as usual.

Towards the end of 2021/22, we launched the [Common Ground](#) series which spent a virtual week in each place. We also launched three new themed publications profiling different local approaches to shifts of power, participation and perspective. The series and all the content (which includes writing, photography, podcasts, events and film) has been developed with local partners.

Below we set out some detail of the five places. These sit alongside our commitment to two collaboratives, with LocalMotion (six funding partners working together in six places across England and Wales) and with Corra in Scotland. We also continue to support place-based work led by longstanding partners, including Leeds Gate, Birmingham Pathfinder, Wandsworth Community Empowerment Network and Coventry Grapevine.

Gateshead - the locally based Coordination Team has had devolved decision-making powers since April 2021. It is supporting a number of areas of work:

The Gateshead Futures Network, which is a place for people from more than 40 organisations to come together from across the system to think about what the future could look like and to build relationships across organisations and sectors as the foundation for doing things differently.

At the level of the neighbourhood of Bensham (but extending beyond it), a number of community groups - [Jigsaw Recovery Project](#), [Comfrey Project](#), [NE Young Dads and Lads](#), [Young Women's Outreach Project](#), [ReCoCo](#), 3 Steps and [St Chad's Community Project](#) are working on a systemic inquiry into how to change local systems. They are being supported by the [Institute of Development Studies](#) at Sussex University.

The Teams and Dunston Initiative – a partnership with Lankelly Chase, the Gateshead Coordination Team, the Ballinger Trust and the National Lottery Community Fund – has allocated £200k to the neighbourhoods of Teams and Dunston to decide to use as they see fit and has hired a local community member to initiate conversations and try to unearth what matters to the community.

Where next? The Coordination Team has made two broad financial decisions: to continue with the Bensham Systemic Inquiry and recruit several “Bridge Builders” - people from Gateshead who will form part of the coordination team but also engage in community organising and research.

Greater Manchester - Decision making over Lankelly resources (both in terms of individual items of spend and proposal of the budget) is devolved to a local group - [GM Systems Changers](#) (otherwise known as the Core Team).

Their strategy is:

- To liberate and distribute resources to under-funded people in communities, organisations, and networks challenging injustice and creating the conditions for healthier systems to emerge
- To centre working-class women and young people of colour, but not exclusively
- To resource spaces for us to be in community together
- To learn alongside and from each other about where and how people see healthier and more equitable systems emerging; and to then support the spreading of this knowledge and practices.

Through **the spaces fund**, we centred women and young people of colour, but not exclusively. 39 grassroots charities, art organisations and community groups received small grants to host spaces to disrupt, heal or reimagine healthier systems. And through some serious listening and sense-making, we're redistributing over £1m of follow-on funding to 30 of them. This is essential for them to have the time and space to breathe, let alone think about participating in any more work with us.

We've hosted a **Disrupting Narratives Lab** with Culture Hack Labs, Whose Knowledge? and a group of creative activists who can now facilitate the process locally.

The **Elephant Trails** group has collaborated with *The Guardian* to become community reporters and published their film to wide acclaim. The process of Transformative Co-production is gaining more traction across GM with Changing Futures, GM Moving and Bury Council.

All this work is helping to create a critical mass of changemakers - people already doing fantastic work, so often underfunded, under-resourced and oppressed by white supremacist systems.

Where next? The work in Greater Manchester is burgeoning at an incredible pace, and we will be celebrating this at a festival in Spring 2022.

The intention is to cultivate deeper relationships with partners. To explore what we want to do together, and to see if we are a community, a collective, a network of networks, a self-organising system or even a movement.

We will continue to centre working-class women of colour (but not exclusively) in all the work. This includes multi-year core funding to Mama Health Network and SAWN and a group of women leaders participating in an inquiry around Feeding Our Resilience.

There is an ongoing commitment to look for 'who's missing?' from our networks and being explicit about connecting with Trans, Non-Binary, LGBTQ+ networks, people with disabilities and people with no recourse to public funds.

We'd like to resource a 'Young person's inquiry' where the young people from the 'spaces' collective have the freedom to explore what they'd like to do together.

We will continue to cultivate the role of narratives and creative practices, the importance of 'systemic practices' across the system, and work with policy makers to ready people in commissioning roles to redistribute (financial) resources and give up power.

Oxford - much of the work to date has focused on solidifying the network of actors within the locally based Core Group; distributing resources to community organisations to allow them to take part in the work; and delivering core grants to 'anchor' organisations such as The Old Fire Station.

The lines of inquiry are separated (though with significant overlap) into human services, meaningful measurement, and building and sharing power. These lines of inquiry also inform the content for Oxford's Marmalade festival in 2022.

Key areas of work have included:

- Participatory grant making: working with Oxford Hub to establish participatory grant making funds for communities in Blackbird Leys and Northfield Brooke.
- Parent power: a parent advocacy project in Blackbird Leys, designed and run by African Families in the UK and Oxford Hub.
- Storytelling methodology training: The Old Fire Station is supporting small community organisations across the region to use storytelling as an approach to evaluation. Lankelly Chase provided bursaries to some organisations to take part.
- Telling Our Own Tales: a collaboration between communities and community organisations, including Arts at the Old Fire Station, to build on the stories that emerged from the 'Oxford Together' covid response to create alternative narratives about life in Oxford.
- Systems Changers: developing a systems changers programme in Oxford, bringing together families and the professionals who make decisions about those families' lives, to work together to change the systems they occupy.

Where next? Over the next year, alongside and connected with exploration of the lines of inquiry above, here is a desire to cultivate deeper relationships with existing networks while expanding to different sections of the community.

In 2022 – 2023, it feels relevant and necessary to expand the reach of the work to a hyper-local level, with a view not just to create the foundations for grassroots groups and individuals to be part of our conversation, but also for us to be part of theirs. We have budgeted to recruit, train and welcome community organisers – those who exist in the communities who experience social injustice on a daily basis and to an extent already act as community leaders.

This period will also be significant for supporting the growth of existing community organisations and networks, especially those who focus on the most marginalised/oppressed in society.

York - there is now a network of 100+ people who come together because they want to change local systems around extreme marginalisation. There are several working groups taking forward action on priority areas decided by network members (e.g., commissioning, colocation spaces, 'doing with', cultural values).

There is a separate but connected network for people with direct experience of marginalisation in York hosted by the [Good Organisation](#).

The [York 'Deciding Together' participatory grant fund](#) is designed to support activity outside what is known by the Network (asking the question 'who is missing?') and to show it is possible to use more participatory methods to distribute funding.

A third round of the [Systems Changers programme](#) was delivered with 17 participants from across the city.

There is a specific [inquiry about the experiences of children and young people](#), as it was recognised the network is mainly focused on the experiences of adults.

Where next? The main focus over the next year is to support and develop local leadership over the work that's been seeded in York over the last few years; to establish locally active teams taking their ideas forward; and to design a governance process for how people want decision making and resourcing to work. This includes building on the work that's started and the relationships which have formed and resourcing; the local infrastructure/capacity needed to support this, including the costs of people's participation in all of these initiatives.

Barking and Dagenham: Kingsley Hall and an associate of Lankelly Chase have been exploring the role of participatory processes including participatory grant-making in promoting power sharing and devolved decision making. Their experiences with a local group called Dagenham Dynamos suggest that participatory grant making is a helpful philanthropic tool alongside other participatory methods in promoting social justice. This sits alongside participatory grant making processes we have been supporting through Barking and Dagenham Giving.

This work forms part of a much larger piece of participatory and systemic place-based change work in Barking and Dagenham, where the theme of power and paternalism runs through a wider learning conversation surfacing the structural issues of inequitable power in the borough. There have been a series of large-scale dialogues facilitated by Art of Hosting, enabling participants to name and (to a certain extent) own the power problem in Barking and Dagenham. These are now starting to shift towards creating a vision of an equitable borough, to which everyone can be accountable.

Where next? A local learning group has emerged from the large-scale dialogue, and this is the group from which we hope a local core team will emerge. We hope that this will allow us to shift control over strategy and decision making to a group that is attending to the health of the Barking and Dagenham system.

Communications

Website: we have launched a refreshed website, in collaboration with Sail Creative. In the first phase, Sail Creative worked closely with our partners to define what they needed from a digital platform. This included running creative workshops based on sprint methodologies, and consulting closely with the wider network.

The ambition was to create a website that was a space of stories for systemic change. The site also had to be accessible by the wider community, in which they could have their own sections of the site to edit and update, to truly act as a democratic platform for organisations.

Accessibility was crucial with best practices adhered to throughout the project. Sail Creative partnered with [ReciteMe](#) who have software that is constantly developed to ensure inclusive experiences.

Black Lives Matter Blog Series: in 2021/22, we have used our platform so that black voices within our network could share their voices and stories around just how much racism has impacted and continues to impact on their lives and different institutions in the UK. We have also hosted Twitter takeovers to accompany the blog pieces. In 2022/23, we intend to commission more video content that reflects and amplifies the work of Black- and Brown-led organisations that we may have weak ties with as a way of sharing their work, voice and activity and with the world.

Stakeholder Insights: we appointed [Mel Larsen and Associates](#) to conduct a third piece of Stakeholder Insight work. The report has helped us understand how and what we as an organisation are communicating, along with what we might need to be doing differently. We received feedback such as:

- Real world charity
- Progressive, proactive funder
- Funding issues less 'mainstream'
- Realistic & efficient funding strategy & support
- A funder who actively listens to their grantees
- A different type of funder.

The process also identified where we could sharpen and clarify how we communicate our role and messaging. As a result, we have worked with Mel Larsen on key messages.

Climate Justice

We are a signatory to the Funder Commitment on Climate Change, and have prioritised two of the commitments in 2021/22:

- Stewarding investments: we describe elsewhere in this report the steps we are taking to steward our investments towards a post-carbon future, and to use our position as an investor to agitate for change.
- Integrating climate into existing funding programmes: a great deal of our investments in networks and movement leadership has been at the intersection of climate and racial justice. We also made grants to 14 of our existing partners to enable communities subject to marginalise to participate in COP26.

Racial Justice

In our last annual report, we committed to make racial justice a central priority of our work. We hope it is clear that this commitment is becoming a reality across our action inquiries, thanks to the expertise, commitment and networks of colleagues, trustees and partners. We are daily being enriched by the community of extraordinary people with whom we are now connected, and as we began this report by saying, we want to be in deepening dialogue and relationship with this community as we continue to evolve and change.

Most of our racial justice funding has already been described, so we want to highlight four significant initiatives that are not covered elsewhere:

Synergi Collaborative Centre – after 5 extraordinary years leading this initiative on ethnic inequalities in mental health, our partners University of Oxford, University of Manchester and Words of Colour decided to step back and hand the baton to others within the network. After considerable reflection and dialogue among those supporting Synergi, the National Survivor User Network (NSUN) and Catalyst 4 Change stepped forward to offer leadership to the next phase.

Synergi Phase 2 will initially run for 3 years and will centre lived experience, anti-racism and community action, under **five work strands**:

- **Remembrance as Resistance:** A multimedia and digital exhibition and festival programme on how community activism has tackled mental health and racial injustices over the last 40 years in the UK.
- **Building as Abolition:** A means to influence funders to better understand community action work in the mental health space so that it is resourced and elevated.
- **Creative Spaces:** Building on the existing place-based creative and collaborative system change work which was developed by the Synergi Collaborative Centre.
- **Democratising Policy:** By managing an annual small grants programme for grassroots campaigning groups working on the intersection of racial justice and mental health.
- **Transformational Governance:** To embed and champion ethical and collaborative ways of working within Synergi - and beyond it.

We want to thank Prof Kam Bhui, Joy Francis and Prof James Nazroo for the courage and tenacity that they have shown in carving out this territory. The legacy they leave for the next phase of the work cannot be overstated.

Baobab Foundation: we view Baobab Foundation as a significant step towards transforming the resourcing model of racial justice in the UK. We have committed grants to its operations and core fund, and we intend to go much further in 2022/23. There are several reasons for this, beside the real merits of the participatory and democratised models that have been designed by the Baobab team:

1. For decades, Lankelly Chase has had the space to learn, experiment, make mistakes, adapt and grow. The Baobab Foundation will need that space much more than we did.
2. The paths that led to Lankelly Chase and UK philanthropy being overwhelmingly white need to be purposefully disrupted if we are not going to repeat the patterns that led us to this point. The creation of the Baobab Foundation is an important opportunity for disruption that should have wider effects on the funding ecosystem.
3. Lankelly Chase and UK philanthropy have failed to resource communities of colour effectively. Now that we have acknowledged this failure, one part of the change strategy should be to support the Baobab Foundation to become a powerful source of accountability, learning and transformation.

4. Lankelly Chase and UK foundations have earned much of their money, and therefore power, from exploiting the Global South and the bodies of black and brown people. We cannot move forward towards a world healed by justice, equity and inclusion if we do not acknowledge that debt and the harms caused and start to make reparations.

Black Thrive CIC: we have known Black Thrive since its inception and provided some of its first funding. In retrospect, we should have continued to support its work, but despite that it has done incredible work to build leadership, knowledge and accountability models, and is now spreading beyond its initial base in Lambeth and becoming a necessary voice in national policy development. We are delighted to be providing core funding again and to be forming a 'wayfinding' partnership to deepen and widen the impact of this vital work.

Resourcing Racial Justice (RRJ): RRJ was an initiative that emerged from an established network of racial justice leaders during the first phase of the pandemic in response to the disproportionate impact of Covid on communities of colour and the failure of established funding models to reach grassroots organisations. Although the fund was limited to 2020/21, RRJ have continued to support the network of awardees who received funding and have been turning their learning into products that can be used by the network and by funders. We have benefited from an ongoing relationship with RRJ, who have continued to support our accountability and to provide training and frameworks for us as we deepen our understanding of racial justice work. A retreat in November 2021 allowed us to share space with the awardees in equitable dialogue and strategy making.

Conclusion

In concluding, we would like to express our deep appreciation and gratitude to the community of organisations and leaders whose bravery, vision and longstanding commitment to see a more just and equitable society breathes daily inspiration and life into our work. We look forward to continuing the work of reimagining and building a sustainable future in 2022/23 with boldness, openness and determination.

THE LEGAL REQUIREMENTS

The objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales. The Trustees define the policies that underpin the Foundation's programmes and have agreed the following vision and mission statement. We want our values to communicate our passion and inform our everyday relationships, belief systems and attitudes across the delivery of our work.

Our vision is of world healed by justice, equity and inclusion, where all people can live with dignity and opportunity in supportive communities.

Our belief is this can only be achieved if we fully embrace the interdependent nature of our existence.

Our mission is not one we can undertake alone. We work with partners to change systems of injustice and oppression that result in the mental distress, violence and destitution experienced by people subject to marginalisation in the UK.

Our role is to resource activity where people can come together to explore what it means to reveal, question and dismantle systems that perpetuate disadvantage, and to explore how to heal, reimagine and renew systems so that all people can live with dignity and opportunity in supportive communities.

Values

Determined: real change takes tenacity, kindness and commitment. We work with humility and the knowledge that there are no simple answers.

Open: we want to build relationships based on shared humanity, kinship and respect. We are always open to new ideas and evidence, and we share whatever we learn for the benefit of everyone.

Reflective: we want to find out what really works. We challenge assumptions and we use feedback as a powerful tool for learning.

History

The Lankelly Chase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. On 9 December 2004, the two Trustee bodies amalgamated the trusts, and the new Lankelly Chase Foundation was incorporated.

Structure, governance and management

The Board of Trustees administers the Foundation. The Board appoints Trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a Trustee may, if agreed unanimously by the Board, be asked to serve an additional four-year term. The Chair is appointed by the Trustees through external competition and serves for a maximum of two three-year terms.

Periodically the Board reviews the range of skills among Trustees and may recruit new Trustees to fill any gaps in the skillset of the Board. New Trustees have historically been recruited through external competition, a process that may be complemented or superseded by the use of the Foundation's networks to identify individuals who may not be reached by more traditional methods. In addition to making appointments based on the skills, values and connections deemed necessary by the Board, new Trustees may be recruited to bring challenge and alternative perspectives. This ensures the Board and the method of governance continues to evolve.

An induction programme is generally arranged for new Trustees, which includes the opportunity to 'buddy' with a member of the team to deep dive into some of the work. Involvement in external training is encouraged, and Trustees are provided with a £5,000 a year training budget each (this matches what is offered to staff).

The full Trustee Board currently meets three times a year to manage the Foundation. The day-to-day administration continues to be delegated to the Chief Executive, who is supported in this by the wider staff team.

The Board of Trustees currently has two sub-committees (both of which meet three times a year, between two to four weeks before the full Board convenes). They are:

- The Resources and Risk Committee (Chaired by the Vice Chair of the Foundation) which oversees the main risk and audit requirements, and monitors and reviews budgets and human resources.
- The Investment Committee (Chaired by the Chair of the Foundation) which oversees the management of the Foundation's assets, as delegated by the full Board.

Risk management

The Trustees are responsible for establishing and monitoring Lankelly Chase's internal control systems. The risk register is presented periodically for review to the Resources and Risk Committee annually, with risk updates provided to Committee members on an ongoing basis. The risk register is made available to all Trustees upon request, and the Resources and Risk Committee may recommend that the Board reviews the register at any point. The Trustees' approach to risk is to manage rather than eliminate, and to view risks as opportunities to be taken as well. Currently, Trustees are satisfied that the system of internal controls in place is adequate, and these internal controls are reviewed as part of the day-to-day management processes within the Foundation. The Board have agreed to appoint an external agency to carry out an internal audit function and this process is being managed by the Resources and Risk Committee. The Committee decides annually whether an internal audit is required.

The Trustees consider that the principal risk to Lankelly Chase is that it does not fulfil its core mission of changing systems of injustice and oppression. In order to address this, the Executive and Board regularly review strategy, governance and work practices. The Foundation does not do this work alone, and so learning and adapting is an ongoing process that happens in partnership with others in the field. The risk register is a live document which is held collectively by the staff team and reviewed regularly, and many of the risks identified remain live within the work. There is also a strong understanding at Executive and Boardlevel that much of the work we are engaged in might involve more risk than other funders would be comfortable with. However, we have management processes in place to manage those risks where possible, and we consider both success and failure to be crucial parts of the change journey.

Public benefit requirement

The Trustees aim to meet their public benefit responsibilities, as laid out in Section 17 of the Charities Act 2011, by using the Foundation's resources to support agencies that seek to enable some of the most disadvantaged people in our society to lead full and independent lives.

Review of grant activity

Portfolio Teams – teams predominantly made up of Lankelly Chase colleagues with expertise across the organisation – became the primary method by which grant proposals were discussed and agreed. The Executive Committee as a formal meeting place was effectively dissolved, although the entity and mandate remain to provide delegated authority to Portfolio Teams to act in this way.

The mandate for Portfolio Teams is as below:

Each team will reflect the diversity of roles and experiences of the Organisation – and will include both internal and external facing Lankelly Chase roles. The teams may include third party participants. The quorum is three members as approved by Resources and Risk Committee on 29th September 2021. There is no longer a need for a Director to be present.

The budget delegated to the Portfolio Team will be agreed by the Executive Committee following a formal request from the Portfolio Team. The formal request will include purpose, proposed activity and an understanding of how learning will be captured.

Third party participants may be allocated voting rights on financial allocation – provided there is no conflict of interest e.g., awarding that participant money. The ability of the third party to hold voting rights will be decided by the Executive Committee.

As with the Executive Committee, Portfolio Teams will flag to first the Executive Committee and then, as appropriate, Trustees if the grants are deemed to be political and/or unusual in nature of risk e.g., controversial.

Devolved decision-making in Place

Decision making has been devolved to local ‘Coordination Teams’ (also known as ‘core teams’) in two of the places where Lankelly Chase works in a deep and sustained way – Greater Manchester and Gateshead. The process we are using is as follows:

- Two Lankelly Chase staff members (not necessarily Directors) must be present for financial decisions to be made. The rest of the team is made up of local people drawn from across different sectors and communities who are engaged in systems change-making work.
- The place leads from Lankelly Chase and the Coordination Team in the local area have put in place an agreed set of processes regarding risk management, operations and due diligence before any decision-making has been devolved. These have been reviewed and signed off by the Resourcing Team in a process approved by Trustees.

