

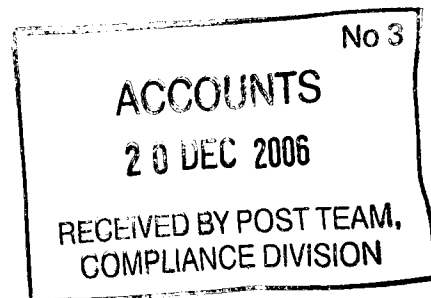
1084839

The Helen Hamlyn Trust

Annual report and financial statements for the year
ended 31 March 2006

Registered Number: 4115082

Registered Charity Number: 1084839



The Helen Hamlyn Trust

Reference and administrative information

Trustees and directors

Lady Hamlyn
Dr Kate Gavron
Sir Bernard Feilden (resigned 4 July 2005)
Dr Shobita Punja
Brendan Cahill
Margaret O'Rorke
Anthony Edwards
Dr Deborah Swallow (appointed 4 July 2005)

Secretary and Trust Administrator

Andrew Gray

Research and Projects Director

Lucy O'Rorke

Registered Office

66 Lincoln's Inn Fields
London
WC2A 3LH

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Solicitors

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

Bankers

National Westminster Bank plc
St James and Piccadilly Branch
PO Box 2DG
208 Piccadilly
London
W1A 2DG

Kleinwort Benson Private Bank Limited
10 Fenchurch Street
London
EC3M 3LB

Investment Managers

Kleinwort Benson Private Bank Limited
10 Fenchurch Street
London
EC3M 3LB

The Helen Hamlyn Trust

Annual report for the year ended 31 March 2006

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The Helen Hamlyn Trust

Report of the Directors for the year ended 31 March 2006

The Trustees, who are also Directors of the company for the purpose of the Companies Act, present their report and the audited financial statements for the year ended 31 March 2006.

The information with respect to Trustees, Directors, Officers and Advisors set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, the Charities Act 1993 and the Companies Act 1985.

Structure, Governance and Management

Structure

The Trust is a charitable company limited by guarantee, incorporated on 27 November 2000 (company registration number 4115082) and registered with the Charity Commissioners as a charity on 31 January 2001 (charity registration number 1084839).

Governance

The Directors meet formally at least twice a year and informally throughout the year. The existing Directors select members of the board. At each AGM, one third of the Directors retire by rotation and are permitted to submit themselves for immediate re-election.

The process for the induction of new Trustees comprises an initial meeting with the Chair to explain the history and strategic direction of the Trust. New Trustees are also provided with a copy of the Memorandum and Articles of Association of the Company, the latest Annual Report and Accounts, the Budget and information on the various Committees.

The Trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves, risk management and performance.

Management

The Trustees have delegated certain responsibilities to three Committees in accordance with the Trust's governing document.

The Executive Committee consisting of three Trustees has the authority to take decisions regarding the application of the Trust's funds and other property up to the value of £100,000 in any one calendar year. Additionally, and subject to the same financial limit, the Executive Committee can enter into any contract (including contracts of employment) and execute any agreement on behalf of the Trustees.

The Investment Committee consisting of two Trustees and the Trust Administrator is responsible for reviewing the performance of the investment portfolio, its investment manager and investment policy. It is responsible for reporting to the Trustees on investment matters and directing the investment manager as appropriate.

The Small Grants Committee consisting of the Chair of Trustees and the Trust Administrator is responsible for considering and approving, if appropriate, grant applications for amounts of up to £10,000 per project and up to a value of £100,000 in any one year based on the research and recommendations made by the Research and Projects Director and the grant making policies settled by the Trustees.

The research of grant applications and new projects to be funded is managed by the Research and Projects Director who is also responsible for the ongoing monitoring of grants disbursed. This includes the review of periodic reports from beneficiaries and the financial accounting for each grant on completion of the related project.

Day to day financial management, risk management and governance issues are the responsibility of the Trust Administrator.

The Helen Hamlyn Trust

Risk management

The Trustees have identified and reviewed the major strategic, operational and financial risks to which the Trust is exposed. They are satisfied that the procedures which are in place are reviewed regularly and mitigate exposure to these risks.

Objectives and Activities

The primary objects of the Trust, as stated in its governing document, are the general purposes of such charitable bodies or for such charitable purposes as the directors shall think fit in England and Wales or elsewhere.