The ‘How’ Team

The ‘How’ team is working to a different mandate, as approved by Trustees, which further devolves decision-making to allow for this to be more nimble and autonomous, whilst maintaining scrutiny, fairness and accountability. It covers the following:

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- Decisions up to £10,000 can be made by an individual, up to a limit of £50,000 per person, per year.
- Decisions up to £50,000 can be made by a proposer with a seconder drawn from the wider 'How' team on a rotational basis, up to a limit of £250,000 per proposer, per year.
- Decisions over £50,000 and up to £340,800 require discussion with, and sign-off by, the entire (quorate) team.
- All decisions need to be minuted and logged in the tracking spreadsheet.
- All decisions made are reviewed by the whole 'How' team at the business meetings, which happen monthly.

Organisation	Strategic area	Description	Grant amount (£)
Adira CIC	Communications	A short film on the nuances and links between Black Hair and mental health	23,000
Advocacy Academy (The)	Networks	To enable their organisational transformation work	50,000
Advocacy Academy (The)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
African Families in UK	Oxford	Core funding to deliver AFIUK's work and to provide capacity to collaborate with Oxford Hub	15,000
AFS Catalyst	Governance	To establish a HCD implementation circles of funders, communities and professionals for holistic social action	35,600
Age UK Gateshead Ltd	Gateshead	To act as host organisation for Bridge Builder role	45,004
Agenda CIO	National	Core costs	150,000
Ann Mathews Trust	Core Skills	Core costs towards the organisation working with young people from refugee and migrant backgrounds	170,000
Arts at the Old Fire Station	Oxford	To subsidise the costs of storytelling training for small community organisations as a way for them to explore meaningful measurement	10,000
Arts at the Old Fire Station	Oxford	Core funding 2022 to 2027 to provide capacity to do the centre's work and continue to be anchor organisation for collective work in Oxford	300,000
Arts at the Old Fire Station	Oxford	Towards the 'Storytelling Shared Endeavour' work to train more people in the methodology and to support organisations to use storytelling data collectively	15,000
Arts at the Old Fire Station	Oxford	Communications for Marmalade Festival	15,000

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Arts at the Old Fire Station	Place learning and communications	Small grant to support local comms work as part of the Common Ground series	2,430
Arts at the Old Fire Station	Oxford	Core funding to provide capacity for freelance contracting the work with Clear Signal	13,000
BAC-IN CIC	Knowledge	Production of book / collection of case studies of BAC-IN service users	15,000
Baobab Foundation	Who	Towards the operating costs of the new organisation	200,000
Baobab Foundation	Who	Contribution to the Collective Fund	300,000
Barking and Dagenham Giving	Barking and Dagenham	Facilitation for community investment workshop	900
Barrow Borough Council	Barrow	Contribution to Poverty Truth Commission in Barrow	20,000
Bensham Grove Community Centre	Gateshead	To act as host organisation for Bridge Builder role	58,693
Birmingham Pathfinder (via Lumen Christi)	Place learning and communications	Towards the time of Jenny McCabe on governance, fundraising and communications, and the development of a website	10,000
Black Thrive Global	Who	Core funding	328,000
Black Thrive Global	Governance	Beyond the Rules phase 1.5	21,000
Black Training and Enterprise Group (BTEG)	Governance	Development of community policing framework	36,156
Breathe (via NEON)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Breathe (via NEON)	Networks	Seed Funding to support the development of our organisational structure, strategic planning, website development and branding	21,000
Breathe (via NEON)	Networks	Core funding support the next stage development of Breathe	100,000
Bureau Local (Bureau of Investigative Journalism)	Communications Strategic	Extension for another 3 years' relationship. Focus on the People's Newsroom and infrastructure work in local news	300,000
Centre for Knowledge Equity	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000

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Centre for Public Impact	Governance	Continuation of COPs for regulatory bodies	5,000
Centre for Public Impact	Place Other	Core costs to support the coordinating, convening, storytelling and learning work of the HLS collaborative for two years	53,800
Centre for Welfare Reform	Governance	To support Core costs of Citizen Network and Neighbourhood Democracy Movement	140,000
Collective Change Lab	Core Skills	To support a narratives and global philanthropy action learning set	50,000
Collective Impact Agency CIC	Place learning and communications	Small grant to support local comms work as part of the Common Ground series	1,952
Comfrey Project (The)	Gateshead	To act as host organisation for Bridge Builder role	99,760
Comfrey Project (The)	Gateshead	For two Link Workers to continue phase 2 of the Bensham System Inquiry	22,667
Community Centred Knowledge (via Social Change Nest)	Core Skills	Social Change Nest CIC will act as the fiscal host for Community Centred Knowledge. The funding is towards salary for one year so she can configure the space to work with, grow and develop the membership of Community Centred Knowledge to develop a collective vision and the appropriate legal structure.	45,500
Community Centred Knowledge (via Social Change Nest)	Core Skills	Social Change Nest CIC will act as the fiscal host for Community Centred Knowledge. The funding is to support build together 'The People's' Knowledge for 'The People's' Progress; and CCK as a resource for the community, not just for the members	165,000
Community Resources for Change	Barking and Dagenham	To cover participation and engagement costs associated with the Learning Group in Barking and Dagenham	26,000
Community Resources for Change	Barking and Dagenham	Continuation of the work with the learning partner for Barking and Dagenham Collective	60,000
Culture Hack Labs c/o New World Foundation	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Cyrenians - Changing Lives	York	Work by the MCN Network Co-commissioning Working Group to look at service transformation through an ABCD (asset-based community development) lens to support collaborative	8,500

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		commissioning. Funds will go towards a training programme	
Cyrenians - Changing Lives	York	To co-ordinate a set of workshops on the York Resettlement Pathway including any commissioned facilitation support needed for this purpose	7,200
Cyrenians - Changing Lives	York	Towards salary and associated costs as a member of the Enabling Team coordinating the Multiple and Complex Needs Network in York	58,234
Dark Matter Labs	Governance	Beyond the Rules phase 1.5	63,000
Democratic Society	Governance	Beyond the Rules phase 1.5	63,000
Edge Effects Ltd	Place learning and communications	To enable Edge FX Limited to take part in the process for Lankelly's place-based team to find a new learning partner, including planning and facilitating a session with the LankellyChase team	1,500
Esmee Fairbairn Foundation (Localmotion)	Place	Esmee Fairbairn Foundation will host LocalMotion and will hold and administer LocalMotion funds. This project is to achieve long term systemic change that tackles the root causes of social, environmental and economic injustices, based on local communities' priorities	400,000
Expert Citizens	Who	Core funding to develop Expert Citizen's business model and work	553,108
Family Rights Group	National	Core costs to help Family Rights Group progress its family voices work	149,956
Feedback Global	Core Skills	To convene an assemblage of actors, organisations, and communities across disciplinary boundaries to re-historicise and recreate our responses to intersecting forms of oppression and plunder	160,000
Ferret (The)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	4,000
Gal-dem	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	4,000
Geeks for Social Change	Greater Manchester	Funding towards the development of the PlaceCal platform by funding roles such as a Web Developer and Community Development Manager	60,000

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GemArts Ltd	Gateshead	To act as host organisation for Bridge Builder role	33,878
GM Spaces	Greater Manchester	Core Costs for partners identified by original GM Spaces Fund	1,170,000
Good Organisation CIC	York	To undertake research on the York Resettlement Pathway and feed in lived experience insights to the commissioning process	11,500
Imkaan	Networks	Preparation for a Twenty-Year Recovery Timeframe - Through a Social Change Framework Addressing the Challenges of Movement Building in the Black and Minoritised Women and Girls' Sector towards Structural Change	283,332
Impatience Ltd	How learning and communications	Contribution to Participatory Grantmaking Community	10,000
Institute of Development Studies (IDS)	Place learning and communications	Facilitate 1 hour session as part of the Learning Partner Process	1,500
Jigsaw Recovery Project	Gateshead	For two Link Workers to continue phase 2 of the Bensham System Inquiry	22,667
Kaizen Arts CIC	York	Towards work to link the network with York Design week	6,000
Kingsley Hall Church & Community Centre	Barking and Dagenham	To support the development of participatory practices with community members in Barking & Dagenham, particularly alongside people with lived experience of severe social harm and marginalisation	132,000
Leeds GATE	Who	Capital grant to buy their building	200,000
Living Rent	Communications Strategic	To support Living Rent towards Core costs to look at the narrative of secure housing	120,000
London Renters Union	Communications Strategic	To support London Renters Union towards Core costs to look at the narrative of secure housing	120,000
Maangamizi Educational Trust	Core Skills	To explore and share the practices for reparatory justice	10,000
Minority Communities Addiction Support Services (MCASS)	Core Skills	To support MCASS with Core costs to support individuals and families whose lives are impacted by Drugs and Alcohol Misuse	160,000
Moving Tu Balance	Core Skills	Funding to support the work of Moving Tu Balance specifically to explore how somatic arts especially African Holistic	140,000

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		Dance can be a vehicle for inner and community liberation	
MURAAL/Kindred Dreaming (via Social Change Nest)	Core Skills	Practices that honour and build from ancestral legacies for people whose lineage is beyond Europe rather than from places of colonialism. Social Change NEST CIC will act as the fiscal host for MURAAL/Kindred Dreaming	10,700
New Economy Organisers Network (NEON)	Networks	Head of Facilitation to support on the development and roll out of a new flagship facilitation training	120,000
New Economy Organisers Network (NEON)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
News and Media Partners (Journalism award)	Communications Strategic	Learning fund for news and media partners. To cover the time for people to participate in the learning programme over 6 months period	28,000
North East Young Dads and Lads	Gateshead	For two Link Workers to continue phase 2 of the Bensham System Inquiry	22,667
National Survivor User Network (NSUN)	Who	To lead the second phase of the Synergi Collaborative Centre	38,179
National Survivor User Network (NSUN)	Who	Funding for Synergi 2.0	1,500,000
On Road Media	Communications Strategic	Providing on-line training for strategic communications and narrative change work	49,827
OnCommons	Governance	To support the implementation and maintenance of a working group exploring how to fund governance for systemic transformation of which Lankelly Chase will be a contributing member (20,000 Euros)	17,511
OnCommons	Investments	To support advocacy and development of context-based sustainability standards for adoption by corporates and investors (10,000 Euros)	8,640
OnCommons	How learning and communications	To support accessibility and reach of the annual r3.0 conference (75,000 Euros)	63,816
OPUS	Governance	To support Core costs of UBI Lab Network	140,000
Oxford Hub	Oxford	Participatory grant making in Oxford	50,000

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Oxford Hub	Oxford	Core grant to release Sara Fernandez's time to be an associate for the Place work, and to bring in extra administrative support for the Oxford learning group	108,000
Oxfordshire Community Foundation	Oxford	Funding to cover the capacity of Suzy Donald contracted for Clear Signal	2,000
Peace Development Fund	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Platform London	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Public Interest News Foundation (PINF)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	4,000
RadHR Ltd	Networks	To build a wiki-based website for radical and progressive social change organisations to share policies, processes and structures on how to organise based on values that are radical, anti-oppressive, collaborative and transparent	20,000
Recovery College Collective	Gateshead	For two Link Workers to continue phase 2 of the Bensham System Inquiry	11,333
Reos Partners	Place learning and communications	To enable Reos Partners to take part in the process for Lankelly's place-based team to find a new learning partner, including planning and facilitating a session with the Lankelly Chase team	1,500
Rivers Coaching Limited	Place learning and communications	Facilitate 1 hour session as part of the Learning Partner Process	1,500
Rivers Coaching Limited	Place learning and communications	To enable Rivers Coaching to take part in the process for Lankelly's place-based team to find a new learning partner, including planning and facilitating a session with the Lankelly Chase team	1,500
Say it With Your Chest Arts CIC	Core Skills	PAR around Positionality, Power and Community in the search for Liberation	10,000
Shared Assets	Governance	Support attendees to TransGov workshop	1,749
Shareholder Commons (The)	Investments	Strategic litigation at Facebook re system stewardship (\$150,000)	113,369
Social Change Nest CIC (The)	Governance	Development of Lankelly Chase in funding and commissioning partnership	10,000
Sound Delivery Media	Communications Strategic	To support Sound Delivery Media to hire a Governance expert who will help with all legal requirements	39,000

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St Chad's Community Project	Gateshead	For two Link Workers to continue phase 2 of the Bensham System Inquiry	22,667
Stir To Action	How learning and communications	Sponsorship of Festival for the New Economy	5,000
Support and Action for Women Network	Greater Manchester	Core costs to assist SAWN in delivering its mission and allow space for reflection and participation of SAWN employee(s) in the Systems Changers work in Greater Manchester	30,000
Support Fund	Other	Small grants for support and welfare fund	104,000
Supporting African Womens Network (SAWN)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Tax Justice Network	How cross-cutting	Support for UK tax justice movement ecosystem	50,000
Teams Medical Practice	Gateshead	To cover any expenses incurred by Christine Frazer during the course of the place-based Teams and Dunstan inquiry	3,884
Ten Years' Time Enterprises Ltd	Investments	Launch of 'Racial justice and social change' report	1,700
Ten Years' Time Enterprises Ltd	Investments	Pilot workshop on racial justice and investing, for investment decision makers in foundations	3,100
Thirty Percy Foundation (holding for collab)	Investments	Contribution to the costs of 'Transformation Capital x Community Capital' phase two, a collaboration with Dark Matter Labs and Civic Square	50,000
Tipping Point UK	Investments	Support movement building on climate justice and fossil fuel finance	10,000
Tipping Point UK	Networks	Support movement building on climate justice and fossil fuel finance	40,000
Tipping Point UK	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Together with Young People (via Social Change Nest)	York	Social Change Nest CIC will act as the fiscal host for the 'Together With Young People' partnership in York and the group(s) undertaking this work	132,038
Transmit Enterprise CIC	Gateshead	To act as host organisation for Bensham System Inquiry Coordinator role for 18 months	62,990
Two Ridings Community Foundation	York	Holding the space' for the Together With Young People work	69,696

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Ubele Initiative (The)	Networks	Research to Develop Antiracist Movement Infrastructure in the UK	28,000
Unlimited Potential	Greater Manchester	Grant for the evolution plan for Elephants Trail	100,000
Untelevised c/o Filmanthropy	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	4,000
War on Want	Networks	As part of the Green New Deal programme funding towards the political education, outreach and movement building work	340,000
Winchester Project (The Winch)	How cross-cutting	Towards a participatory action research project led by Take Back the Power Alumni	15,000
Women Environmental Network (WEN)	How cross-cutting	Support towards engagement in the crucial global debate during UN climate talks COP26	10,000
Women's Community Matters	Barrow	Work with local partners to inform and influence unitary changes	100,000
York Centre for Voluntary Service	York	Work to take forwards a co-location experiment to create a physical space to nurture a culture of multi-agency working, information sharing, decision-making and solutions in York	38,996
York Centre for Voluntary Service	York	Costs of running the third cohort programme of Systems Changers in York	72,090
York Centre for Voluntary Service	York	Experimental work by the MCN Network's Creative Action working group to explore creative ways of engaging people, and creating opportunities, activities and environments for people to share their experiences/stories in a way that is comfortable and meaningful for them	18,500
York Centre for Voluntary Service	York	To continue resourcing Dogeacog as communications support for the Cultural Values working group	16,476
York Centre for Voluntary Service	Governance	Beyond the Rules phase 1.5	21,000
York Centre for Voluntary Service	York	To support the coordination and infrastructure ('backbone') function of the York Multiple Complex Needs Network and related activities, initiatives and conversations	181,247
York Centre for Voluntary Service	Place learning and communications	To commission technical support for the development of a podcast for the Place Communications Series	720

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York Travellers Trust	Core Skills	To support York Travellers Trust with Core Costs towards the organisation's mission to enhance the vibrant and resourceful Gypsy and Traveller Communities in York	150,000
Young Women's Outreach Project	Gateshead	For two Link Workers to continue phase 2 of the Bensham System Inquiry	22,667
		TOTAL:	11,044,899

Financial report

The Trustees authorised a total budget (excluding investment management and social investment fees) for 2021-22 of £16,128k made up of:

- £14,390k programme costs
- £1,738k staff costs, governance and office costs

There was also a budget of £21k for capital expenditure.

Total expenditure, excluding investment management fees was £13,301k. This was made up of:

- £11,858k programme costs (2021: £9,091k).
- £1,443k staff costs, governance and office costs (2021: £1,383k)

£35k was spent on capital items in the year (2021: £8k)

Income

Total income during the year was £2,415k (2021: £2,700k).

Total investment income has declined from £2,700k to £2,415k, the largest part of this being income from listed investments which fell from £2,698k to £2,414k. This partly reflects the shift in our investment strategy during the year. The majority of our listed equity holdings are now held through accumulation shares in pooled funds, where previously we had greater, direct exposure to income-bearing holdings. Social investment income was £Nil which was in line with expectations (2021: £Nil). Other interest income has declined from £2k to £0.8k.

There was no donation received from Northwood Trust in the year (2021: £Nil).

Fundraising practice

Lankelly Chase Foundation does not derive any income from fundraising. Lankelly Chase Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Spending policy

Trustees and staff regularly review progress against the Foundation's strategic aims and a workplan is developed by the staff team (plus external partners with regards to place-based work).

The budgeting process for 2021-22 was a collective one, with the entire staff team encouraged to contribute to the programmatic budget, as well as some of the budgets in places. Portfolio

Teams developed budgets and work plans for the year ahead which were approved by the Board.

It is our vision and mission that are the main determinants of each year's expenditure.

Investment policy

The purpose of our investments is to enable us to fulfil our mission, which is to help change the systems that perpetuate severe and multiple disadvantage.

During the year, we finalised and implemented our updated Investment Philosophy and Policy, as well as frameworks covering Manager Monitoring, Performance and Risk evaluation, and Rebalancing. Our current investment objectives are:

- to achieve a sustainable financial return, in a manner which is wholly consistent with our charitable objects, that will enable us to continue to fund our grant-giving over the long term;
- in seeking a sustainable financial return, to seek to avoid investments which contribute to systems that perpetuate severe and multiple disadvantage and to seek investments which contribute positively to addressing severe and multiple disadvantage; and
- in seeking a sustainable financial return, to support the reduction of global greenhouse gas emissions to net-zero by investing in a way which is carbon negative. We want to be as ambitious as possible and, at least, aligned with the Paris Agreement goals to limit global heating to 1.5 degrees in a way that is equitable and just.

Investment management

We finalised the appointment of new investment managers based on their alignment with our updated investment objectives. The majority of our assets are now invested through pooled funds, which have diversified investment styles and objectives. We have produced Statements of Intent to guide our relationship with each manager and we evaluate success through our Manager Monitoring Framework.

Performance

The Foundation's investment portfolio produced a financial return of negative 0.5% during the year, compared to a gain of 24% in the preceding year. After cash withdrawals, this saw the value of invested assets decrease from £156.8m at 31st March 2021 to £137.7m at 31st March 2022.

Financial performance was driven, particularly in the second half of the year, by ongoing disruption of global supply chains, Russia's invasion of Ukraine, and the related increases in inflation leading to monetary tightening by central banks.

Social investments

Social investments are not an active part of the investment strategy, and no new social investments were made in the year to 31 March 2022. Following further repayments of capital during the year, legacy social investments at 31 March 2022 totalled £910,261 (2021: £962,283).

Reserves policy

As the Foundation's endowment is expendable, it is all available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Trustees consider it prudent to maintain cash reserves sufficient to meet 6 months' of projected expenditure, with access to 12 months' worth within 30 days' notice.

Remuneration policy

The overall goal of the Foundation's remuneration policy is to ensure that staff members are remunerated fairly and in a way that ensures that the Foundation attracts and retains the right skills to have the greatest impact in delivering our charitable objectives.

Lankelly Chase aims to maintain a competitive and fair salary structure which is clearly defined and communicated to all employees with procedures that are applied consistently in a non-discriminatory manner. The Foundation benchmarks salaries against an appropriate comparative sector/set of organisations. Benchmarked bands are agreed for each post and set by the Resources and Risk Committee. A Pay Committee comprising the senior management team approves individual salary changes up to and including Director roles. The Deputy Chief Executive salary is approved by Resources and Risk and the CEO salary by the Board.

Lankelly Chase is a living wage employer and commits to paying at least the London Living Wage to all employees, including interns.

Lankelly Chase offers an Enhanced Parental Leave policy offering all new parents the same opportunity to take paid leave, regardless of gender, sexual orientation or how they became a parent (whether through birth, adoption, parental responsibility or surrogacy). This has been made available after passing probation, rather than the original requirement of 12 months of service and reflects a commitment to living the values of the Foundation.

The Foundation does not currently pay remuneration to Trustees or Co-optees.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of Lankelly Chase Foundation 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charity 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. As 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.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 29 June 2022 and signed on their behalf by

Myron Rogers
Chair of Trustees

Independent auditor's report to the members of The LankellyChase Foundation

Opinion

We have audited the financial statements of The LankellyChase Foundation (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 LankellyChase Foundation'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 Resources and Risk committee, 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.

Jonathan Orchard (Senior statutory auditor)

17 August 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities for the year ended 31 March 2022

	Note	All restricted and unrestricted funds 2022 £	All restricted and unrestricted funds 2021 £
Income from:			
Investments	2	2,415,243	2,700,129
Other income		-	87
Total incoming resources		2,415,243	2,700,216
Expenditure on:			
Investment management fees		780,691	849,225
Charitable activities	3	13,301,304	10,474,109
Total expenditure		14,081,995	11,323,334
Net expenditure before net gains on investments		(11,666,752)	(8,623,118)
Net (losses)/gains on investments		(2,570,923)	31,106,309
Net movement in funds	4	(14,237,675)	22,483,191
Reconciliation of funds:			
Total funds brought forward at 1 April		158,096,262	135,613,071
Total funds carried forward at 31 March		143,858,587	158,096,262

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

All income and expenditure was unrestricted in both periods.

Balance sheet as at 31 March 2022

			2022		2021
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		47,158		27,424
Investments					
Managed funds	11		137,702,053		156,755,772
Social investments	12		910,261		962,283
			138,659,472		157,745,479
Current assets					
Debtors	13	58,452		110,987	
Cash at bank and in hand		14,682,229		7,698,531	
		14,740,681		7,809,518	
Liabilities					
Creditors: amounts falling due within one year	14	(6,045,206)		(5,933,058)	
Net current assets			8,695,475		1,876,460
Total assets less current liabilities			147,354,947		159,621,939
Creditors: amounts falling due after one year	15		(3,496,360)		(1,525,677)
Total net assets			143,858,587		158,096,262
The funds of the charity					
Restricted funds	16		-		-
Unrestricted funds	16		143,858,587		158,096,262
			143,858,587		158,096,262

The financial statements were approved by the Board of Trustees and authorised for issue on 29 June 2022 and are signed on its behalf by:

Myron Rogers
Chair of Trustees

Company registration number 5309739

Statement of cash flows for the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income/(expenditure) for the reporting period			
As per the statement of financial activities		(14,237,675)	22,483,191
Depreciation charges		15,154	11,035
Losses/(gains) on investments		2,570,924	(31,106,309)
Dividends and interest from investments		(2,415,243)	(2,700,129)
Decrease/(Increase) in debtors		52,535.50	58,161
Increase in creditors		2,082,831	1,606,543
Net cash used in operating activities		(11,931,474)	(9,647,508)
Cash flows from investing activities:			
Dividends and interest from investments		2,415,243	2,700,129
Purchase of fixed assets		(34,889)	(8,261)
Return or impairments of social investments		52,022	30,918
Movement on cash within investments		6,331,593	(1,488,682)
Proceeds from sale of investments		179,233,483	46,875,173
Purchase of investments		(169,082,280)	(34,903,151)
Net cash provided by investing activities		18,915,172	13,206,126
Change in cash and cash equivalents in the year		6,983,698	3,558,618
Cash and cash equivalents brought forward at 1 April		7,698,531	4,139,913
Cash and cash equivalents carried forward at 31 March		14,682,229	7,698,531

Notes to the financial statements for the year ended 31 March 2022

1. Accounting Policies

Basis of 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.

Public benefit entity

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

Going concern

Whilst acknowledging the current volatility in the markets the Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Investment income is accounted for when received by the Foundation or its agents. Social investment interest income is recognised when receivable on an accruals basis. Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is generally the date of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading: expenditure on charitable activities which includes the costs of programme activities and grantmaking undertaken to further the purposes of the charity and their associated support costs.

Charitable activities are those costs relating to the programme activities of the Foundation and include grants, governance and support costs. Grants are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investment managers' fees are grossed up for any rebates received.

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Support costs are those related to all the other activities of the organisation and are apportioned on the basis set out in note 4.

Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of the overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the proportion of staff time attributable to each activity.

Operating lease commitments

Rental charges are charged on a straight-line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over the remaining life of the lease
Office furniture and equipment	25% per annum

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included in unrestricted reserves in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities (SOFA). The Foundation does not acquire put options, derivatives or other complex financial instruments.

Social investments

Social investments are carried at fair value or impaired cost where it is not practicable to recognise at fair value. Such investments are subject to regular review and any impairment is charged to the SOFA. Investment valuations are not enhanced to more than original cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Foundation 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.

Pension costs

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

Funds

As the Foundation's endowment is expendable, unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objects of the Foundation. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

2. Income from investments

	2022 £	2021 £
Listed investments	2,306,135	2,652,564
Interest on cash held as part of the investment portfolio	108,377	45,275
Bank interest	756	2,290
Social investment income	(25)	-
Total investment income	2,415,243	2,700,129

Interest on cash includes income received from Index Linked Treasury bonds that have been held during the year.

3. Expenditure on charitable activities

For 2021-22 we continued a thematic approach where Portfolio Teams looked after a particular area of the Foundation's work. The budget was set up in this way and so expenditure for the statutory accounts has followed the same approach, as set out below.

	2022	2021
	£	£
Programme-related costs		
Strategic areas:		
Who	3,539,625	1,032,845
Place	4,250,647	3,248,156
Comms	27,593	572,816
Grant Development	-	302,568
How	3,917,917	2,837,271
Other	121,886	1,097,302
	<u>11,857,668</u>	<u>9,090,958</u>
Governance costs (note 5)	44,829	31,505
Support costs (note 6)	1,398,807	1,351,646
	<u>13,301,304</u>	<u>10,474,109</u>

4. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation	15,154	11,035
Operating lease rentals		
Property	87,004	87,172
Other	10,126	9,307
Auditor's remuneration (excluding VAT):		
Audit	12,600	12,000
VAT on audit cost	2,520	2,400
	<u>15,280</u>	<u>107,914</u>

5. Governance costs

	2022 £	2021 £
Legal expenses	-	-
Auditor's remuneration	15,120	14,400
Membership of PRI	1,049	1,028
Trustee training	2,092	96
Trustee meeting costs	1,934	(109)
Governance review	23,950	16,000
Other governance related administration expenses	684	90
	<u>44,829</u>	<u>31,505</u>

6. Support costs

The key elements of support costs are set out below:

	2022 £	2021 £
Staff costs (note 7)	1,114,623	1,061,857
Recruitment costs	19,260	4,200
HR-related costs	24,200	11,385
Premises costs including utilities and repairs	103,219	101,539
Legal and professional costs	24,730	27,083
Travel, subsistence and hosting of events	10,308	295
Training and conferences	28,157	48,058
Subscriptions and memberships	16,811	22,123
Telephone, postage, stationery and printing	14,661	14,218
Website and IT costs	20,899	51,036
Bank charges	1,136	1,490
Sundries	5,649	(2,673)
Depreciation	15,154	11,035
	<u>1,398,807</u>	<u>1,351,646</u>

7. Analysis of staff costs, Trustee expenses and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries	910,941	844,588
Social security costs	87,042	73,302
Employer contribution to defined contribution pension schemes	93,101	86,341
Temporary staff	19,380	53,797
Other forms of employee benefits	4,160	3,829
	1,114,624	1,061,857

The following number of employees received benefits in excess of £60,000 (excluding employer pension costs and employer National Insurance contributions) during the year between:

	2022 No.	2021 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

The total employee benefits including employer pension contributions and employer National Insurance contributions of the key management personnel were £483,846 (2021: £472,830).

The Chief Executive received a gross salary after salary sacrifice of £111,645 with employer pension contributions of £18,439 (2021: £109,151 and £18,027 respectively).

The key management personnel (including the Chief Executive) received salary payments (gross salaries after sacrifice) plus employer pension contributions and other benefits in the following bands.

The LankellyChase Foundation

	2022 No.	2021 No.
£60,001 - £70,000	0.9	0.8
£70,001 - £80,000	-	0.9
£80,001 - £90,000	0.9	1.9
£90,001 - £100,000	2.0	-
£120,001-£130,000	-	1.0
£140,001-£150,000	1.0	-
Total	4.8	4.6

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £1,131 (2021: £nil) incurred by 3 members relating to attendance at meetings of the Trustees and Retreats with staff team (2021: Nil).

The Foundation's Trustees were not paid nor received any other benefits from employment with the Foundation in the year (2021: £nil).

8. Staff numbers

The average monthly number of employees (head count based on number of staff employed) during the year was 15.2 (2021: 15.0).

9. Related party transactions

The Lankelly Chase Foundation undertook a governance review in the year 2020 and as part of this review consultants who have subsequently become Trustees of the charity were paid consultancy fees. These payments were agreed and approved in advance of the individuals becoming Trustees.

The consultants and their fees paid in 2022 is listed in the table below and totalled £1,000 (2021: £4,000):

	31 Mar 2022	31 Mar 2013
	£	£
Amanda Hailes	-	1,000
Asif Afridi	-	1,000
James Keenan	-	1,000
Marai Larasi	-	1,000
Baljeet Sandhu	1,000	-
	<u>1,000</u>	<u>4,000</u>

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10. Tangible assets

	Leasehold improvements £	Furniture & equipment £	Total £
Cost			
At 1 April 2021	144,620	99,619	244,239
Additions	-	34,889	34,889
At 31 March 2022	144,620	134,508	279,128
Depreciation			
At 1 April 2021	137,686	79,129	216,815
Charge for the year	2,972	12,182	15,154
At 31 March 2022	140,658	91,311	231,969
Net book value at 31 March 2022	3,962	43,197	47,159
Net book value at 31 March 2021	6,935	20,489	27,424

All assets are used for charitable purposes.

11. Investments – managed funds

Investments comprise:

	2022 £	2021 £
Listed investments	135,414,953	148,137,079
Cash held as part of the investment portfolio	2,287,100	8,618,693
Total market value	137,702,053	156,755,772

The LankellyChase Foundation

	2022 £	2021 £
Fair value at 1 April	148,137,079	129,002,792
Additions at cost	169,082,280	34,903,151
Disposal proceeds	(179,233,483)	(46,875,173)
Net gain/(loss) on change in fair value	(2,570,923)	31,106,309
Fair value at 31 March	135,414,953	148,137,079
Cash balances	2,287,100	8,618,693
Total Market Value	137,702,053	156,755,772

12. Investments – social investments

The movement in social investments held by the Foundation during the year ended 31 March 2022 and the previous year are shown in the two tables below:

Year end 31 March 2022	At 1 April 2021 £	Purchases in year/ (return of capital) £	Restatement of Income to Return of Capital in Year £	At 31 March 2022 £
Big Issue Invest	52,041	(45,731)	-	6,310
Charity Bank	200,000	-	-	200,000
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	210,242	(8,158)	1,867	203,950
	962,283	(53,888.99)	1,866.65	910,260

During the course of the year the loan notes with Ethex was converted into a grant. This change was signed on 22nd April 2022, but the change was effective as of 31st December 2021. Consequently, both the loan asset and its full impairment have been removed from social investments. At the year-end, the Foundation had committed to no further social investments (2021: £nil) to be made in the following year.

Year end 31 March 2021	At 1 April 2020 £	Purchases in year/ (return of capital) £	Impairment £	At 31 March 2021 £
Big Issue Invest	75,392	(23,351)	-	52,041
Charity Bank	200,000	-	-	200,000
Ethex	-	(16,286)	16,286	-
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	217,809	(7,567)	-	210,242
	993,201	(47,204)	16,286	962,283

13. Debtors

	2022 £	2021 £
Other debtors	61	72,626
Prepayments	58,391	36,469
Accrued income	-	1,892
	58,452	110,987

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	86,238	55,558
Grants payable within one year	5,772,191	5,464,684
Taxation and social security	29,114	0
Other creditors	9,613	5
Accruals	148,050	412,811
	6,045,206	5,933,058

Reconciliation of movement in grants creditors

	2022 £	2021 £
At 1 April 2021		
Grants falling due within one year	5,464,684	3,696,912
Grants falling due after more than one year	1,525,677	1,829,232
Total grants creditor	6,990,361	5,526,144
Prior years' grants cancelled/returned in year	(92,129)	(391,045)
New grants awarded in year	11,044,899	8,806,568
Grants paid in year	(8,674,580)	(6,951,306)
At 31 March 2022	9,268,551	6,990,361
At 31 March 2022		
Grants payable within one year	5,772,191	5,464,684
Grants payable after more than one year	3,496,360	1,525,677
Total grants creditor	9,268,551	6,990,361

15. Creditors: amounts falling due after one year

	2022 £	2021 £
Grants payable (all payable in 2-5 years)	3,496,360	1,525,677
	3,496,360	1,525,677

16. Movement in funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Current year

	At 1 April 2021 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2022 £
Unrestricted funds	158,096,262	(155,680)	(14,081,995)	143,858,587
Total funds	158,096,262	(155,680)	(14,081,995)	143,858,587

All income and expenditure in the year related to unrestricted funds.

Prior year

	At 1 April 2020 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2021 £
Unrestricted and total funds	135,613,071	33,806,525	(11,323,334)	158,096,262
Total funds	135,613,071	33,806,525	(11,323,334)	158,096,262

17. Operating lease commitments

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

	Land and buildings		Other assets	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	87,172	87,172	6,483	8,642
One to five years	36,322	123,494	6,176	10,260
	<u>123,494</u>	<u>210,666</u>	<u>12,658</u>	<u>18,902</u>

18. Legal status of the charity

The Foundation is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE LANKELLYCHASE FOUNDATION

England & Wales - Charity number 1107583

Accounts

The LankellyChase Foundation

Annual report and financial statements for the year
ended 31 March 2021

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Statutory information

The LankellyChase Foundation ('the Foundation') is a charitable company limited by guarantee and is incorporated in the United Kingdom (no. 5309739). The registered office address is Greenworks, Dog & Duck Yard, Princeton Street, London WC1R 4BH.

Legal and administrative information

The Foundation is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the Trustees of the charity for the purposes of charity law and throughout this report are referred to as 'the Trustees'.

The following details are for the year ended 31 March 2021 and also include changes up to the date on which the accounts were signed.

Trustees	Myron Rogers (I)	Chair
	Morag Burnett (I,R)	Vice Chair – retiring 27 th October 2021
	Asif Afridi	
	Hilary Berg (L)	Retiring 27 th October 2021
	Amanda Hailes	
	Jake Hayman (I)	Retired 28 th October 2020
	James Keenan	
	Marai Larasi	
	Jane Millar (L)	Retired 28 th October 2020
	Darren Murinas (L)	
	Baljeet Sandhu	
	Simon Tucker (I,L,R)	Retiring 27 th October 2021
	Robin Tuddenham (L,R)	
Co-optees	Andrea Marmolejo (I)	
	Jeremy Rogers (I)	

(I) indicates members of the Investment Committee

(L) indicates member of the Learning and Communications Committee

(R) indicates member of the Resources and Risk Committee

Any individual Trustee has the right to attend any Learning and Communications Committee meeting.

The LankellyChase Foundation

Staff team	Julian Corner*	Chief Executive
	Yasmin Belgrave	Office and Finance Assistant (resigned 31 st March 2021)
	Edel Brady-Jackson	Administrator, Place Action Inquiry (started on 28 th September 2020)
	Jessica Cordingly*	Director
	Karen Crompton	Office and HR Manager
	Renee Davis	Communications Officer
	Alice Evans*	Deputy Chief Executive (left on 31 st August 2021)
	Oliver French	Programme Manager (on parental leave from 1 st March 2021)
	Carrina Gaffney	Communications Manager
	Ania Jeleniewska-Kaczmarczyk	Finance Manager (on parental leave from 7 th July 2020 to 5 th January 2021)
	Anita Kamya	Finance Officer (started on 12 th July 2021)
	Joan Kirungi	Office and Admin Assistant (started on 19 th July 2021)
	Robert McLaurin	Interim Finance Director
	Habiba Nabatu	Programme Manager (on parental leave from 3 rd August 2020)
	Jenny Oppenheimer	Programme Manager
	Cathy Stancer*	Director
	Elizabeth Walsh	Finance Manager (parental leave cover until from 12 th May 2020)
	Mary Ward	Executive Assistant
Key management personnel	Although in such a small staff team every member is considered to be key, for the purposes of the Statement of Recommended Practice (SORP 2015), those team members marked * have been designated as key management personnel.	
Principle office and registered office	Greenworks, Dog and Duck Yard Princeton Street London WC1R 4BH	
Telephone	020 3747 9930	
Website	www.lankellychase.org.uk	
Company registration number	5309739	
Country of registration	England and Wales	
Country of incorporation	United Kingdom	
Charity registration number	1107583	

The LankellyChase Foundation

Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
Bankers	The Royal Bank of Scotland Group 1 st Floor, Houblon House 62-63 Threadneedle Street London EC2R 8HP Lloyds TSB Bank plc Market Place, Didcot Oxfordshire OX11 7LQ
Legal advisors	Bates Wells 10 Queen Street Place London EC4R 1BE
Investment managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA CCLA Investment Management Senator House, 85 Queen Victoria Street London EC4V 4ET Ruffer LLP 80 Victoria Street London SW1E 5JL Sarasin and Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU

Report of the Trustees

The Trustees present their report together with the accounts of The LankellyChase Foundation for the year ended 31 March 2021. The legal and administrative information on pages 3-5 forms part of this report.

Introduction to LankellyChase Foundation

Lankelly Chase is striving for a world healed by justice, equity and inclusion. A world where all people can live with dignity and opportunity in supportive communities. Our mission is to challenge injustice and create the conditions for much healthier systems to emerge. We have a particular focus on those systems that result in the mental distress, violence and destitution experienced by people who are subject to marginalisation in the UK.

We support action that reveals → questions → dismantles → heals → reimagines → transforms systems. We connect, support or fund individuals, organisations and networks that are seeking to disrupt patterns or help new patterns to emerge that contribute to a world healed by justice, equity and inclusion. We believe that 'just outcomes' are more likely to result from 'just processes' such as systems thinking, co-creation, conflict resolution and community empowerment. Crucially, we are pushing ourselves to model the change we want to see, because we are all part of the systems we want to change.

System Behaviours

Our approach is informed by a number of System Behaviours, which capture the conditions we are trying to achieve:

We are part of an interconnected whole

We are all connected in a web of life. Our individual actions are part of a hive of activity made up of the contributions of many people.