The principal focus of the Trust is on the initiation of medium and long-term projects, funded by way of grants, solely or with partners, linked to the shared interests of Lady Hamlyn and her late husband, Lord Hamlyn.

Grant making policy

The Trust has wide powers to make grants. The Trustees bring forward recommendations for projects to support and these recommendations are subject to approval by the board.

The current strategy for grant making is concentrated on the following areas of activity: Medical, the Arts and Culture, Education and Welfare, Heritage and Conservation in India, International Humanitarian Affairs and Healthy Ageing. Within these areas of activity the Trust also supports a number of projects with a design focus which are undertaken by the Helen Hamlyn Research Centre at the Royal College of Art, London. Additionally, small grants of up to £10,000 are made to a wide variety of small charities in the fields of Education and Welfare, the Arts and Culture and, especially, Healthy Ageing.

The Trust's core aim is to initiate and support innovative medium to long term projects, which will effect lasting change and improve quality of life.

Individual projects aim to:

- encourage innovation in the medical arena
- increase access to the arts and support the professional development of artists from the fields of music and the performing arts
- increase intercultural understanding, provide opportunities for young people to develop new interests and practical skills which will contribute to their education and their future lives and to create opportunities for young offenders to acquire practical skills which will support their personal development for their future lives
- conserve heritage in India
- improve international relations
- provide practical support to enable the elderly to maintain their independence for as long as possible.

The principal objective for the year was to continue to initiate new medium to long term projects in accordance with the Trust's strategy for grant making while continuing to support small charities in accordance with grant making policies.

The objectives for the year were achieved through the initiation of a number of new projects. Specific examples of this included the provision of grants for the following:

- Imperial College, London for the Paul Hamlyn Chair of Surgery for the undertaking, research and advancement of knowledge in the field of academic surgery and in particular surgical oncology and the dissemination of minimal invasive therapies and allied technologies. The initial commitment is for a period of five years but the grant will ultimately be for a period of twenty years. This follows on from an existing grant from the Trust over five years to fund a development programme for robotic surgery.
- The Open Future Project is a new initiative launched by the Trust during the year. Working in conjunction with the Royal Horticultural Society's Flourish Campaign and the Royal Society of Arts Focus on Food Campaign the programme is directed at primary school children with the aim of helping the children to discover and develop personal interests and practical skills which will contribute to their education and enhance their future lives. This programme will be evaluated after a period of three years to determine the success of the project and future direction.

The Helen Hamlyn Trust

- Moorfields Eye Hospital to assist with the cost of research facilities within the new International Children's Eye Centre currently under construction. This follows an earlier grant from the Trust, payable over a period of five years, to support a new programme of stem cell and ocular regeneration research.
- CSV Virtual Young Offenders Institution (VYOI) for funding over a period of three years the evaluation by Newcastle University of the VYOI an innovative pilot project funded through HM Treasury's Invest to Save Budget 7. The aim of the project is to demonstrate the effectiveness of intensive community based training and voluntary service as an alternative to custody for young offenders and develop a blue print to be replicated nation-wide.
- The London Symphony Orchestra for funding the LSO Discovery Panufnik young composer's scheme. This three-year project is designed to develop the talent of eighteen promising young composers through a programme of masterclasses and orchestral composition workshops under the direction of a composition director and working with one of the world's leading orchestras. This project is a sequel to an earlier programme of a similar nature funded by the Trust.
- The Royal Opera House, London to fund the Festival of Firsts. This arts programme was initiated by the Trust three years ago with the aim of bringing new contemporary theatre companies to London and encouraging new young audiences from different ethnic backgrounds to come to a performance at the Opera House for the first time. This year the Trust expanded the concept with a touring programme to the Tobacco Factory in Bristol. The programme also includes an educational element involving outreach initiatives with local schools.
- The Butler Trust for the funding, for a period of three years, of a special award for learning and skills work with young offenders. The Butler Trust was set up in 1995 to promote and encourage positive regimes in prisons throughout the UK. The Trust gives around fifteen major awards each year for innovative, creative and effective work initiated by teams of prison officers, teachers, probation officers and other staff and volunteers working with prisoners.
- The Helen Hamlyn Research Centre, the Royal College of Art, for funding jointly with the National Patient Safety Agency two Design for Patient Safety projects. The first of these projects involves funding two research associateships with the Royal College of Art on the Helen Hamlyn Research Associateships programme for 2005/06, in the study and design of a "smart trolley" using new technology to ensure more effective care of patients. Project partners include the department of Surgical Oncology and Technology, Imperial College, London and St Mary's Hospital, Paddington. The second project is a collaborative research programme co-ordinated by the Helen Hamlyn Research Centre between the Royal College of Art and Loughborough University to achieve a fundamental rethinking of ambulance design and of the range of vehicles required to deliver appropriate levels of care for the future.