People share a vision

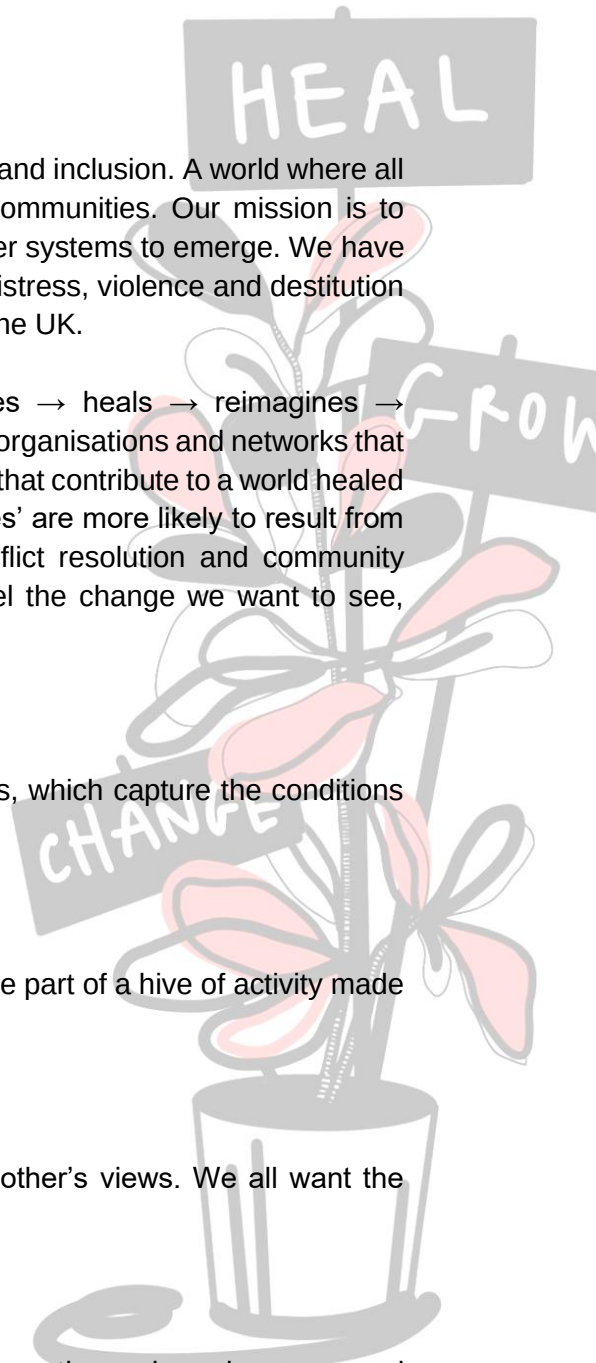
People gather around a shared vision and appreciate each other's views. We all want the whole system to work, even if we know we can't control it.

People are resourceful with many strengths

We make up an intelligent network of people who bring strengths and weaknesses, and continually learn and grow with each other.

Open, trusting relationships enable effective dialogue

People feel safe to ask the difficult questions, voice agreements and disagreements and deal with the conflicts and uncomfortable emotions that may surface.



Leadership is collaborative and promoted at every level

There are different styles of leadership which call on a variety of skills and strengths. Everyone has the potential to be a leader wherever they are in a system.

Feedback and collective learning inform adaptation

How we can understand a 'problem', how we can act to 'change it', and what we learn from this interaction continuously inform each other. A culture of experimentation exists where we embrace failure for what it will teach us.

Power is shared, and equality of voice actively promoted

We can all play our fullest role in creating an effective system by continually challenging unequal distribution of power, including structural inequality.

Decision-making is devolved

People closest to a complex situation can use their initiative to engage and take responsibility for the change they want to make.

Accountability is mutual

People are encouraged to be accountable to each other and act without fear of failure and judgement. Accountability to the people being 'served' drives system improvements.

About this report

The last year has been incredibly difficult for many. Not all experiences are created equal, and some have had a much harder time than others. Lankelly Chase operates from a very privileged position, and we have tried to put that privilege at the service of those who have been marginalised, minoritised and excluded.

In this report we have tried to cover all of the many changes to our organisation, as well as all of the achievements of our partners. We have begun the process of devolving decision-making to partners in place, we have launched two open funds within our communications and knowledge work, and our budgeting process has evolved. Our approach to change has been updated to reflect significant evolution in the way we are thinking and working, and we have amalgamated much of what we're doing into a structure that supports what is emerging. That is the 'how', the 'who' and the 'where'.

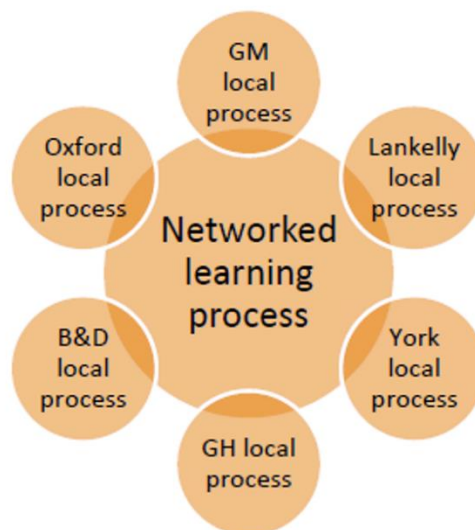
The Wider System

The links between the places

The overarching Place Team is the umbrella for local action inquiries in the six places where Lankelly Chase is working alongside Associates and other partners (Barking and Dagenham, Barrow-in-Furness, Gateshead, Greater Manchester, Oxford and York). It includes our membership of LocalMotion (six foundations working together in a place-based way) and our partnership with the Corra Foundation in Scotland.

The cross-cutting work includes communications, infrastructure for learning, and development / support of the network of Associates, partners and wider friends who are connected with our place work. It also includes the strategic development of the whole action inquiry, for example in the move towards devolution of decision-making over Lankelly funds.

The Place Team, made up of all the Lankelly place leads plus representatives from Northumbria University (our learning partner), oversees this work.



We understand the purpose of the work to be that:

If....	Diverse networks of people come together across a local area in ways that embody the System Behaviours, with time, space and resourcing to take experimental action... ...And they are motivated by a desire to fundamentally change the dysfunctional and unjust 'way things are done' in relation to people subject to marginalisation
Then...	Positive change in the experience of people subject to marginalisation will emerge, but exactly what it will look like cannot be predicted

Because ...	In reality all things are changing all the time. New behaviours, rules, structures and other aspects of 'the way things are done' are continually coming into being. The conditions that are being supported / promoted / embodied through our work (the System Behaviours, and an emphasis on justice, collaboration, power-awareness, good relationships, whole-system focus etc.) make it more likely that what emerges in this context of inevitable continual change is 'good' (i.e. it embodies those conditions).
-----------------------	--

What's been happening?

In September 2020, Northumbria produced a report reflecting on the last two years of the place action inquiry. We published this as a Google Doc, open to comment. We will use it and material produced in the places we are working as the basis for a communications series about the work in 2021. The report highlighted some encouraging evidence of change, particularly in terms of openness to doing things differently:

*"One of the most visible changes to narratives of place observed in the data took the form of an emerging shift in **paradigm or worldview** of actors within the system."*

*"Linked to the paradigm shifts already described, when reflecting on observed systems change there was overarching theme of '**Doing things differently**'. Participants described systems and decision-making processes that were emerging as more flexible, creative and based on a 'listening approach'."*

In January 2021 our team retreat focused on place, and six of the Associates joined us. We spent two days together working through a programme that led us to an exercise about what we want to develop and let go of over the next two years. This helpfully crystallised some key areas for us to focus on going forward.

We have continued to publish a fortnightly [blog on our medium site](#) to share our thoughts and reflections as we go, and we are working on an overarching communications strategy for place, including key messages. Plans for future communications work include utilising the Northumbria report as a source document for a series of themed 'comms products' later this year. These will be developed with people from our network and will draw in content from the places in creative ways.

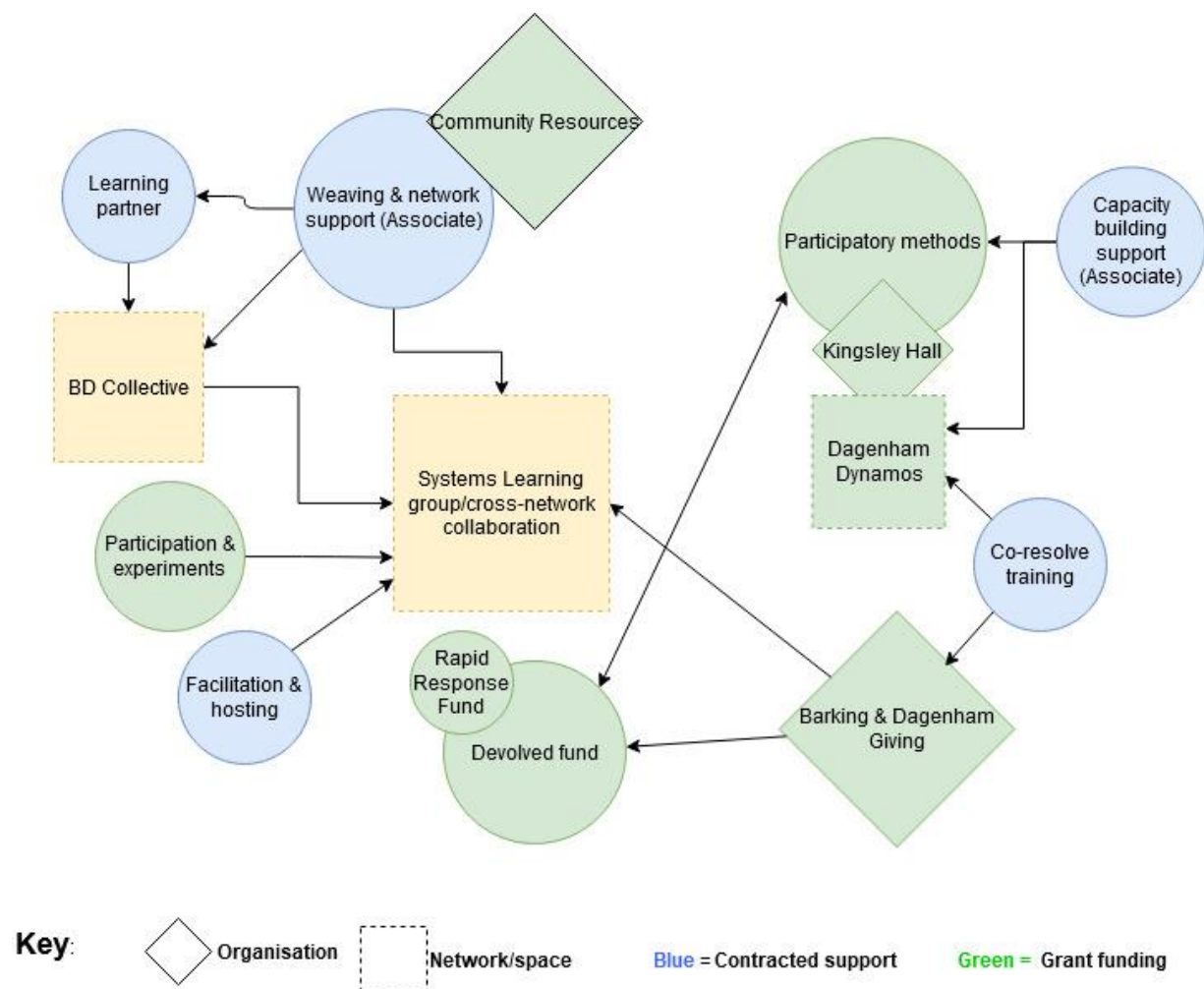
We published a newsletter at the end of 2020 which included content from all the places, and ran three zoom seminars in the last couple of months on topics such as complexity theory and social change, and racism and mental distress.

A significant development over the last year has been **devolved decision-making**. During 2020 we amended Lankelly's decision-making mandates so responsibility for decisions over resources shifted from the Foundation's staff to cross-sector groups of local people (with Lankelly staff in the minority) in Greater Manchester and Gateshead. These groups (known as Core or Coordination Teams) allocate funds to support and progress the local cross-place inquiry. This involves decisions on grants but also strategic, proactive work, as well as proposing budgets for the 2021-22 financial year back to Lankelly. We expect more places to follow.

The Places

Barking and Dagenham

Who are we?



We've done a lot of relationship and foundation building in Barking and Dagenham, and invested in the development of a number of groups and spaces where we hope shared learning will happen and new collaborations, practices and relationships will emerge. There's a locally devolved fund in development, which will again be informed by participatory principles under the leadership of local community members. There's a Systems Learning Group which has been convened by our Associate, aiming to link up several of the 'civil society' networks

already in existence. A grant and another Associate role are supporting the development of participatory methods more generally in the Borough, working particularly with groups of people with lived experience of marginalisation.

What are we learning?

In contrast to some other places, we're picking up appetite to be more, not less, involved in some of the day-to-day conversations, and to be more visible as embedded allies and co-learners in the work we're supporting. There are some important conversations at the minute about the support we put in place for the work and posts we're funding within quite 'traditional' organisations. We've learned a lot about local dynamics and relationships – these concerns are hardly specific to Barking and Dagenham, but we've been working with and trying to navigate themes like paternalism, gatekeeping, competition and ego (including in the many funders, public sector change initiatives and learning partners working in Barking and Dagenham – including ourselves), unequal resource allocation, history.

What next?

2021/22 will be a consolidation year as the work takes shape. The local fund in particular will start developing, and the Associate role supporting the participatory methods work will start to recede as local leadership takes over. We're hoping that the Systems Learning Group will continue and start to cohere around a collective vision for Barking and Dagenham and an action learning approach by which we can move towards that vision.

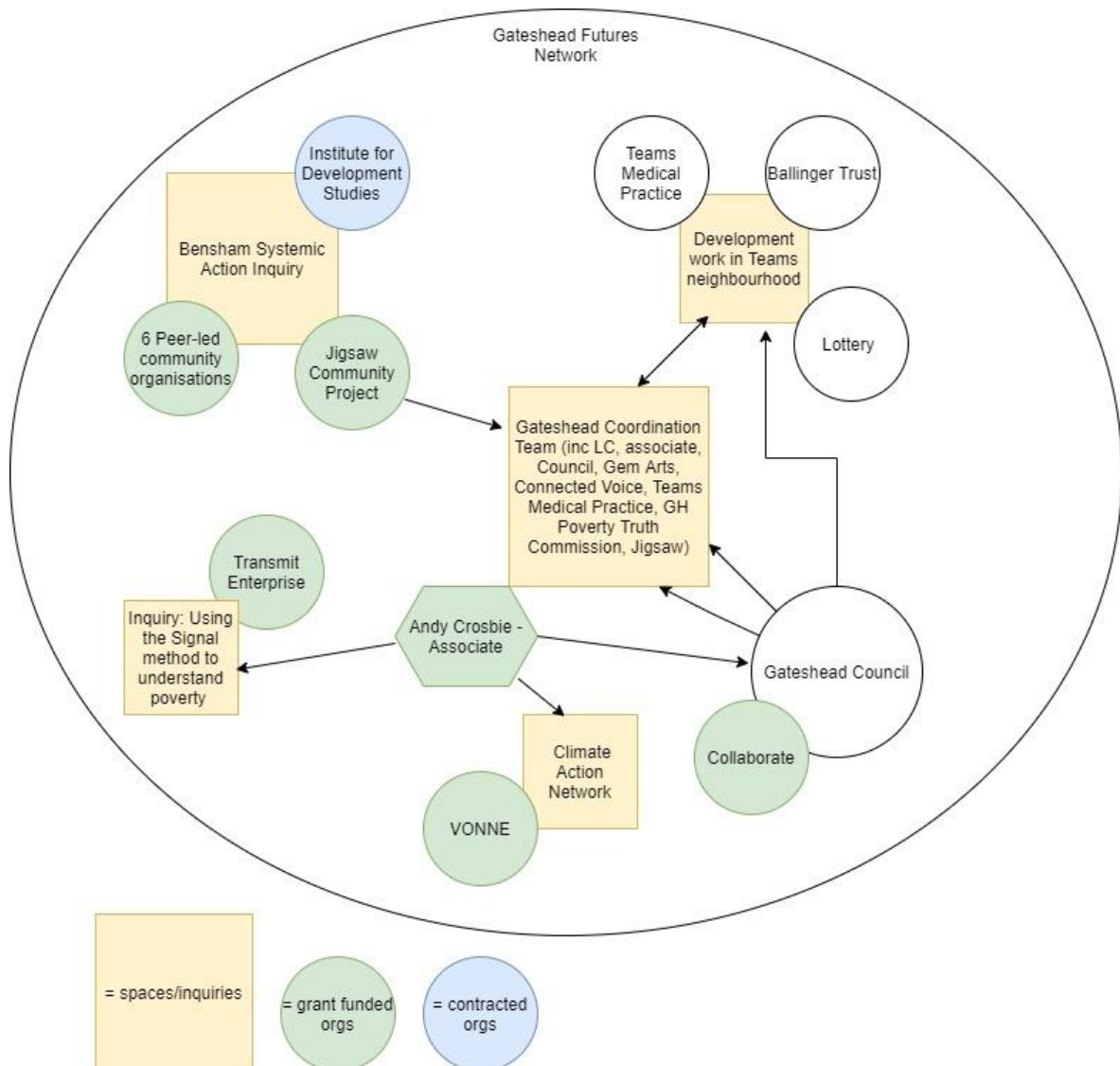
Barrow-in-Furness

The main focus of our work in Barrow has been continuing to fund the Love Barrow Families collective, who support work that is trying to change the way that the system works for families that facing multiple disadvantage. The learning from this is underpinning work that is happening in Barrow, with a focus on a sense of belonging, an open front door, equality and joined-up services for whole families.

Barrow Borough Council brought together a 'coalition of the willing' (including the Council, Cumbria County Council, health and social care organisations, the police and voluntary sector organisations) to talk about building on the good work that has been happening locally as a result of the pandemic, and how to use the learning from this to ensure that services continue to work in a different way and not revert back to 'business as usual'. This coalition has joined together with the Board of Love Barrow Families to bring all the work across Barrow under one umbrella.

Gateshead

Who are we?



Over the course of the year we have been supporting thinking, learning and experimentation spaces for groups of people to work out what change needs to happen and what their role is in supporting it. We have also worked to create 'backbone' infrastructure to connect these initiatives.

We continue to work with our Associate, and we have established a Coordination Team which will be made up of Lankelly Chase staff and external partners from across the Gateshead system.

There is work happening at multiple levels:

- Gateshead Futures Network is a place for people to come together from across the system to think about what the future could look like and to build relationships across organisations and sectors as the foundation for doing things differently.

- At the level of the neighbourhood of Bensham (but extending beyond it), [Jigsaw Recovery Project](#) and six other local community groups (The [Comfrey Project](#), [NE Young Dads and Lads](#), [Young Women's Outreach Project](#), [ReCoCo](#), 3 Steps, and [St Chad's Community Project](#)) are working on a systemic inquiry into how to change local systems. They are being supported by the [Institute of Development Studies](#) at Sussex University.
- Learning groups are happening in different parts of the Gateshead system, including in adult social care.
- A group of organisations is working together to try out the [Signal methodology](#) for understanding poverty from the point of view of local people.

We are in the process of devolving decision-making over funding in Gateshead to the Coordination Team who are stewarding the local action inquiry and looking across all the work above. Members are drawn from local arts and community organisations, the Council, the CVS and the local Poverty Truth Commission. The Coordination Team have decided their focus initially will be on a deep exploration of change in one neighbourhood – Teams. Partnerships with local NHS and community services, and local foundations including the [Ballinger Trust](#) are coming together around the idea of participatory resource allocation as part of this. We have just resourced some local capacity to support this developing work, which will be based in a local GP practice.

What next?

In the next few months quite a bit of our focus will be on working with the Coordination Team to support the development of the Teams initiative and through this, partnerships with other foundations. The story collecting and participatory analysis that forms the Bensham systemic inquiry will conclude and the next phase – co-designed experimental activity – will begin. The Gateshead Futures Network will continue to be a place where people come together to explore what it means to do things differently with people from other parts of the system.