Achievements and Performance

Grant making policy was developed during the year to arrive at the strategy outlined earlier in this report.

The level of grant making increased significantly during the year as the Trustees initiated a range of new projects in line with the strategy to develop more medium and long term programmes to fund within the grant making policies outlined earlier in this report. A significant achievement was the launch of the Open Future educational programme which is intended to be a flagship project for the Trust. Additionally, the funding of the Paul Hamlyn Chair of Surgery at Imperial College, London represented the most significant initiative undertaken by the Trust to date.

Performance continued to be influenced by the availability of projects to be initiated and the level of the Trust's income to fund such projects by way of grants.

Financial Review

Income generation

The Trust was awarded a grant of £1,690,600 (2005: £1,667,425) by the Paul Hamlyn Foundation in respect of the year to 31 March 2006. In addition, Lady Hamlyn transferred shares with a total value of £406,398 (2005: £680,000) into the Trust during the year. These two items represent the main source of incoming resources in the period. Whilst the Trustees are confident of receiving further funding from the Paul Hamlyn Foundation in future years, a similar transfer of assets by Lady Hamlyn is not anticipated.

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Financial risk management

The following statements summarise the charity's policy in managing identified forms of financial risk:

Price risk

The charity negotiates grants awarded to finance the charity's activities and incorporates this information into its business plans. Salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.

Credit risk

Credit risk on amounts owed to the charity by its customers is low, as there are no significant third party debtors.

Liquidity risk

The charity has no long term or short term borrowings.

Interest rate cash flow risk

The charity is able to place surplus funds on short term deposit account with the Trust's bankers.

Investment Powers, Policy and Performance

The Trust's governing document defines the Trustees investment powers as unlimited. These powers have been delegated by the Trustees to an Investment Committee which reviews performance of the investment portfolio and the investment manager and considers any changes required to policy reporting to the Trustees as appropriate. The Trustees have delegated discretionary management to a specialist portfolio manager under an investment agreement.

During the year the Investment Committee conducted a review of the performance of the investment manager. Following a tender process a new investment manager, Kleinwort Benson Private Bank Limited was appointed on 1 December 2005. At the same time, a review of investment policy was conducted. It was determined to reduce the level of the Trust's assets held in fixed term deposits in light of lower interest rates and through investment in Common Investment Funds, with a moderate risk level, increase the potential total return to the Trust whilst achieving greater diversification of risk.

For the period 1 April to 1 December 2005, the original portfolio of UK equities rose by 10.7% in terms of total return compared with the 15.2% increase in the FTSE All Share index. Following the change of investment manager this portfolio was then liquidated and in accordance with the new investment policy the proceeds were invested in Common Investment Funds. At the same time additional funds were switched from cash deposits to Common Investment Funds to create an enlarged portfolio. For the period 2 December 2005 to 31 March 2006 the UK equity element of the new portfolio increased by 10.8% in terms of total return compared with a 10.3% increase in the FTSE All Share Index. The UK bond element of the portfolio achieved a total return of 0.7% compared with the 0.8% total return of the FT All Government Stocks Index over the same period. As at 31 March 2006 the asset allocation of the investment portfolio of £2.6m was: 52.6% UK equities, 47.4% UK bond funds.

The Trustees have sought to mitigate the capital risk arising from investing in equities by maintaining the major part of the Trust's assets in cash deposits outside of the investment portfolio. As at 31 March 2006 cash held by the Trust totalled £3.5m (2005: £3.5m).

Looking ahead, the Trustees will continue to monitor market conditions and adapt policy to changing circumstances as appropriate. It is envisaged that at least half of the Trust's assets will continue to be kept in cash deposits.

Reserves Policy

The Trustees have during the year to 31 March 2006 committed to one substantial grant to Imperial College London for £1,000,000 in accordance with SORP 2005 guidance. This grant has been provided for in full in the accounts albeit that the payments are spread over the 5 year term of the grant.

As a general policy grants are currently accounted for in full in the year in which they are awarded albeit payments in some circumstance are spread over a number of years. As a result the Trust has accumulated unspent income sufficient to fund its existing commitments. The Trustees also have the discretion to disburse some or all of its two expendable Endowments. Having regard to this the Trustees have re-

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examined the requirements to maintain free reserves and conclude that the level currently maintained is appropriate to ensure that the Trust, in the event of a significant reduction in the level of its income, would be able to continue its activities whilst the Trustees consider how the income would be replaced or activities changed. This policy is being kept under review in light of future income expectations and planned charitable expenditure.

In order to support the Trust and to enable it to make commitments to longer term projects, there is a Deed of Guarantee dated 23 March 2006 from Lady Hamlyn ("the Guarantor") in favour of the Trust which is held to meet any claim made against the Trust for the payment of any grant that the Trust has undertaken to pay, if and to the extent that the Trust has insufficient reserves to meet such a claim. The amount of the Guarantor's liability is limited to £5,000,000.

The Trust has two expendable endowment funds:-

The No.1 expendable endowment fund of £1,733,013 represents donations from Lady Hamlyn to the Trust made in the years ended from 31 March 2004 to 31 March 2006. Income from this fund is available for grants in accordance with the objects of the Trust. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries.

The No.2 expendable endowment fund of £1,373,830 represents the original donations to the Helen Hamlyn 1989 Foundation, the Trust predecessor, and subsequent donations and legacies together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund. Income from this fund is available for grants in accordance with the objects of the Helen Hamlyn 1989 Foundation. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The restricted fund represents the unspent income arising from this expendable endowment.

Plans for the Future

A key focus will be on the development of the Open Future educational programme over the next two years at which point sufficient progress should have been made to allow for an independent evaluation of the project to determine its success and the plans for further development.

Additionally, the Trustees have a variety of significant projects under review for grant making which are projected to fully utilise the Trust's income in the coming year. In accordance with the present strategy the majority of these projects will be spread over a number of years.

No change in strategy or grant making policy is envisaged at present.

Directors' responsibilities

The Directors, who are also the Trustees, are required by charity law 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 surplus or deficit of the charitable company as at the end of the financial period. The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. The Directors also confirm that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2006 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The Helen Hamlyn Trust

Statement on disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the charitable company's auditors are unaware.

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill, and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

By order of the board

A handwritten signature in cursive script that reads "Helen Hamlyn".

Lady Hamlyn
Director

Independent auditors' report to the members of The Helen Hamlyn Trust

We have audited the financial statements of The Helen Hamlyn Trust for the year ended 31 March 2006 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies therein.

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of The Helen Hamlyn Trust. As described in the Statement of Directors' Responsibilities, the directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the Directors' Report is consistent with the financial statements. We also report to you, if in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs at 31 March 2006 and of its net outgoing resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

22 November 2006

Statement of financial activities
for the year ended 31 March 2006

	Notes	Year ended 31 March 2006				Year ended 31 March 2005 (restated)	
		Unrestricted fund	Restricted fund	No. 1 Expendable endowment fund	No. 2 Expendable endowment fund	Total	£
Incoming resources from generated funds							
Voluntary income	2	1,692,900	-	406,398	-	2,099,298	2,347,425
Investment income	3	158,666	49,415	-	-	208,081	144,123
Total incoming resources		1,851,566	49,415	406,398	-	2,307,379	2,491,548
Resources expended							
Costs of generating funds:							
Investment income	4	1,165	1,283	-	-	2,448	-
Charitable activities	6	2,297,356	26,495	-	-	2,323,851	1,224,904
Governance costs	8	29,290	-	-	-	29,290	15,093
Total resources expended		2,327,811	27,778	-	-	2,355,589	1,239,997
Net (outgoing)/incoming resources before transfers		(476,245)	21,637	406,398	-	(48,210)	1,251,551
Transfers between funds		-	(14,031)	-	14,031	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(476,245)	7,606	406,398	14,031	(48,210)	1,251,551
Gains on revaluation of fixed assets for charity's own use	11	54,400	-	-	59,726	114,126	126,118
Gains/losses on investment assets	12	-	-	(2,451)	85,633	83,182	49,980
Net movement in funds		(421,845)	7,606	403,947	159,390	149,098	1,427,649
Fund balances brought forward at 31 March 2005		1,037,375	-	1,329,066	1,214,440	3,580,881	2,153,232
Fund balances carried forward at 31 March 2006	19	615,530	7,606	1,733,013	1,373,830	3,729,979	3,580,881

All incoming resources and resources expended are derived from continuing activities.