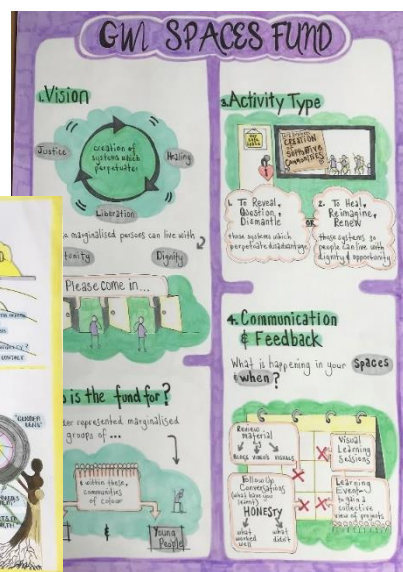
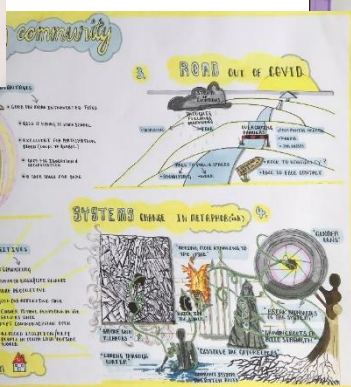
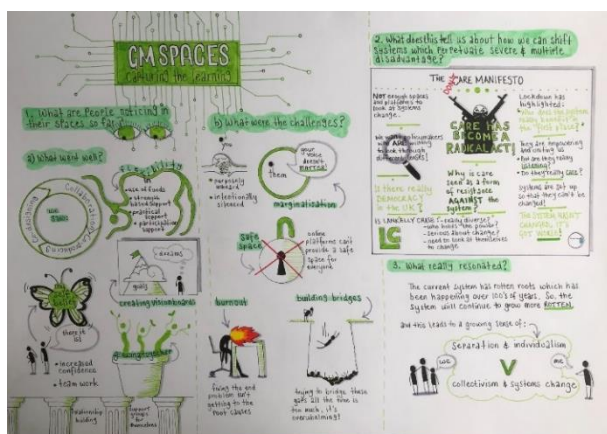
"There is no ego, everyone mucks in, a complete sense of fairness and we play to people's strengths, yet it's broadening everyone's perspectives."

In addition to tending to existing partnerships, there has also been a flurry of activity supporting new partners. The focus here has been on who is missing from the current Lankelly 'ecosystem' so when we begin to come together to determine where next for Greater Manchester all the relevant roles are present, and we have readied people to step into different forms of power and relationships.

- A small, experienced team has come together to co-design a learning journey for 16 'early adopter' policymakers who have already shown some commitment to sharing power and doing things differently.
- We launched a disrupting narratives programme with Culture Hack Labs and Whose Knowledge? with activists across Greater Manchester. By identifying current narratives and seeing what narratives we want to change we hope to see healthier systems of knowledge and knowledge production that reflect lived and learned experience of all people. We are halfway through this training and are hoping that this group will take the skills they are learning back into their communities to continue to disrupt narratives beyond the life of this programme.
- We launched the 'spaces' fund, an open fund to extend our reach into places where we do not already have networks. There was a strong feeling that women and young people subjected to extreme forms of marginalisation were under-represented within the Greater Manchester networks, so the fund was designed and promoted with these



communities in mind. More information on the fund and partners can be found on the Greater Manchester System Changers website [here](#). We have also captured some of the learning in a much more visual way:

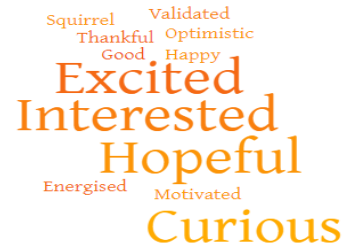


Our ongoing partnerships with Our Agency and Elephants Trail have also developed over the year. Our Agency have been using Legislative Theatre and other methods to explore ideas about spreading this work to other collectives, and Elephants Trail has continued to work with participants to develop skills, tools and techniques which help people to share decision-making power.

What are we learning?

We have discovered that:

- this work needs to reach between languages, and we need to be clear on defining our key terms and explaining what we mean by 'power' and 'participation', amongst other words;
- there are various types of knowledge, and no one kind of knowledge is more valuable than the other;
- people value the space to learn and reflect together on the signals of change that may or may not be happening; and
- many people are on the very edge of their own ability to cope throughout lockdown, and self-care is a live question for this community of changemakers.



A word cloud of positive emotions and states. The words are arranged in a roughly circular shape, with 'Excited' and 'Interested' being the largest. Other words include 'Hopeful', 'Curious', 'Energised', 'Motivated', 'Validated', 'Optimistic', 'Thankful', 'Good', 'Happy', and 'Squirrel'.



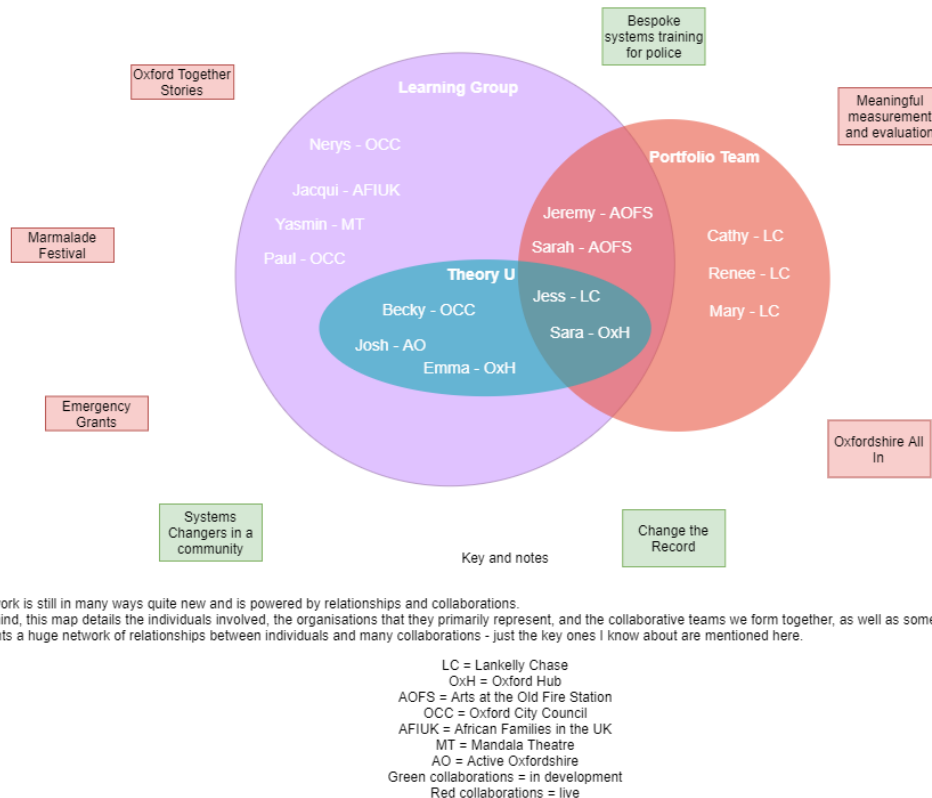
A word cloud of mixed emotions and states. The words are arranged in a roughly circular shape, with 'Positive', 'Curious', 'Excited', 'Nervous', and 'Grateful' being the largest. Other words include 'Expectant', 'Emotional', 'Inquisitive', 'Motivated', 'Joyful', 'Tired', 'Appreciative', 'Overwhelmed', 'Optimistic', 'Amazed', and 'Open'.

What's next?

There is a real need to map the network to ensure we can support all the work effectively, and we have been working with Kumu to begin to do this. Resourcing core skills is also a focus, and there is a budget for training the network. Work will also begin on a Greater Manchester gathering for Autumn 2021 to work out what is next for the network.

Oxford

Who are we?



The objectives that the Oxford team agreed in February 2020 (to identify more individuals thinking beyond project delivery, and to encourage meaningful connections and relationships to transform the systems that are failing in Oxford) have become ever more important given the context brought about by COVID-19. Those who are part of the Oxford Learning Group have been very involved in Oxford's emergency response during the past year. Between them they have:

- Created [Oxford Together](#): a community mutual aid group.
- Collaborated on a huge community storytelling project called the [Oxford Together Stories](#) project, and shared the insights with a number of people across the City and County Council, schools, residents, voluntary groups and arts organisations.
- Provided emergency funding to community groups including Mandala Theatre, the only arts organisation in Oxfordshire led by people of colour.
- Provided emergency cash grants to residents of the [Oxford Community Impact Zone](#).
- Worked with statutory agencies (the Police and Community Services in particular) to change how emergency financial aid could be given to communities.
- Lobbied community services at Oxford City Council in particular to appreciate how storytelling and other participatory approaches could be used as a more meaningful approach to measurement by statutory agencies.

The Learning Group met in February 2021 to design next steps, and will work on a variety of projects, collaborations and experiments, all of which we hope will allow us to shift power to

individuals affected by local challenges, promote whole systems ways of working with partners and showcase different approaches to measurement.

We were also part of [the Marmalade 2021](#) festival, with over 140 participants from all walks of life across the city, connecting in pairs in real life or on zoom to explore the questions arising from the Oxford Together stories. Reflections from the festival are being compiled into a 'recipe book' which will influence the next phase of community conversations.

What are we learning?

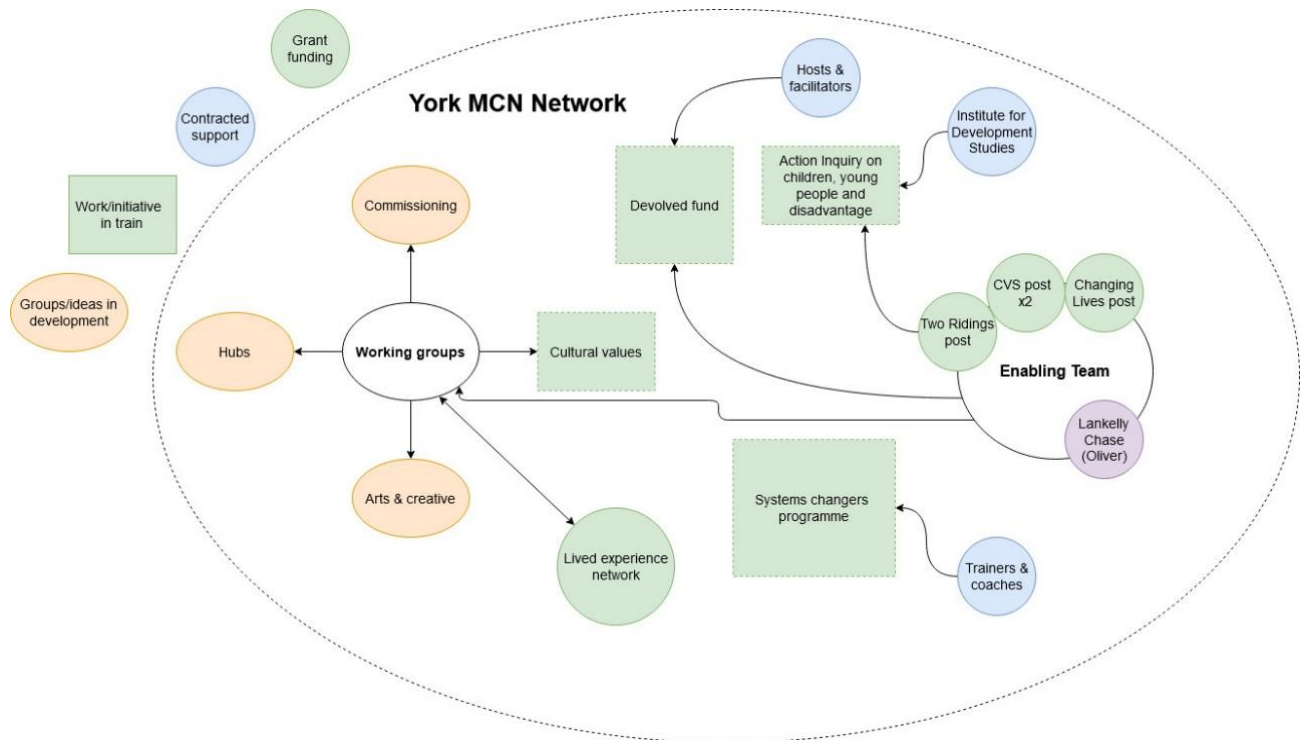
A number of crucial findings have emerged from the work undertaken throughout the last year, including that the small things matter, collaboration is key, and local people need to be empowered. Much of the future workplan is based around these and other findings.

There is appetite for this work with renewed energy coming from the new people joining, but change is not a smooth process. COVID-19 did open the window of opportunity, but that window was firmly closed in the Autumn. We have seen a growing chasm between those who have more flexibility because of the pandemic (more space to think and work differently) and those who are even more trapped in current failing systems. This is a pre-existing inequality, but it can be seen even more starkly now. We are not yet sure how our work in Oxford can address this. New people have joined the learning group, and many others have been interested in the conversations we have started and spaces we have helped to open. As can be seen across the whole UK, race and racism emerged as really live issues in Oxford this summer with large Rhodes Must Fall protests as part of the BLM movement and movements to decolonise institutions across the UK.

As we move forwards, we know that the current decision-making team and Learning Group are not the only groups of people who should be leading this work, and we are exploring how we remove ourselves, shift power and try and keep momentum in the work.

York

Who are we?



We have continued to support a widening inquiry into how to change the systems that perpetuate severe and multiple disadvantage in York. The main vehicle for this is the 'Multiple and Complex Needs network', which brings together interested people from across the York system (including people with lived experience, frontline workers, managers from voluntary and statutory services, police and commissioners). The relationships we have invested in are starting to open up possibilities, and a number of mixed working groups have sprung up, working with different ideas to try and change systems: a lived experience network is now up and running, another group is undertaking a [Cultural Values Assessment](#) for the York system, and another group is exploring commissioning practices in the city.

We also began to build a partnership with the locally-based Two Ridings Community Foundation, and alongside the Institute for Development Studies at Sussex University we are working on a new action inquiry focusing on the experience of children and young people. This began after the network identified children and young people as another priority.

Other significant activity includes a £250,000 fund under the control of the network as part of our commitment to devolve decision-making to those working in place. Decisions about what and how to fund will be coordinated by a local working group and through the network, according to a set of principles to be agreed. We have also invested in skills development and capacity building to support the working groups, the network and the wider system, including running the Systems Changers course we have used in other places. We have also sponsored small pieces of research on lived experience and non-commissioned organisations which were led by people involved in the network.

Scotland

We have recommitted to our partnership with the Corra Foundation to support the place-based work across communities in Scotland. This has helped build the capacity, capability and resources of local communities that have previously struggled to access necessary funding. This work has resulted in many inspiring local initiatives, and yet there is still a gap between the aspirations of local communities and the decision-making of statutory authorities. We have deepened our commitment to one place, and have brought in a number of systems thinking ideas and practices. This was a process which was developed in collaboration with Corra and the places it is working in. This work will conclude by the end of the year, and the first piece of activity will be a Systems Changers programme co-designed with local people, Corra and facilitators who have worked with us elsewhere.

Knowledge

We've often found it difficult to explore alternatives or create the space for different kinds of conversation and understanding around social harm, partly because we are very much part of the current limiting 'paradigm' ourselves. Some of our work and partnerships are already asking many similar questions and thinking along similar lines, and there is a nucleus of activity with which we can grow (significant partnerships include the Centre for Knowledge Equity, Open Book and CECAN). Similarly, the 'distributed launch' process we undertook for our own *Hard Edges Scotland* report transferred the power of interpretation and recommendation away from report writers and into the hands of communities.

We are now in the process of building a set of partnerships which is more deliberately convened around the theme of 'knowledge', and this has included a new open-call fund. This growing collection of partnerships models alternative assumptions and frameworks, and demonstrates that we as Lankelly are able to think and act differently. For a number of years it has felt as though the Knowledge Inquiry has been a bit stuck, but recent activity has injected renewed energy and helped us clarify the direction of travel; the work itself is springing into life.

As a result of the open-call fund, we have eight new partners joining the Inquiry. They all have their own inquiries that challenge how 'knowledge' is gathered, used and owned, and they are all part of a collaborative inquiry about how knowledge about 'severe and multiple disadvantage' is created, interpreted and used. Those partners are a mixture of organisations and individuals, and they are: **NSUN (National Service User Network), Prison Reform Trust, Conyach Advocacy and Engagement, LUCID, The Breen Centre, Chayn, Temidayo Eseonu and Suzanne Alleyne**. We received 50 applications to the fund in total, and these partners were selected by a mixture of Lankelly Chase staff and Trustees and our partners working in this field. Whilst the partners are strikingly different in their focuses, life experiences and identities, there are a number of common threads that hold their work together, including how identity is constructed and understood, how trauma is understood, and whose voices are heard. We are really excited by this new energy, and look forward to seeing how the network builds itself up over the course of the next year.

Networks

There has been a great deal of activity under the Networks umbrella over 2020-21. As this activity grew, certain themes became more obvious and these are now influencing how we work. We were interested in routes to developing a critical mass for change and saw networks as a mechanism to spread and reach beyond the small pockets of work we were doing. We have begun to investigate not just the potential of networks and networked activities to amplify the impact of those working to change systems but also the role people played within networks, acting as catalysts, and bridging and bonding across issues, places and communities.

Given the conditions of last year the opportunity to engage with networks that were emerging or playing a crucial role in current movements such as Black Lives Matter or community organising during the pandemic has helped to shape some of the views and has led us to ask Networks for what? and Networks for why? We continue to see the intersectional expression of oppression in communities worst hit by COVID-19 – in particular, people of colour and migrant communities. Funding to the networks of support is drying up with little provision in place post-March. From our work over the last year, we can see the role that networks play in questioning, dismantling and reimagining systems. We are also seeing synergies with the values of networks that support change and transformation and are becoming aware of the nature of people who are drawn to these networks.

We have seen that a critical mass will not come about if we focus only on small or intensive pockets and so are now looking at ways of weaving and supporting infrastructure networks and hubs. The relationship between networks and movements, and the potential to connect nationally on issues across regions is becoming clearer. The work of activist networks that focus on shifting power, e.g. by sharing knowledge, creating identity / solidarity, centring lived experience and sharing common purpose are the ones that fit best with Lankelly's emerging strategy. There are some exciting partnerships (Baobab Foundation, Resourcing Racial Justice and Centre for Knowledge Equity are just a few) which have arisen as a result of exploring how to create the space that is needed to react to what is coming up, especially from outside the system.

As we move further into 2021, we will focus on thematic areas to delve deeper into, and to bring more focus to our exploration of networks. These themes should build on our current portfolio, on what we have learnt thus far and also take into account the bigger context and conversations taking place right now.

These proposed themes are:

- Lived experience
- Community organising (we will be funding a piece of research that brings different organisers together and we will look at how this approach fits with our mission)
- Racial justice
- Intersectionality and interconnectedness (we are working on a partnership fund with JRF which will involve networks that intersect lived experience of poverty with other oppressions)

We have also undertaken time to reflect on a number of crucial things, including the journey of networks and signals being seen right now, and how the move to the language of justice impacts us, our partners and how we look at networks. We are also thinking about networks that look at the interconnections of injustice and who are the most affected, and the potential of networks currently concentrated on addressing oppression but who have not had the capacity to reimagine or develop alternatives. A focus for our future work will be on working out the role that movements and networks we are supporting play in realising justice.

Systemic governance

When we ended our power inquiry in 2019 we were left with a clear line of exploration around governance, and that exploration led to a nuanced understanding of what we meant by governance as *'the dynamics and processes at play when a group of interested and affected parties come together to solve a collective problem'* that continues to develop and shift the more we work on it.

Part of the work during 2020-21 (and going forwards) has been to find a way of narrowing the purpose of the inquiry. An assumption we are working with currently is that when people talk about systems change they are talking about the way things are done, which covers a not insignificant number of things. Exploration of what governance is and means is important to many of our partners.

As we have tried to narrow the focus, we have developed three main strands of funded work:

- **Future of Regulation:** This is an exploration in whether a generative and positive relationship can exist between regulatory bodies and the people they regulate, and is being led by the Centre for Public Impact and Easier Inc.
- **Beyond the Rules:** An inquiry that began with a coalition experimenting on deep collaboration to explore a topic is now a network of over 300 people and organisations around the world looking at building shared resources and a movement for how we do 'good'.
- **Inquiry into Systemic Governance:** This project was initially intended to be a central funding pot for governance 'experiments' – allowing people and organisations who want to explore governance the space and time to do so. However, we recognised that that is not particularly helpful right now as our understanding (and the understanding of the other organisations in the collaboration) of governance is very nuanced and shared amongst those present. A focus now will be to widen the group and therefore our understanding of governance, and increase accessibility into the group.

This work sits alongside the work on our internal governance, which is outlined [below](#).

What are we learning?

We're learning that there is so much unlearning to do. That we carry around a heavy load of assumptions around who can communicate with who, who gets an audience with who and how and where and what the appropriate mechanisms to ensure stability are. That this is affecting and affected by everyone. That the idea of mutual accountability is striking a chord

at the heart of what change is about. That governance is everything and everything is governance. That it is both exciting and disheartening. That we can't just engage the people that think like us. We need everyone in this.

What next?

All three current funded projects are due to finish their funding in the next few months, and we are hoping to see some continuation of them all.

Climate and Sustainability

The most significant piece of work we have undertaken on climate and sustainability this year has been our pledge to the [Funder Commitment on Climate Change](#). Alongside this we have also divested our investments from fossil fuels, and updated our Investment Policy to include an objective to contribute to a rapid and just transition to a post-carbon future. We have selected new investment managers who are better able to help us pursue this objective – including specialist investors in environment technologies – and we are in the process of transitioning funds. We also co-filed a shareholder resolution at the AGM of Barclays Bank, on which we engaged directly with Board members, seeking a commitment to phase out fossil fuel financing. This had some success and we are part of ongoing engagement and coordination with civil society groups. We are also contributing, as a Steering Group member, to a student campaign ('Invest for Change') on university and college investment practices in the context of climate change. We have convened a working group of charitable investors to understand and act on the implications of ecological thresholds for investment practices, including but not limited to the carbon budget. We will shortly be publishing a report and undertaking next steps, including engagement with asset managers and policy and standards setters.

We have initiated new grant relationships with Platform London and Women's Environmental Network, to support their work on climate-related issues through an intersectional and justice-based lens. As part of our place-based programme in Gateshead, we provided a grant to Voluntary Organisations' Network North East (VONNE) for a Climate Action Alliance. This supports a voluntary and community sector programme of actions addressing the climate crisis.

Internal activity includes introducing a policy favouring vegetarian and plant-based food catering, and guidance and monitoring of travel options (to reduce carbon intensity). We have also been exploring energy supply options for our office space with the management of the shared building. Colleagues with responsibility for learning are considering how to integrate climate change into ongoing professional development, but we have not yet taken any concrete steps.

Our System

We have continued to work remotely for the whole of the 2020-21 year, as many others will have done also. Colleagues have been supported in this process, through a number of measures and adjustments, including financial support for increased living costs, tech upgrades and IT equipment. The team has continued to meet weekly, and quarterly staff residentials – initially introduced in the previous year – have continued albeit in a ‘virtual’ capacity.

One of the most significant changes is further development of our approach to change. We have realised that a number of strands of work can be defined as the enabling processes underpinning how systems change happens, and thus we have created the ‘How’ Team (more on that [below](#)). We also realised that the wider eco-system is out of balance, and we need to contribute our resources to efforts to rebalance the eco-system and use our position and leverage to encourage others to do the same. This means unrestricted, meaningful investment in lived experience leaders and networks, social justice activists and community researchers and journalists. It also means resources for marginalised disciplines, including some aspects of systems practice, public service reform and responsible investment. We call this the ‘Who’ work, and this will be one of our focuses for the 2021-22 year.

We have also taken significant steps to diversify our investments and choose new investment managers, and we continued to provide emergency funding to partners, as well as using the learning from the budgeting process we adopted to amend and adapt for this coming year.

Racial Justice

At the beginning of 2020, we commissioned two anti-racism workshops for the team at Lankelly Chase, because we had realised over the previous year that we had insufficient collective understanding of racism, which was negatively affecting colleagues and limiting the emphasis we should be giving to racial justice work. The workshops didn’t provide any easy answers but provoked a greater consciousness of the extent to which our work, particularly the way in which had framed ‘system change’, had been overly determined by a white liberal mindset that itself risked perpetuating injustice.

The murder of George Floyd in May 2020, and the worldwide response, galvanised a greater conviction across the team that we had to demonstrate explicitly how central racial justice should be to our mission and strategy. The statement that we put out acknowledged that we had a lot to learn organisationally and a long way to go. In the following months, we distributed more of our funding to organisations and networks led by people of colour, we and our partners placed much greater emphasis on racial justice in our place-based work, and we used our website and social media to offer platforms to people highlighting anti-racist work. We also deepened a strategic partnership that had begun in 2020 with a network of racial justice leaders that became Resourcing Racial Justice (RRJ). RRJ supported us to write a racial justice accountability plan, which put in place some of the framework for our ongoing work.

Within Lankelly Chase, we have continued to work with the consultants who delivered the anti-racism workshops. This work has focused on anti-oppressive practice, in particular where power lies organisationally and how decisions are made. The consultants have supported a

working group of colleagues who aim to grow anti-oppression practice across the organisation. One result of this has been a reflection circle, made up of all the white colleagues in the organisation, to explore our responses to *Me and White Supremacy* by Layla F Saad.

The strategic reframing of our approach to change has evolved as a direct consequence of this work. We are now much clearer that we are targeting underlying systems of oppression and how they manifest in power inequities. This gives us a much clearer understanding not only of how systems might change, and who needs to be leading, but also what kind of systemic change is being sought.

COVID-19 response

An internal team was created to manage the Foundation's response to COVID-19, and it currently oversees two emergency funds – Cashflow and Response – which distribute funding to current partners. These funds were agreed by the Board at its additional meeting in May 2020. In many respects our emergency response has seen us step into the role of traditional grant-maker. However, there have also been elements of the rapid response process that we can learn from, such as acting quickly and experimenting with a different mandate. In the COVID-19 response team, a Director no longer needs to be present in the meeting for decisions to be made. This has created a greater sense of collaboration and ownership amongst the non-Directors in the team.

A number of funder collaborations also surfaced as the pandemic took hold, and a discussion at Board-level concluded that a balance between supporting emergency relief funds and shaping our own offering was crucial. We asked ourselves and our partners where our money was best spent, and there was an acknowledgment that holding fast to our commitment to supporting systems change was what we were best placed to do. Emergency funding is crucial, but there will also be a real need to keep our collective eye on the underlying systems that contributed to this crisis. As a result, the Board agreed to act as an 'interested party' for the London Community Response Fund. Rather than directly contribute a lump sum, we have maintained a watchful presence over funding requests that have come in from all over London via that. To date we have chosen to provide funding to just one organisation – an organisation called EachOther who bring together storytellers, journalists and creatives to promote and increase public knowledge of human rights.

Funding requests to the COVID-19 funds have reduced dramatically in the last half of the year, and partners have revealed that support is more likely to be needed as the UK emerges from lockdowns and emergency funding dries up. The Foundation may need to review its emergency funding support when that happens.

Internal processes and practices

Our internal practices are largely managed by the Resourcing Team, which is an internally-focused team that looks at the ways the Foundation uses its resources to further its mission, and works to establish and oversee consistent processes which allow the staff team to be creative, flexible and responsive. Membership of this team includes a number of permanent members and a rotating additional member taken from the wider team. This ensures everyone shares the responsibility of the team and inputs into it.

The initial task of the Resourcing Team was to establish a team budgeting process for 2020-21, a participatory process which encouraged all team members to step into their power as financial decision makers, but also to capture their aspirations as co-owners of our work and strategy. This process was partly a success, as the team emerged with a much clearer understanding and connection to the work across the organisation; however, the onset of the pandemic and lockdown led to a change in priorities and plans which meant we were unable to fully realise and measure the success of the process. We see our challenge now is to create adaptive budgets that can flex and change in the unstable years ahead.

In this financial year, we have focused on adjusting our processes to be able to handle remote working, as well as working to create new ones. In particular, we designed a devolved decision-making model for our place-based work that is currently being tested by place Coordination Teams (more information on that can be found in the [devolved decision-making](#) section of this report). We have also worked to clarify and codify our different approaches to funding, in particular trying to answer the question of ‘*who is privileged by the approaches we choose?*’. In the coming year we hope to build on all of the learning that is emerging from the work already set in train, to further improve all of the processes that underpin the work of the Foundation.

The ‘How’ of our work

The How Team formed at the end of 2020, bringing together six work-streams: communications, core skills, governance, investments, knowledge and networks, while the dedicated teams that supported these work-streams disbanded. It is the container of all of the work-streams and inquiries that collectively ask:

How will the infrastructure / architecture be in a world of renewed systems that promote healing, justice and liberation?

This question is a working draft and we are continually revising it.

This change in operating structures was thanks to us revising our Approach to Change in 2020. There were also some practical reasons: to join work together that which was in danger of being siloed, to give colleagues more agency to lead work and make decisions, and to reduce the number of meetings in people’s diaries.

We have spent several months forming this group, determining our mission, our anchoring inquiry and our boundaries. We have worked with the Resourcing Team and the Board to change our delegated authority in this group so work-stream leads can work together to sign off spend without needing the whole group’s input or the sign-off of a Director for amounts under £50,000. This is an experiment for Lankelly Chase in devolved decision-making and we hope it will allow us to be responsive and more efficient.

What are we learning?

We don’t yet have clear insights about the fields we hope to influence that cut across the How Team. We will build these in the coming months. We do have some early insights about our

practice. These include needing to be very clear about each of our roles and our authority as we learn to integrate our different work-streams (and ways of working).

What next?

Each work-stream lead is building their work-plan for 2021-23, which we will be sharing with each other over the coming months, and we will also structure an overarching learning and communications plan for this team.

Investments

We continue to examine the relationship between the investment system and our mission, both through how we allocate financial capital – Lankelly Chase’s endowment – and how we use the opportunities it affords us to intervene in the investment and financial systems themselves.

This year we updated our investment philosophy and policy to reflect the holistic role our endowment plays in supporting Lankelly Chase’s mission. This includes formal objectives to contribute to rapid and just decarbonisation and to help change the systems which perpetuate disadvantage, in addition to generating a financial return.

We appointed new investment managers who demonstrate alignment with our approach, and developed ‘Statements of Intent’ to help ground and guide our relationships. After we complete the transition of funds to these new managers, we intend to review our own governance processes to make sure they are fit to support our approach.

Some of our wider activity within the investment system this year responded to the events of the pandemic. We set out expectations for how our investment managers and underlying investee companies should behave responsibly and took action where needed, for example by engaging with the Board of Compass Group in relation to its inadequate provision of free school meals.

We were part of a working group which reimagined the Future of the Annual General Meeting (AGM), in a year where companies took this key governance event not only online, but often also ‘behind closed doors’. Coordinated by ShareAction, this group of parliamentarians, trade unions, investors and companies made proposals for turning the AGM into a forum for genuine multi-stakeholder participation and accountability.

Continuing this focus on participation and accountability, we joined the steering group for ‘Invest for Change’. This campaign, run by the Students Organising for Sustainability campaign, seeks to align universities’ investment strategies with the interests of their students, communities and future generations. We wrote an article for the Association of Charitable Foundations on how transparency around foundations’ own investments can catalyse ambition. We were also excited to be alongside our place-based partner Barking and Dagenham Giving as it develops a participatory approach to investing its new community endowment.

As well as revealing and exacerbating social harms, the pandemic has highlighted the increasing risks of infectious diseases arising from the ongoing degradation of our natural world and ecosystem integrity. In a Review carried out for HM Treasury this year, Professor Sir Partha Dasgupta identifies the role of our dominant economic and financial systems in contributing to this dynamic. He reminds us that *“no amount of technological progress can make economic growth as conventionally measured an indefinite possibility. Ours is inevitably a finite economy, as is the biosphere of which we are part.”*

Against this backdrop, we convened members of the Charities Responsible Investment Network to explore how current approaches to investment, including those thought to be ‘responsible’, reflect a growth-centric paradigm which is harmful and ultimately unsustainable. 50 charity asset owners and investment managers participated in a roundtable discussion of our report, ‘Growth Narratives’, which was also reported on by industry media. Our next steps include engagement with policy-makers on the ‘rules of the game’ which keep the current system in place.

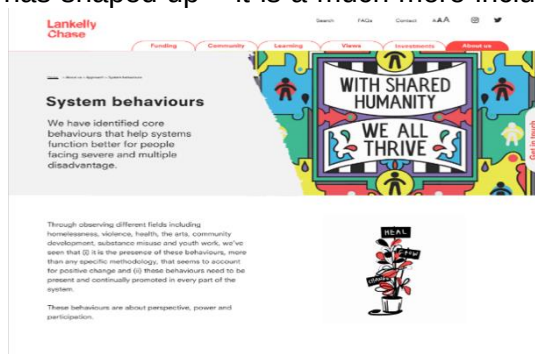
Among these are the Charity Commission, which we continued to engage with in relation to charity investment powers and expectation. Building on our submission as part of a related consultation, we coordinated a letter from 12 charities impressing on the Commission the urgency and ambition required by the climate crisis, as well calling for it to progress a landmark legal case on trustee investment duties.

Finally, we initiated conversations with our outgoing and incoming investment managers on the connection between racism and investment practices, and committed to make this a collaborative priority with peers in the Charities Responsible Investment Network. We also provided grant funding to a partner organisation to examine foundations’ investment, grant-making and operational practices through the lens of racial justice, in a project which we hope will catalyse sector-wide change.

Communications

We have continued on with the work covered in the last report, as well as working on new projects and introducing new things. We have also pivoted in the way we do comms internally and externally. The work has now split into Strategic Comms and Narratives, and Organisational Comms, where we share learning and focus on how we share our work, as well as supporting partners to do the same.

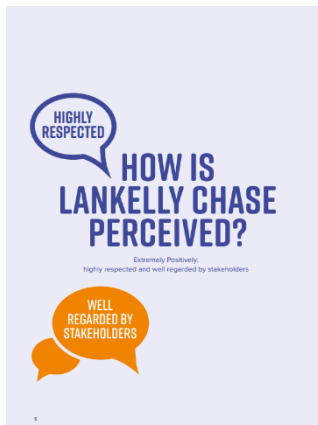
We have been busy with Sail Creative on our new website, and we are really excited by how it has shaped up – it is a much more inclusive space. It was fully launched in September to



the outside world. Throughout this report, you can see some of the illustrations of our key messages and system behaviours, which came out beautifully on the site, as you can also see here.

We have continued to adjust to new ways of working, and in the wake of the racial injustice taking place in America in May 2020, we felt it was crucial to communicate with our networks just how much [We Stand In Solidarity with the Black Community](#) via a statement on our website. We have since used our platform for black voices within our network to share their voices and stories about just how much racism has, and continues to, impact on their lives and different institutions in the UK. We also had some Twitter takeovers to accompany the blog pieces. Moving forward, we will be restarting the series on our new website, and taking the theme in a new direction since it will be 'one year on' – we look forward to having more conversations with different voices on this.

Our Twitter takeovers have continued as normal, but over Christmas 2020 and throughout January to February 2021, our partners Camerados plugged into our platform in a different way to livestream their new series 'A Bit of Company Lite.' This series was designed to keep people company during the pandemic. We have never done anything of this style before, so it was nice to give our partner the opportunity to do so.



The stakeholder insights report is now finished and fully designed, and has helped us understand how and what we as an organisation are communicating, along with what we might need to be doing differently. The team will be presenting and discussing the final presentation to the team in one of our reflective practice sessions.

We launched a £250,000 News and Media Fund to resource those interested in more generative forms of journalism such as public interest news, slow news and solutions journalism. It is a strategic choice to keep the scope of this fund broad, based on several conversations and group discussions both with people working in this space and current partners. We received a high volume of applications, and with the help of a panel of partners, Trustees and Associates we chose 12 organisations as initial partners.

As always, we continued to work with people, organisations or networks that we directly fund via the comms team, as well as providing comms support to other partners across the organisation.

We worked with Henry Bragg on a photography exhibition in collaboration with An Untold Story – Voices, called 'Absence of Evidence', which honoured 14 street sex workers who died. You can view the Moments from their Twitter takeover here:

<https://twitter.com/i/events/1289217421887385604?s=20>

On 30th July 2020, An Untold Story Voices, and Henry Bragg and supporters took the Absence Of Evidence performance to London to connect with the images at [Kings Cross](#), [Shoreditch](#) and [Soho](#). There were also two 14 minutes of silence to honour the women who had passed.

We agreed a three-year partnership with SoundDelivery. This long-term partnership will enable them to continue to grow the 'Spokespersons network.' They have done a number of exciting things this year, including receiving charitable status and extending their reach via pieces in the [Guardian](#) and audio recordings on [Woman's Hour](#) (start at about 12:35 mins in).

We are now in the third year of a long-term partnership with Bureau Local, who find themselves busier than ever and continue to bring journalism into a collaborative discourse with civic, charitable and other public interest groups to explore why and how people-powered journalism can contribute to positive change.

We have been supporting the Expert Citizens team with their National Insights Awards, which went ahead in March 2021 despite the pandemic, and working with them to think about what strategic core funding could look like.

Devolved decision-making

As you will have read in the updates from our Greater Manchester and Gateshead teams, during 2020-21 we began to take steps to move towards devolved decision-making in place.

Devolved decision-making – the principle that decisions should be made by the people best placed to make them – is one of the System Behaviours. We had already taken steps to embed this in our practice, most recently in the establishment of specific work-stream teams and the collaborative budgeting process we followed in 2019-20.

We have been working to build shared intent, capacity and capability among cross-system groups of people in places to lead their own action inquiries around the question of 'how do you change the systems that perpetuate severe and multiple disadvantage in (Greater Manchester / York / Gateshead / Barking & Dagenham / Oxford / Barrow)?'

We're now at the point where 'Coordination Teams' have been or are being established in several places. They will steward the local action inquiry. We are members of these teams but we are not in the majority. We want these teams to be able to make financial decisions over spend within the budget for each place, and to propose future budgets. As we are members of these teams but not in the majority, this change would mean that financial decisions are made without a Lankelly majority or a Director present.

The staff team and the Board discussed this proposed way of working, weighing the potential risks which included conflicts of interest and less clarity for cross-place learning. There were some mitigating processes that alleviate some of the risk, such as 'role specifications' for Lankelly Chase members, and a checklist of processes that these teams must design before we delegate decision-making. There will also be clearly stated responsibilities for each group within the Coordination Team:

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Lankelly responsibilities	Coordination team responsibilities	Individual LC member responsibility	Internal resourcing PT responsibility
– We have ensured our red lines and parameters are clear	– An agreed decision making process is in place – The team is clear about what due diligence is required, who will carry it out and how it will be recorded (so that it satisfies Lankelly's audit requirements) – Minutes are taken and shared with Lankelly – There is a review point – team members are not appointed in perpetuity	– Lankelly's red lines and parameters – Ensure due diligence has been carried out – Checklist for teams to think about. – Maintaining a register of interests, decision log and minutes of all meetings	– Ensure that the questions around due diligence etc have been asked, agreed, documented and adhered to within local core groups – Reiterating the documents based on learning – Invite Morag and Simon into discussion at different points to review the processes

There will be a process of learning and review alongside this work, which will bring in voices from the team, voices from external members of the groups and other relevant work in which resources have been devolved (e.g. participatory grant-making, the Racial Justice Fund, Our Agency, and our partnership with Two Ridings Community Foundation in York). We will ask Northumbria University (our learning partners on the Place Action Inquiry) to help us with this.

This is a good start, but there is more to come...

The Coordination Teams are still small groups of people, largely drawn from our networks and from established organisations. Our intention in the place work is to explore processes that support more distributed and democratic control of resources. These may include versions of participatory grant-making or participatory budgeting, or other processes we can't yet imagine. Part of the work in York and Gateshead over the next year will be to explore what this might look like.

Governance

We have increasingly recognised that we needed to refresh our governance model, but we've been unclear how to go about this. There were three linked questions that we couldn't quite answer: how do we diversify our Board in a way that is meaningful, not performative or tokenistic? How do we govern work that is fundamentally systemic, where there are few clear indicators of success and little predictability about the work required? How do we embody justice in our governance, so that the process is simultaneously safe and liberating?

We held a number of events with valued stakeholders, which sent the clear message that Lankelly Chase needed to relinquish more power and allow different perspectives to inform its work. This resulted in us committing to co-creating a new kind of governance approach with a new set of Trustees. We recruited the following people to our Board, who all bring a track record of activating learned and lived experience in the pursuit of systemic change: Marai Larasi, Baljeet Sandhu, James (Jay) Keenan, Asif Afridi and Amanda Hailles. They joined the Board at the end of October.