There are no other gains and losses other than those noted above and therefore no separate statement of total recognised gains and losses has been prepared.

The structure of the Trust's funds is described in note 19 to the financial statements. The Trust's reserve policy is discussed in the Directors' Report.

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Summary income and expenditure account for the year ended 31 March 2006

	Notes	Year ended 31 March 2006	Year ended 31 March 2005
		£	£
Gross Trust income		2,152,234	2,394,643
Trust expenditure		(2,354,682)	(1,239,178)
Net (deficit)/surplus before investment asset disposals		(202,448)	1,155,465
Profit on disposal of fixed asset investments	12	83,182	49,980
Interest receivable and similar income	3	155,145	96,905
Interest payable and similar charges	10	(907)	(819)
Net surplus of income over expenditure for the year		34,972	1,301,531

Note of historical cost surpluses

	Notes	Year ended 31 March 2006	Year ended 31 March 2005
		£	£
Net (outgoing)/incoming resources for the year		(48,210)	1,251,551
Realised profits on sale of investments	12	83,182	49,980
Surplus for the year, as reported under FRS3		34,972	1,301,531
Realisation of asset revaluation (losses)/gains of previous years	12	(29,750)	2,242
Historical cost surplus for the year		5,222	1,303,773

All of the surpluses above relate to continuing operations of the Trust.

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Balance Sheet as at 31 March 2006

	Notes	2006		2005	
		Unrestricted fund	Restricted fund	No I. Expendable endowment fund	No. 2 Expendable endowment fund
		£	£	£	£
Fixed assets					
Tangible fixed assets	14	12,721	-	-	12,721
Fixed asset investments	15	1,248,445	-	1,373,830	2,622,275
		1,261,166	-	1,373,830	2,634,996
Current assets					
Debtors: amounts falling due within one year	16	114,915	-	-	114,915
Cash at bank and in hand		1,829,752	12,734	1,733,013	3,575,499
		1,944,667	12,734	1,733,013	3,690,414
Creditors: amounts falling due within one year	17	(1,024,393)	(5,128)	-	(1,029,521)
Net current assets		920,274	7,606	1,733,013	2,660,893
Total assets less current liabilities		2,181,440	7,606	1,733,013	5,295,889
Creditors: amounts falling due after more than one year	18	(1,565,910)	-	-	(1,565,910)
Net assets		615,530	7,606	1,373,830	3,729,979
Capital fund					
No.1 Expendable endowment fund	19			1,733,013	1,329,066
No.2 Expendable endowment fund	19			1,373,830	1,214,440
Income funds					
Unrestricted funds	19	615,530			615,530
Restricted fund	19		7,606		7,606
Total funds		615,530	7,606	1,373,830	3,729,979

The financial statements on pages 8 to 22 were approved by the Directors on 22 November 2006 and were signed on their behalf by

Lady Hamlyn
Director

A W C Edwards
Director

Helen Hamlyn

The Helen Hamlyn Trust

Notes to the financial statements for the year ended 31 March 2006

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom under the historical cost convention. They follow the recommendations of the Statement of Recognised Practice, Accounting and Reporting by Charities ("SORP") issued in March 2005, and the Companies Act 1985. Where applicable, comparative results have been restated to comply with SORP 2005. There has been no net effect on the comparative figures as a result.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed asset investments.

The Trust has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the Trust's activities.

Donations and gifts

Donations are credited to revenue on a receivable basis. Listed investments donated to the Trust are accounted for at market value on the date of donation. Gifts in kind are valued at a reasonable estimate of their value to the Trust.

Grants receivable

Grants receivable are credited to the statement of financial activities in the year in which they are receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Grants payable

Grants payable are recognised when a constructive obligation arises. For unconditional grants, a constructive obligation is deemed to arise when the grantee is informed of the award of a grant. For conditional grants, a constructive obligation is deemed to arise when the conditions have been met. Where the Trust has committed itself to making a grant but the grantee has yet to meet all of the conditions, it is the policy of the Trust to transfer to a designated fund sufficient income to fund the grant. Such a situation did not arise at either 31 March 2006 or 31 March 2005.