THE LEGAL REQUIREMENTS

The objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales. The Trustees define the policies that underpin the Foundation's programmes and have agreed the following vision and mission statement. We want our values to communicate our passion and inform our everyday relationships, belief systems and attitudes across the delivery of our work.

Our vision is a world of justice, healing and liberation, where all people can live with dignity and opportunity in supportive communities.

Our belief is this can only be achieved if we fully embrace the interdependent nature of our existence.

Our mission is not one we can undertake alone. We work with partners to change systems of injustice and oppression that result in the mental distress, violence and destitution experienced by people subject to marginalisation in the UK.

Our role is to resource activity where people can come together to explore what it means to reveal, question and dismantle systems that perpetuate disadvantage, or to explore how to heal, reimagine and renew systems so that all people can live with dignity and opportunity in supportive communities.

Values

Determined: real change takes tenacity, kindness and commitment. We work with humility and the knowledge that there are no simple answers.

Open: we want to build relationships based on shared humanity, kinship and respect. We are always open to new ideas and evidence and we share whatever we learn for the benefit of everyone.

Reflective: we want to find out what really works. We challenge assumptions and we use feedback as a powerful tool for learning.

History

The LankellyChase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. On 9 December 2004, the two Trustee bodies amalgamated the trusts and the new LankellyChase Foundation was incorporated.

Structure, governance and management

The Board of Trustees administers the Foundation. The Board appoints Trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a Trustee may, if agreed unanimously by the Board, be asked to serve an additional four-year term. The Chair is appointed by the Trustees through external competition and serves for a maximum of two three-year terms.

Periodically the Board reviews the range of skills among Trustees and may recruit new Trustees to fill any gaps in the skillset of the Board. New Trustees have historically been recruited through external competition, a process that may be complimented or superseded by the use of the Foundation's networks to identify individuals who may not be reached by more traditional methods. In addition to making appointments based on the skills, values and connections deemed necessary by the Board, new Trustees may be recruited to bring challenge and alternative perspectives. This ensures the Board and the method of governance continues to evolve.

An induction programme is generally arranged for new Trustees, which includes the opportunity to 'buddy' with a member of the team to deep dive into some of the work. Involvement in external training is encouraged, and Trustees are provided with a £5,000 a year training budget each (this matches what is offered to staff).

The full Trustee Board currently meets three times a year to manage the Foundation, and the day-to-day administration continues to be delegated to the Chief Executive who is supported in this by the wider staff team.

The Board of Trustees currently has two¹ sub-committees (all of which meet three times a year, between two to four weeks before the full Board convenes). They are:

- The Resources and Risk Committee (Chaired by the Vice Chair of the Foundation) which oversees the main risk and audit requirements, and monitors and reviews budgets and human resources.
- The Investment Committee (Chaired by the Chair of the Foundation) which oversees the management of the Foundation's assets, as delegated by the full Board.

The Learning and Communications Committee has been replaced by an External Messaging Committee which meets monthly, with fixed staff and Trustee membership, and a rotating temporary membership process for staff and Trustees. The focus of this Committee is to ask the broad question: 'what is Lankelly Chase thinking now?'.

Risk management

The Trustees are responsible for establishing and monitoring Lankelly Chase's internal control systems. The risk register is presented periodically for review to the Resources and Risk Committee annually, with risk updates provided to Committee members on an ongoing basis.

¹ Until 2019-20 there were three sub-committees, and the Learning and Communications Committee was disbanded in May 2020. This was in part due to the evolving way the Foundation was undertaking its learning work (to some extent as a result of COVID-19), and a recognition that the Committee no longer felt like a necessary component.

The risk register is made available to all Trustees upon request, and the Resources and Risk Committee may recommend that the Board reviews the register at any point. The Trustees approach to risk is to manage rather than eliminate, and view risks as opportunities to be taken as well. Currently, Trustees are satisfied that the system of internal controls in place is adequate, and these internal controls are reviewed as part of the day-to-day management processes within the Foundation. The Board have agreed to appoint an external agency to carry out an internal audit function and this process is being managed by the Resources and Risk Committee. The Committee decides annually whether an internal audit is required.

The Trustees consider that the principal risk to Lankelly Chase is that it does not fulfil its core mission of changing systems of injustice and oppression. In order to address this, the Executive and Board regularly review strategy, governance and work practices. The Foundation does not do this work alone, and so learning and adapting is an ongoing process that happens in partnership with others in the field. The risk register is a live document which is held collectively by the staff team and reviewed regularly, and many of the risks identified remain live within the work. There is also a strong understanding at Executive and Board-level that much of the work we are engaged in might involve more risk than other funders would be comfortable with. However, we have management processes in place to manage those risks where possible, and we consider both success and failure to be crucial parts of the change journey.

Public benefit requirement

The Trustees aim to meet their public benefit responsibilities, as laid out in Section 17 of the Charities Act 2011, by using the Foundation's resources to support agencies that seek to enable some of the most disadvantaged people in our society to lead full and independent lives.

Review of grant activity

Portfolio Teams – teams predominantly made up from Lankelly Chase colleagues with expertise across the organisation – became the primary method by which grant proposals were discussed and agreed. The Executive Committee as a formal meeting place was effectively dissolved, although the entity and mandate remains to provide delegated authority to Portfolio Teams to act in this way.

The mandate for Portfolio Teams is as below:

- Each team will reflect the diversity of roles and experiences of the Organisation – and will include both internal and external facing Lankelly Chase roles. The teams may include third party participants. The quorum is three members, including one Director.
- The budget delegated to the Portfolio Team will be agreed by the Executive Committee following a formal request from the Portfolio Team. The formal request will include purpose, proposed activity and an understanding of how learning will be captured.
- Third party participants may be allocated voting rights on financial allocation – provided there is no conflict of interest e.g. awarding that participant money. The ability of the third party to hold voting rights will be decided by the Executive Committee.
- As with the Executive Committee, Portfolio Teams will flag to first the Executive Committee and then, as appropriate, Trustees if the grants are deemed to be political and/ or unusual in nature of risk e.g. controversial.

In addition, there were several other changes made to decision-making processes over the course of the year (more detail of which can be found in the relevant sections of the report of the Trustees), which are referred to in brief here.

The COVID-19 emergency grant-making team

Trustees agreed to allow this team to make some changes to the general terms of reference for Portfolio Teams for the purpose of speedier decision-making. This reflected the urgent need by partners for funding, and the agreement by the Board to provide such emergency funding. As such, grants could be agreed without the presence of a Director, providing there were at least four members of the team present to agree.

Devolved decision-making in Place

As highlighted in the report of the Trustees, we have begun the processing of devolving-decision making to local Coordination Teams in some of our places. The process we are using in these is as follows:

- Two members of Lankelly Chase must be present for financial decisions to be made, who do not need to be Directors. The rest of the team is made up of local people drawn from across different sectors and communities who are engaged in systems change-making work.

- The place leads from Lankelly Chase and the Coordination Team in the local area need to have put in place an agreed set of processes regarding risk management, operations and due diligence before any decision-making can be devolved.

The 'How' Team

The 'How' team is working to a different mandate, as approved by Trustees, which further devolves decision-making to allow for more nimble and autonomous decision-making whilst maintaining scrutiny, fairness and accountability. It covers the following:

- Decisions up to £10,000 can be made by an individual, up to a limit of £50,000 per person, per year.
- Decisions up to £50,000 can be made by a proposer with a seconder drawn from the wider 'How' team on a rotational basis, up to a limit of £250,000 per proposer, per year.
- Decisions over £50,000 and up to £340,800 need to be made with a Director present and preferably the whole team.
- All decisions need to be minuted and logged in the tracking spreadsheet.
- All decisions made are reviewed by the whole 'How' team at the business meetings (which happen monthly).

For the purposes of this report we have separated out the grants made as part of our two COVID-19 emergency funds (approved by the Board of Trustees in March 2020) – Cash Flow (urgent funding to prevent loss of income) and Response (to fund work that aims to respond differently to the pandemic, or to fund work that has been adapted to be deliverable) – from other grants made by the Foundation.

Organisation	COVID-19 Fund	Grant amount (£)
(An) Untold Story- Voices	Cash Flow	4,800
(The) Social Change Agency	Response	20,000
(The) Ubele Initiative	Response	4,000
Advocacy Academy, The	Response	18,000
Arts at the Old Fire Station	Response	19,670
BAC-IN CIC	Cash Flow	20,000
Birmingham SEMH Pathfinder (Project)	Response	4,000
Birmingham SEMH Pathfinder (Project)	Cash Flow	20,000
Bureau of Investigative Journalism	Response	19,500
Collaborate CIC	Cash Flow	20,000
Cyrenians	Cash Flow	14,114
Each Other	Response	40,000
Edge Funders Alliance [FundAction]	Cash Flow	20,000

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Expert Citizens	Cash Flow	20,000
Expert Citizens	Response	20,000
Expert Link	Cash Flow	7,800
Hope into Action	Response	18,500
Justlife Foundation Ltd	Response	20,000
Likewise (formerly Holy Cross Centre Trust)	Cash Flow	20,000
Mayday Trust	Cash Flow	20,000
New Economy Organisers Network (NEON)	Response	20,000
NSUN (National Survivor User Network)	Cash Flow	16,300
NSUN (National Survivor User Network)	Response	10,000
Oxford Hub	Cash Flow	20,000
Real Insight Consultancy Cic	Response	19,195
Sound Delivery	Cash Flow	18,300
Sound Delivery	Response	20,000
Support and Action for Women's Network (SAWN)	Response	19,300
Support and Action for Women's Network (SAWN)	Cash Flow	17,900
Wandsworth Community Empowerment Network (WCEN)	Response	19,727
Women's Community Matters	Response	20,000
TOTAL:		551,106

Organisation	Strategic area	Description	Grant amount (£)
(The) Social Change Agency	Networks	To develop the Losing Control network	20,000
(The) Ubele Initiative	Core Skills	To develop a leadership programme in Manchester for BAME community organisations to engage in and eventually lead systems change initiative	118,030
(The) Ubele Initiative	Networks	For core costs	100,000
(The) Women's Environment Network Trust	Sustainability	Extension of core grant towards Feminist New Green Deal and COP	20,000
(The) Women's Environmental Network Trust	Sustainability	Core funding	90,000
Acorn (Association of Community Organisations for Reform Now Ltd)	Networks	To grow the community organising network and influence	180,000

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African Families in the UK	Oxford	Core funding to provide capacity to collaborate with Oxford Hub and in the community impact zone	21,000
Age UK Gateshead Ltd	Gateshead	Part of the community response to COVID-19 in Gateshead	15,000
Agenda	National	Towards the costs of a stakeholder insight exercise	14,640
Alliance Publishing Trust	Communications	For ongoing contributions to the philanthropic magazine and content for two years	10,000
An Untold Story Voices	National	Core costs for two years plus an additional sum for professional advice and support on organisational form and structure	70,000
Architecture 00 (trading as Dark Matter Labs)	Governance	For the collective inquiry into systemic governance	81,650
Arts at the Old Fire Station	Oxford	To help cover the cost of the Marmalade 2020 conference which had to be cancelled as a result of the COVID-19 pandemic	5,000
Barking and Dagenham Giving	Barking and Dagenham	Emergency COVID-19 funding for place	100,000
Barking and Dagenham Giving	Barking and Dagenham	To hold and coordinate a locally devolved fund for Barking and Dagenham	350,338
Birmingham SEMH Pathfinder project	National	Core funding	197,600
Breen Centre	Knowledge	Part of the Knowledge Fund: to explore issues of community knowledge and power with partners from the Rathcoole estate and in Northampton	30,000
Centre for Knowledge Equity CIC	Core Skills	For the Illuminate webinar series	10,000
Centre for Knowledge Equity CIC	Networks	Funding for additional core support via communications, network development and fundraising roles and a knowledge platform	144,074
Centre for Mental Health	National	Towards policy advice and support for the Synergi Collaborative Centre	20,600
Centre for Public Impact	Place	To create and support a Community of Practice, comprising national regulators and local public sector organisations and charities, who want to experiment with regulation differently	25,000
Centre for Welfare Reform	Governance	For core costs	50,000

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Chayn CIC	Knowledge	Part of the Knowledge Fund: to explore the use of creative methods in understanding experiences of trauma and concepts of mental wellbeing	30,000
Civic Square (Department of Dreams)	Knowledge	To support the next phase of Department of Dreams	160,000
Civic Square (Department of Dreams)	Knowledge	For a learning partner to support Department of Dreams	30,000
Collaborative Future	Networks	To capture Collaborative Future's way of engaging and approach to growing its network	3,500
Collective Impact Agency	Gateshead	To extend the Associate role until 2022	67,945
Collective Impact Agency CIC	Gateshead	For part-time admin support	10,000
Collective Impact Agency CIC	Gateshead	To fund admin support	29,250
Collective Impact Agency CIC	Gateshead	To extend the admin support until 2022	29,250
Collective Impact Agency CIC	Gateshead	For the Associate role	61,137
Community Resources for Change	Barking and Dagenham	To act as the learning partner for Barking and Dagenham Collective	40,890
Corra Foundation	National	The second instalment of a grant to co-design a local programme (based on Systems Changers)	230,000
Culture Hack Labs via New World Foundation	Manchester	For a six-month programme to learn skills on disrupting narratives and decolonising the internet experiment in Greater Manchester	50,000
Cyrenians	National	For a research project capturing the changes the COVID-19 pandemic has presented for people who are working or accessing services related to homelessness	18,714
Democratic Society	Governance	For the collective inquiry into systemic governance	77,150
Expert Link	National	Core costs for two years	100,000
Fairshare Educational Foundation t/a Share Action	Sustainability	To renew ShareAction's subscription to Proxy Insight	10,000
Forum for the Future	Core Skills	Core funding for the School for Systems Change	200,000
Forum for the Future	Core Skills	For the Illuminate webinar series	40,000

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Forum for the Future	Governance	For the development phase of the systemic governance COP	30,000
Friends Provident Foundation	National	To sign up to the Index of Foundation Diversity, Transparency and Accountability	40,000
Glitch	National	Towards the development of a '101 anti-racism course' which will be initially aimed at Jewish community organisations	3,750
Grapevine [Coventry and Warwickshire] Ltd	Networks	Towards the Connecting for Good place-based network / movement to end isolation, build, connect and distribute leadership and find community-led solutions to enable systems to shift	180,000
Hackney CVS	National	Towards the Research and Development phase of work to create a funding body with a specific focus on racially minoritised communities	25,000
Hackney CVS	Networks	Towards the research phase to develop a foundation that will be focused on racial injustice	5,000
Healing Justice London Ltd	Networks	To create an Open-Source community-led public health platform using a disability and anti-oppression lens	50,000
Healing Justice London Ltd	Networks	To support the operational development and scaling up of activities	35,000
Healing Justice London Ltd	Networks	For core costs	320,000
Healthwatch (Black Thrive)	Governance	For the collective inquiry into systemic governance	17,400
Homeless Link (for MEAM)	National	For core costs	150,000
Jigsaw Recovery Project (CIC)	Gateshead	To support with learning and experiments as part of the Bensham Systemic Action Inquiry	50,000
Joseph Rowntree Foundation	Governance	To develop a collaborative 'test and learn' fund with a focus on lived experience of poverty	60,000
Joseph Rowntree Foundation	Networks	To develop a collaborative 'test and learn' fund with a focus on lived experience of poverty	100,000
Journalism Award	Communications	Funding for the News and Media Fund – a number of mini grants to support journalists / organisations looking at public interest news and / or diversity in the media	339,620

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Kingsley Hall Church and Community Centre	Barking and Dagenham	For participatory activity and engagement with local community members and groups in Barking and Dagenham	210,243
Localmotion	National	To work as part of a group of six foundations to create a place-based collaborative	50,000
Love Barrow Families	Place	Transfer of funding for the Barrow Hub exploration to Women's Community Matters	(118,573)
Mandala Theatre Company	Oxford	To help cover the income disruption faced as a result of the COVID-19 pandemic	26,000
Mark Leonard Trust	Sustainability	Contribution to costs of legal review into Trustee investment powers	20,000
New Economy Organisers Network (NEON)	Networks	For work to empower change-makers to build just systems of care through improving movement consciousness, appreciation and leadership	330,000
NSUN (National Survivor User Network)	Knowledge	Part of the Knowledge Fund: to explore ideas of leadership, lived experience and capacity building in their work and networks	30,000
Our Agency CIC	Manchester	For core costs	100,000
Our Agency CIC	National	For core costs	200,000
Platform London	Sustainability	Core funding	90,000
Poverty Truth Network	Networks	To support PTN's network of commissions as an infrastructure and influencing organisation	180,000
Prism The Gift Fund (Resourcing Racial Justice)	ISMs	Funding for the Resourcing Racial Justice Coalition	535,000
Prism The Gift Fund (Resourcing Racial Justice)	National	Funding for the Resourcing Racial Justice Coalition	126,400
Prison Reform Trust	Knowledge	Part of the Knowledge Fund: to support the learning and development of the Prisoner Policy Network	30,000
Refugee & Asylum Participatory Action Research. RAPAR New grant	Manchester	A grant extension to continue the work with undocumented people	2,000
Refugee and Asylum Participatory Action Research. RAPAR	Manchester	For undocumented people in Greater Manchester to tell their stories	32,000

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Sanmathi Ltd (Whose Knowledge)	Knowledge	To support the work of the Whose Knowledge initiative to explore issues of knowledge justice relating to social harm, marginalisation and inequality	30,000
Sanmathi Ltd (Whose Knowledge)	Manchester	For a six-month programme to learn skills on disrupting narratives and decolonising the internet experiment in Greater Manchester	30,000
Sound Delivery	Communications	To support the nurturing and growth of Being the Story Spokespersons Network	135,000
Spaces Fund	Manchester	Open fund: a collection of independent, safe spaces where people can come together to explore what it means to reveal → question → dismantle systems that perpetuate disadvantage or to explore how to heal → reimagine → renew systems	250,000
St Chad's Community Project	Gateshead	Part of the community response to COVID-19 in Bensham specifically	20,000
St Chad's Community Project	Gateshead	To engage in a collective Systemic Action Inquiry in Bensham	30,000
Support and Action for Women's Network (SAWN)	Manchester	To fund a locally based coordination team to manage the work in Greater Manchester	25,000
Support and Action for Women's Network (SAWN)	Networks	To support the women founders who run the organisations who make up Mama Health with time and space to work out how they create meaningful and transformational change	50,000
Teams Medical Practice	Gateshead	To begin the Gateshead place-based inquiry in Teams and Dunston	8,333
Teams Medical Practice	Gateshead	To cover the expenses incurred by the Coordinator of the Teams and Dunston inquiry	1,000
Ten Years' Time	Sustainability	To research, produce and disseminate a report on racial justice, foundation practice and financial capital	20,000
The Ballinger Trust	Gateshead	To hold the funding for the collaboration to start the Teams and Dunston initiative	110,000
The Social Change Agency	Governance	For the development of the Accountable service and learning days	34,000
Thirty Percy (holding for collab)	Sustainability	For the scoping phase of the 'Transformation Capital' UK prototype project	50,000

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Transmit Enterprise CIC	Gateshead	To support the development of the SIGNAL poverty mapping methodology across Gateshead	10,600
Two Ridings Community Foundation	York	Emergency COVID-19 funding for place	108,000
Two Ridings Community Foundation	York	To set up and coordinate a devolved local fund in York and to undertake an action inquiry focused on children, young people and severe and multiple disadvantage	366,000
Two Ridings Community Foundation	York	To extend and expand the Partnerships Coordinator role leading work on the Local Fund and Children and Young People's Inquiry in York	33,248
Unlimited Potential	Manchester	To fund a project to look at what it takes to shift wealth and economic power in communities in Greater Manchester	100,000
Unlimited Potential	Manchester	The final grant for the Elephant Trails series to continue for the next piece of activity	200,000
Unlimited Potential	Manchester	To support the COVID-19 response in Greater Manchester	100,000
Voluntary Organisations' Network NE (VONNE)	Gateshead	To contribute to the VONNE Climate Action Alliance	60,000
Wandsworth Community Empowerment Network (WCEN)	National	For core costs	85,000
Women's Community Matters	Barrow	Emergency COVID-19 funding for place	100,000
Women's Community Matters	Barrow	To share learning from Love Barrow Together	30,000
Women's Community Matters	Place	Funding for the Barrow Hub exploration (transferred from Love Barrow Families)	118,573
York CVS	Governance	For the collective inquiry into systemic governance	17,400
York CVS	York	To undertake and make sense of the cultural values present in the York system	20,000
York CVS	York	To support the ambition that all the working groups which are part of the York MCN Network are underpinned by co-production and the voices of those with lived experience	3,700
		TOTAL:	8,255,462

Financial report

The Trustees authorised a total budget (excluding investment management and social investment fees) for 2020-21 of £15,882k made up of:

- £14,403k programme costs
- £1,479k staff costs, governance and office costs

There was also a budget of £43k for capital expenditure.