Allocation of overhead and support costs

Overhead and support costs have been allocated first between charitable activity and governance. Other than consultancy fees and expenses, overhead and support costs relating to Charitable Activities have been apportioned based on the value of individual grant awards made in recognition of the administrative burden of awarding, monitoring and assessing grants. Consultancy fees and expenses have been allocated to the charitable activity to which the consultants work related. The analysis of overhead and support costs is shown in note 5.

Governance costs

Governance costs include audit and accounting fees, board costs and other costs directly attributable to the governance of the Trust.

Fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	25%
Other equipment	25%

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Fixed asset investments

Listed investments are stated at their market value at the year end. The realised and unrealised net gains and losses arising on revaluations and disposals are included in the Statement of Financial Activities in the year in which they arise.

Investment Income Recognition

Investment income is recognised on an accruals basis where certainty of receipt can be established at the year end. Income arising on investments held in the No.1 expendable endowment fund are allocated to the unrestricted fund. Income arising on investments held in the No.2 expendable endowment fund are allocated to the restricted fund in accordance with the restrictions placed upon that fund.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

The restricted fund comprises the former unrestricted fund of the Helen Hamlyn 1989 Foundation and is available for use by the Trustees in furtherance of the objects of the Helen Hamlyn 1989 Foundation.

The No.1 expendable endowment fund of £1,733,013 represents donations from Lady Hamlyn to the Trust made in the years ended from 31 March 2004 to 31 March 2006. Income from this fund is available for grants in accordance with the objects of the Trust. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries.

The No.2 expendable endowment fund of £1,373,830 represents the original donation and subsequent donations by the Helen Hamlyn 1989 Foundation, the Trust predecessor, together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund. The income derived from the investments held in this fund is restricted to the furtherance of the objects of the Helen Hamlyn 1989 Foundation.

Foreign Currencies

Assets and liabilities in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies undertaken during the year have been translated at the average rate for the month in which the transaction occurred. Currency differences are written off in the Statement of Financial Activities.

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2 Voluntary income

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Donations from individuals	408,698	680,000
from other charitable bodies	1,690,600	1,667,425
	2,099,298	2,347,425

3 Investment income

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Dividends	52,936	47,218
Bank interest	155,145	96,905
	208,081	144,123

4 Cost of generating funds

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Investment Management Fees	2,448	-
	2,448	-

5 Allocation of support costs and overheads

The allocation of support costs and how these were allocated across Charitable Activities is shown in the table below:

	Medical £	Arts & Culture £	Education and Welfare £	Heritage and Conservation in India £	Healthy Ageing £	Total 2006 £	Year ended 31 March 2005 (restated) £
Staff costs	48,542	20,186	17,512	4,581	790	91,611	88,615
Depreciation	2,247	934	811	212	37	4,241	3,256
Bank charges	481	200	173	45	8	907	819
Travel	3,018	1,255	1,089	285	49	5,696	9,404
Legal fees	3,585	1,491	1,294	338	58	6,766	7,100
Office rental	7,005	2,913	2,527	661	114	13,220	7,000
Consultancy fees	2,500	34,535	41,559	2,500	2,500	83,594	9,794
Office expenses	5,101	2,121	1,840	481	83	9,626	13,493
Exchange loss/(gain)	4,267	1,774	1,539	403	69	8,052	-
Sundry	8,388	3,488	3,027	792	137	15,832	10,616
	85,134	68,897	71,371	10,298	3,845	239,545	150,097

Basis of allocation: Consultancy fees are allocated to the charitable activity to which they relate. Other support costs attributable to charitable activities are apportioned pro-rata to the value of grants awarded (80%), and equally across the main grant making categories for which support activities have occurred during the year, to reflect the on-going support of existing grants (20%).

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6 Analysis of charitable expenditure

The charity undertook no direct charitable activities but awarded grants to a number of institutions in the furtherance of its charitable activities.