Total expenditure, excluding investment management fees was £10,474k. This was made up of:

- £9,091k programme costs (2020: £6,361k).
- £1,383k staff costs, governance and office costs (2020: £1,327k)

£8k was spent on capital items in the year (2020: £25k)

Income

Total income during the year was £2,700k (2020: £3,979k).

Total investment income has declined from £3,888k to £2,700k, the largest part of this being income from listed investments which fell from £3,820k to £2,653k. The primary reason for the fall in income is that many income-generating companies in the portfolio significantly reduced or even cancelled their dividends during financial year 2021, in response to the pandemic. In addition, interest from funds held in the investment portfolio was £45k in the year (2020: £49k). Social investment income was £Nil (2020: £8k), the fall being the impact of the reversal of capital repayments taken as income in prior years. Other interest income has declined from £11k to £2k.

There was no donation received from Northwood Trust in the year (2020: £50k). It is, however, expected that the donation will recommence in 2021/22.

Fundraising practice

LankellyChase Foundation does not derive any income from fundraising. LankellyChase Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Spending policy

Trustees and staff regularly review progress against the Foundation's strategic aims and a work plan is developed by the staff team (and with external partners with regards to place-based work).

In 2020-21, as highlighted in the Trustees' report above, a number of Portfolio Teams were rolled into larger strategic groups²: *How* and *Who* (*Where* encompasses the place work, and the individual place Portfolio Teams have remained).

The budgeting process for 2020-21 was a collective one, with the entire staff team encouraged to contribute to the programmatic budget, as well as some of the budgets in places. Portfolio Teams – and now the larger groups – developed budgets and work plans for the year ahead³ which were approved by the Board.

It is our vision and mission that are the main determinants of each year's expenditure.

Investment policy

The Foundation adopts a total return approach to investment, generating its investment return from income and capital gains or losses after deducting investment manager fees. This year saw a continuation of our objective to produce the best financial return within an acceptable level of risk for the bulk of the assets.

During the year, however, the Foundation updated its investment philosophy and policy to include additional objectives for investment capital to actively contribute to its mission, including by changing the systems which perpetuate disadvantage and contributing to rapid and just decarbonisation. This approach will be implemented over the next financial year.

Investment management

The Foundation currently engages four investment management companies to manage its financial assets on a discretionary basis. These investment managers were chosen to complement each other, including by reducing style and manager concentration. They have been directed to deliver financial returns relative to agreed benchmarks through active, responsible relationships with investee companies. This involves both understanding and seeking to influence positively the quality of corporate governance, as well as environmental and social impacts and performance.

As noted earlier, during the year we appointed new investment managers to implement our updated Investment Philosophy and Policy, based on more holistic objectives aligned with our mission. We will be transitioning funds into these mandates during 2021.

Performance

The Foundation's investment portfolio produced a financial return of +24% during the year, compared to a loss of -4.1% in the preceding year. This saw it increase from a value of £136.1m at 31st March 2020 to £156.8m at 31st March 2021.

This strong performance was driven in part by a depressed starting point during the nadir of the pandemic's impact on many financial asset prices, coupled with the strong subsequent

² Those teams were: Sustainability, Networks, Governance, Communications, Core Skills, Knowledge and Investments.

³ These budgets and work plans were redressed in some cases to accommodate the significant changes brought about by COVID-19.

performance of many financial assets as policy-makers responded with public health and economic stability measures.

This compares to a 24.2% return for the aggregate benchmark which Lankelly Chase uses to contextualise the portfolio performance (70% MSCI World Index and 30% Iboxx Gilts All Stock Index).

Social investments

The Foundation will consider making social investments where they directly support our mission and where the financial support required is different to that needed by grantees.

Financial return is not the overriding consideration in making these investments and in reviewing their success. The Trustees recognise that the returns from social investments come from a blend of social impact and traditional financial investment measures of income generated and increase in capital value. Income and the maintenance of capital value is important to demonstrate that social investments can produce a financial return as well as a social return, but the primary reason for the Foundation making social investments is, as for grant-making, to advance our charitable mission. Social investments are reviewed for both social impact and on financial measures to inform impairment considerations.

Social investments are not currently a core part of the investment strategy, and no new social investments were made in the year ended 31 March 2021. Following further repayments of capital during the year social investments at 31 March 2021 totalled £962,283 (2020: £993,201).

Reserves policy

As the Foundation's endowment is expendable, it is all available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Trustees consider it prudent to have short term access to cash equal to approximately 12 months' projected expenditure. This includes grants that are payable in the next 12 months, one year's programme, staff, governance and office costs and the value of any purchases of office furniture or equipment that are anticipated within the next 12 months. Some of the cash will be held by fund managers and not under the Foundation's direct control but would be accessible within 30 days' notice.

Remuneration policy

The overall goal of the Foundation's remuneration policy is to ensure that staff members are remunerated fairly and in a way that ensures that the Foundation attracts and retains the right skills to have the greatest impact in delivering our charitable objectives.

Lankelly Chase aims to maintain a competitive and fair salary structure which is clearly defined and communicated to all employees with procedures that are applied consistently in a non-discriminatory manner. The Foundation benchmarks salaries against an appropriate

comparative sector/set of organisations. Benchmarked bands are agreed for each post and set by the Resources and Risk Committee. A Pay Committee comprising the senior management team approves individual salary changes up to and including Director roles. The Deputy Chief Executive salary is approved by Resources and Risk and the CEO salary by the Board.

Lankelly Chase is a living wage employer and commits to paying at least the London Living Wage to all employees, including interns.

Lankelly Chase offers an Enhanced Parental Leave policy offering all new parents the same opportunity to take paid leave, regardless of gender, sexual orientation or how they became a parent (whether through birth, adoption, parental responsibility or surrogacy). This has been made available after passing probation, rather than the original requirement of 12 months of service and reflects a commitment to living the values of the Foundation.

The Foundation does not currently pay remuneration to Trustees or Co-optees.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of LankellyChase Foundation 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 and statements of recommended practice 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 charity 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

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- 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.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 27 October 2021 and signed on their behalf by

Myron Rogers
Chair of Trustees

Independent auditor's report to the members of The LankellyChase Foundation

Opinion

We have audited the financial statements of The LankellyChase Foundation (the 'charitable company') for the year ended 31 March 2021 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 2021 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 Foundation'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 resources and risk committee, 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.

Jonathan Orchard (Senior statutory auditor)

Date: 17 November 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities for the year ended 31 March 2021

	Note	All restricted and unrestricted funds 2021 £	All restricted and unrestricted funds 2020 £
Income from:			
Investments	2	2,700,129	3,888,204
Donations		-	90,909
Other income		87	201
Total incoming resources		2,700,216	3,979,314
Expenditure on:			
Investment management fees		849,225	983,413
Charitable activities	3	10,474,109	7,688,220
Total expenditure		11,323,334	8,671,633
Net expenditure before net gains on investments		(8,623,118)	(4,692,319)
Net gains/(losses) on investments		31,106,309	(7,551,786)
Net movement in funds	4	22,483,191	(12,244,105)
Reconciliation of funds:			
Total funds brought forward at 31 March		135,613,071	147,857,176
Total funds carried forward at 31 March		158,096,262	135,613,071

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

All income and expenditure was unrestricted in both periods.

Balance sheet as at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	10		27,424		30,198
Investments					
Managed funds	11		156,755,772		136,132,803
Social investments	12		962,283		993,201
			157,745,479		137,156,202
Current assets					
Debtors	13	110,987		169,148	
Cash at bank and in hand		7,698,531		4,139,913	
		7,809,518		4,309,061	
Liabilities					
Creditors: amounts falling due within one year	14	(5,933,058)		(4,022,960)	
Net current assets			1,876,460		286,101
Total assets less current liabilities			159,621,939		137,442,303
Creditors: amounts falling due after one year	15		(1,525,677)		(1,829,232)
Total net assets			158,096,262		135,613,071
The funds of the charity					
Unrestricted funds	16		158,096,262		135,613,071
			158,096,262		135,613,071

The financial statements were approved by the Board of Trustees and authorised for issue on 27 October 2021 and are signed on its behalf by:

Myron Rogers
Chair of Trustees

Company registration number 5309739

Statement of cash flows for the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period					
As per the statement of financial activities		22,483,191		(12,244,105)	
Depreciation charges		11,035		6,765	
(Gains)/losses on investments		(31,106,309)		7,560,254	
Dividends and interest from investments		(2,700,129)		(3,888,204)	
Decrease/(Increase) in debtors		58,161		(61,922)	
Decrease in creditors		1,606,543		2,205,434	
Net cash used in operating activities			(9,647,508)		(6,421,778)
Cash flows from investing activities:					
Dividends and interest from investments		2,700,129		3,888,204	
Purchase of fixed assets		(8,261)		(25,483)	
Return or impairments of social investments		30,918		23,702	
Movement on cash within investments		(1,488,682)		(611,473)	
Proceeds from sale of investments		46,875,173		41,764,931	
Purchase of investments		(34,903,151)		(37,542,289)	
Net cash provided by investing activities			13,206,126		7,497,591
Change in cash and cash equivalents in the year			3,558,618		1,075,813
Cash and cash equivalents brought forward at 1 April			4,139,913		3,064,100
Cash and cash equivalents carried forward at 31 March			7,698,531		4,139,913

Notes to the financial statements for the year ended 31 March 2021

1. Accounting Policies

Basis of 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.

Public benefit entity

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

Going concern

Whilst acknowledging the current volatility in the markets the Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Investment income is accounted for when received by the Foundation or its agents. Social investment interest income is recognised when receivable on an accruals basis. Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is generally the date of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading: expenditure on charitable activities which includes the costs of programme activities and grantmaking undertaken to further the purposes of the charity and their associated support costs.

Charitable activities are those costs relating to the programme activities of the Foundation and include grants, governance and support costs. Grants are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investment managers' fees are grossed up for any rebates received.

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Support costs are those related to all the other activities of the organisation and are apportioned on the basis set out in note 4.

Allocation of support costs

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of the overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the proportion of staff time attributable to each activity.

Operating lease commitments

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over the remaining life of the lease
Office furniture and equipment	25% per annum

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included in unrestricted reserves in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities (SOFA). The Foundation does not acquire put options, derivatives or other complex financial instruments.

Social investments

Social investments are carried at fair value or impaired cost where it is not practicable to recognise at fair value. Such investments are subject to regular review and any impairment is charged to the SOFA. Investment valuations are not enhanced to more than original cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Foundation 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.

Pension costs

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

Funds

As the Foundation's endowment is expendable, unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objects of the Foundation. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

2. Income from investments

	2021 £	2020 £
Listed investments	2,652,564	3,820,157
Interest on cash held as part of the investment portfolio	45,275	49,112
Bank interest	2,290	10,711
Social investment income	-	8,224
Total investment income	2,700,129	3,888,204

Interest on cash includes income received from Index Linked Treasury bonds that have been held during the year.

3. Expenditure on charitable activities

For 2020-21 we followed a more thematic approach and set up Portfolio Teams that looked after a particular area of the Foundation's work. The budget was set up in this way and so expenditure for the statutory accounts has followed the same approach, as set out below.

	2021 £	2020 £
Programme-related costs		
Strategic areas:		
Who	1,032,845	992,474
Power	-	937,775
Field	-	1,143,707
Place	3,248,156	2,487,292
Unanticipated grants opportunities	-	545,183
Comms	572,816	120,302
Learning	-	60,868
Grant Development	302,568	73,747
How	2,837,271	-
Other	1,097,302	-
	9,090,958	6,361,348
Governance costs (note 5)	31,505	53,207
Support costs (note 6)	1,351,646	1,273,665
	10,474,109	7,688,220

4. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2021 £	2020 £
Depreciation	11,035	6,765
Operating lease rentals		
Property	87,172	86,975
Other	9,307	9,173
Auditor's remuneration (excluding VAT):		
Audit	12,000	11,700
Other services	-	5,000
VAT on audit cost	2,400	3,340

5. Governance costs

	2021 £	2020 £
Legal expenses	-	3,295
Auditor's remuneration	14,400	19,890
Membership of PRI	1,028	1,028
Trustee expenses reimbursed	-	2,846
Trustee training	96	210
Trustee meeting costs	(109)	13,354
Governance review	16,000	11,760
Other governance related administration expenses	90	824
	<u>31,505</u>	<u>53,207</u>

6. Support costs

The key elements of support costs are set out below:

	2021 £	2020 £
Staff costs (note 7)	1,061,857	1,032,017
Recruitment costs	4,200	-
HR-related costs	11,385	15,453
Premises costs including utilities and repairs	101,539	105,669
Legal and professional costs	27,083	13,542
Travel, subsistence and hosting of events	295	3,469
Training and conferences	48,058	39,085
Subscriptions and memberships	22,123	25,185
Telephone, postage, stationery and printing	14,218	15,931
Website and IT costs	51,036	15,578
Bank charges	1,490	807
Sundries	(2,673)	164
Depreciation	11,035	6,765
	<u>1,351,646</u>	<u>1,273,665</u>

7. Analysis of staff costs, Trustee expenses and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries	844,588	807,140
Social security costs	73,302	82,194
Employer contribution to defined contribution pension schemes	86,341	84,472
Temporary staff	53,797	54,616
Other forms of employee benefits	3,829	3,595
	<u>1,061,857</u>	<u>1,032,017</u>

The following number of employees received benefits in excess of £60,000 (excluding employer pension costs and employer National Insurance contributions) during the year between:

	2021	2020
	No.	No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	-
£100,001 - £110,001	1	1
	<u>1</u>	<u>1</u>

The total employee benefits including employer pension contributions and employer National Insurance contributions of the key management personnel were £472,830 (2020: £477,202).

The Chief Executive received a gross salary after salary sacrifice of £109,151 with employer pension contributions of £18,027 (2020: £106,668 and £17,617 respectively).

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The key management personnel (including the Chief Executive) received salary payments (gross salaries after sacrifice) plus employer pension contributions and other benefits in the following bands.

	2021 No.	2020 No.
£40,001 - £50,000	-	2.0
£50,001 - £60,000	-	1.0
£60,001 - £70,000	0.8	-
£70,001 - £80,000	0.9	1.8
£80,001 - £90,000	1.9	-
£120,001-£130,000	1.0	1.0
Total	4.6	5.8

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £12,512). No Trustees incurred any expenses (2020:4) relating to attendance at meetings of the Trustees.

The Foundation's Trustees were not paid nor received any other benefits from employment with the Foundation in the year (2020: £nil).

8. Staff numbers

The average monthly number of employees (head count based on number of staff employed) during the year was 15 (2020: 16).

9. Related party transactions

The LankellyChase Foundation undertook a governance review in the year 2020 and as part of this review consultants who have subsequently become Trustees of the charity were paid consultancy fees. These payments were agreed and approved in advance of the individuals becoming Trustees.

The fees paid are listed below (2020: none):

	£
Amanda Hailes	1,000
Asif Afridi	1,000
James Keenan	1,000
Marai Larasi	1,000
	4,000

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10. Tangible assets

	Leasehold improvements £	Furniture & equipment £	Total £
Cost			
At 1 April 2020	144,620	91,358	235,978
Additions	-	8,261	8,261
At 31 March 2021	144,620	99,619	244,239
Depreciation			
At 1 April 2020	134,715	71,066	205,780
Charge for the year	2,971	8,064	11,035
At 31 March 2021	137,686	79,129	216,815
Net book value at 31 March 2021	6,935	20,489	27,424
Net book value at 30 March 2020	9,906	20,292	30,198

All assets are used for charitable purposes.

11. Investments – managed funds

Investments comprise:

	2021 £	2020 £
Listed investments	148,137,079	129,002,792
Cash held as part of the investment portfolio	8,618,693	7,130,011
Total market value	156,755,772	136,132,803

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	2021	2020
	£	£
Fair value at 1 April	129,002,792	140,785,688
Additions at cost	34,903,151	37,542,289
Disposal proceeds	(46,875,173)	(41,764,931)
Net gain/(loss) on change in fair value	31,106,309	(7,560,254)
Fair value at 31 March	148,137,079	129,002,792
Cash balances	8,618,693	7,130,011
Total Market Value	156,755,772	136,132,803

12. Investments – social investments

The movement in social investments held by the Foundation during the year ended 31 March 2021 and the previous year are shown in the two tables below:

Year end 31 March 2021	At 1 April 2020	Purchases in year/ (return of capital)	Impairment	At 31 March 2021
	£	£	£	£
Big Issue Invest	75,392	(23,351)	-	52,041
Charity Bank	200,000	-	-	200,000
Ethex	-	(16,286)	16,286	-
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	217,809	(7,567)	-	210,242
	993,201	(47,204)	16,286	962,283

At the year-end, the Foundation had committed to no further social investments (2020: £nil) to be made in the following year.

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Year end 31 March 2020	At 1 April 2019	Purchases in year/ (return of capital)	Impairment	At 31 March 2020
	£	£	£	£
Big Issue Invest	91,527	(13,924)	(2,210)	75,393
Charity Bank	200,000	-	-	200,000
Ethex	-	-	-	-
Social Justice and Human Rights Centre	500,000	-	-	500,000
Resonance Real Lettings Property Fund	225,376	(7,567)	-	217,809
	1,016,903	(21,492)	(2,210)	993,201

13. Debtors

	2021	2020
	£	£
Other debtors	72,626	115,891
Prepayments	36,469	51,365
Accrued income	1,892	1,892
	110,987	169,148

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	55,558	46,085
Grants payable within one year	5,464,684	3,696,912
Other creditors	5	8,540
Accruals	412,811	271,423
	5,933,058	4,022,960

Reconciliation of movement in grants creditors

	2021 £	2020 £
At 1 April 2020		
Grants falling due within one year	3,696,912	2,004,669
Grants falling due after more than one year	1,829,232	1,367,804
Total grants creditor	5,526,144	3,372,473
Prior years' grants cancelled/returned in year	(391,045)	-
New grants awarded in year	8,806,568	5,848,051
Grants paid in year	(6,951,306)	(3,694,380)
At 31 March 2021	6,990,361	5,526,144
At 31 March 2021		
Grants payable within one year	5,464,684	3,696,912
Grants payable after more than one year	1,525,677	1,829,232
Total grants creditor	6,990,361	5,526,144

15. Creditors: amounts falling due after one year

	2021 £	2020 £
Grants payable (all payable in 2-5 years)	1,525,677	1,829,232
	1,525,677	1,829,232

16. Movement in funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Current year

	At 1 April 2020 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2021 £
Unrestricted funds	135,613,071	33,806,525	(11,323,335)	158,096,261
Total funds	135,613,071	33,806,525	(11,323,335)	158,096,261

All income and expenditure in the year related to unrestricted funds.

Prior year

	At 1 April 2019	Incoming resources & gains	Outgoing resources & losses	At 31 March 2020
	£	£	£	£
Unrestricted and total funds	147,857,176	3,979,314	(16,223,419)	135,613,071
Total funds	147,857,176	3,979,314	(16,223,419)	135,613,071

17. Operating lease commitments

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

	Land and buildings		Other assets	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	87,172	87,172	8,642	8,927
One to five years	123,494	210,667	10,260	19,589
	<u>210,666</u>	<u>297,839</u>	<u>18,902</u>	<u>28,516</u>

18. Legal status of the charity

The Foundation is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.