	Grant funded activity	Support costs	Total
	£	£	£
Medical	1,260,000	85,134	1,345,134
The Arts and Culture	447,258	68,897	516,155
Education and Welfare	370,645	71,371	442,016
Heritage and Conservation in India	(16,247)	10,298	(5,949)
Healthy Ageing	22,650	3,845	26,495
	2,084,306	239,545	2,323,851

7 Analysis of Grants

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
<u>Medical</u>		
Imperial College, London (The Paul Hamlyn Chair of Surgery)	1,000,000	-
Imperial College, London (Development of Robotic Surgery)	-	500,000
Moorfields Eye Hospital (Research Facility within new Eye Centre)	200,000	-
The Helen Hamlyn Research Centre, Royal College of Art (Design for Patient Safety – Smart Trolleys Project)	34,000	-
The Helen Hamlyn Research Centre, Royal College of Art (Design for Patient Safety – Ambulance Futures Project)	26,000	-
Royal Marsden School of Cancer Nursing and Rehabilitation	-	150,000
Isabel Medical Charity	-	(84,700)
Zentrum Orthopadie Baidler Basel (Annual Orthopaedic Lectures)	-	12,000
Jennifer Brown Research Fund (PiggyBankKids)	-	6,984
<u>The Arts and Culture</u>		
London Symphony Orchestra (Panufnik Composition Project)	113,000	32,000
The Royal Opera House (Festival of Firsts)	240,000	98,490
The London Library (Model of Building for Redevelopment Project)	32,640	-
The Tobacco Factory (Festival of Firsts)	22,273	-
Royal Opera House (Crush Bar Lighting)	12,279	-
Festival International de Piano de La Roque d'Antheron	10,471	-
Derby Playhouse	8,595	-
The London Children's Ballet	5,000	-
Tsinghua University China	3,000	-

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Education and Welfare

CSV Virtual Young Offenders Institution (Independent Evaluation)	120,000	-
The Royal Horticultural Society (Open Future Initiative)	84,000	-
The Design Dimension Educational Trust (Open Future Initiative)	80,800	-
The Butler Trust (Training Award for Young Offenders)	40,629	-
The Helen Hamlyn Research Centre, Royal College of Art (Inclusive World Award)	30,000	-
Give Youth a Break	5,000	-
Mobility Trust	5,000	-
V & A Museum of Childhood	4,400	
British Museum	(184)	60,000
Hummingbird Trust	-	10,000
Sundry Small Grants	1,000	8,131

Heritage and Conservation in India

Mehrangarh Museum Trust, The Ahhichatragarh Fort, Nagaur	-	131,579
Khajuraho Heritage Conservation Project	(16,247)	28,531
INTACH (Festive Fun Time)	-	15,000
INTACH (Jaisalmer Fort Restoration Project)	-	5,025

Grants made from unrestricted income	2,061,656	973,040
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Healthy Ageing

The Royal Hospital for Neuro-Disability	5,500	-
The Bedford Guild House	5,000	-
Saffron Sight	4,950	-
The British School of Osteopathy	2,000	-
Herriot Hospice Homecare	1,200	-
Action on Elder Abuse	1,000	-
The Universal Beneficent Society	1,000	-
East Chelsea Community Contact	1,000	-
Oakley Rural Day Care Centre	1,000	-
Institute of Gerontology, King's College, London	-	78,352
Louis-Jean Besson	-	10,000
Adaptive Environment Centre	-	5,651
Sundry Small Grants	-	7,764

Grants made from restricted income	22,650	101,767
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	2,084,306	1,074,807
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All grants expended in the year related to grants made to institutions.

The Helen Hamlyn Trust

8 Governance costs

	Year ended 31 March 2006	Year ended 31 March 2005 (restated)
	£	£
Staff costs	6,325	5,787
Travel	2,000	2,000
Audit fees	7,050	125
Legal fees	7,285	1,775
Accountancy fees	6,630	5,406
	29,290	15,093

Travel costs and postal costs amounting to £nil (2005: £232) were incurred in respect of the restricted funds.

9 Employee information

The average monthly number of persons employed by the charitable company during the year was 3 (2005: 4). These persons provide support services to charitable activities and in respect of governance (see notes 5 and 8 for the split of costs).

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Staff costs		
Wages and salaries	88,000	83,756
Social security costs	9,936	8,649
Pension contributions	-	1,997
	97,936	94,402

No employee (2005: nil) received emoluments in excess of £60,000 during the year.

No Trustee received any remuneration from the Trust during the period.

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10 Financing costs

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Interest payable and similar charges		
Bank charges	907	819
	907	819

11 Net incoming resources

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Net incoming resources is stated after charging:		
Depreciation on owned tangible fixed assets	4,241	3,256
Loss on exchange	8,052	-
Auditors' remuneration for:		
Audit services	7,050	125

No indemnity insurance for Trustees' liability has been purchased by the Trust.

12 Profit on disposal of investment assets

	Year ended 31 March 2006	Year ended 31 March 2005
	£	£
Sales proceeds	1,955,798	1,569,283
Historical cost	(1,902,366)	(1,517,061)
Profit on historical cost	53,432	52,222
Unrealised loss/(profit) previously recognised	29,750	(2,242)
Realised profit on disposal of investment assets	83,182	49,980

13 Taxation

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Trust is not registered for VAT and accordingly, all of its expenditure is recorded inclusive of any VAT incurred.

The Helen Hamlyn Trust

14 Tangible fixed assets

	Other equipment £	Computer equipment £	Total £
Cost			
At 1 April 2005	8,017	8,103	16,120
Additions	4,743	2,450	7,193
At 31 March 2006	12,760	10,553	23,313
Depreciation			
At 1 April 2005	3,342	3,009	6,351
Charge for the year	2,355	1,886	4,241
At 31 March 2006	5,697	4,895	10,592
Net book value			
At 31 March 2006	7,063	5,658	12,721
Net book value			
At 31 March 2005	4,675	5,094	9,769

15 Fixed asset investments

	Listed Investments £	
Valuation		
At 1 April 2005	1,271,541	
Gift	406,398	
Additions	2,702,824	
Disposals at opening market value	(1,872,614)	
Net revaluation gains	114,126	
Net book value		
At 31 March 2006	2,622,275	
Net book value		
At 31 March 2005	1,271,541	
	2006	2005
	£	£
Historical cost	2,508,150	1,301,291

All investments are held in the UK and are primarily to provide an investment return for the charity.

The Helen Hamlyn Trust

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 March 2006 are as follows:

	2006	2005
	£	£
Fledgling Charity Bond Fund	1,242,659	-
M&G Securities Charifund	1,379,616	-
50,000 Ordinary shares of 12.5p each in Reed International plc	-	274,250

16 Debtors

	2006	2005
	£	£
Amounts falling due within one year		
Inter-fund debtor	3,845	174,705
Prepayments	620	7,654
Accrued income	110,450	242,348
	114,915	424,707

17 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	81,279	-
Trade creditors	6,527	-
Inter-fund creditor	3,845	174,705
Grants payable	901,693	560,476
Tax and social security	3,858	-
Accruals	32,319	22,140
	1,029,521	757,321

The bank overdraft is due solely to timing differences at the year end.

18 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Grants payable	1,565,910	872,451
	1,565,910	872,451

The Helen Hamlyn Trust

19 Funds

	Balance at 31 March 2005	Incoming Resources	Resources expended	Transfers between funds	Investment Profits	Balance at 31 March 2006
	£	£	£	£	£	£
Capital fund						
No.1 expendable endowment	1,329,066	406,398	-	-	(2,451)	1,733,013
No.2 expendable endowment	1,214,440	-	-	14,031	145,359	1,373,830
Income funds						
Unrestricted funds						
General reserve	1,037,375	1,851,566	(2,327,811)	-	54,400	615,530
Restricted funds						
The Helen Hamlyn 1989 Foundation reserve	-	49,415	(27,778)	(14,031)	-	7,606
Total funds	3,580,881	2,307,379	(2,355,589)	-	197,308	3,729,979

The Trust has two expendable endowment funds:-

The No.1 expendable endowment fund of £1,733,013 represents donations from Lady Hamlyn to the Trust made in the years ended from 31 March 2004 to 31 March 2006. Income from this fund is available for grants in accordance with the objects of the Trust. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries.

The No.2 expendable endowment fund of £1,373,830 represents the original donation and subsequent donations by the Helen Hamlyn 1989 Foundation, the Trust predecessor, together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund. The income derived from the investments held in this fund is restricted to the furtherance of the objects of the Helen Hamlyn 1989 Foundation.

20 Transactions with Trustees

The rental value of the space occupied by the Helen Hamlyn Trust at 129 Old Church Street, London SW3 6EB has been independently valued on an open market basis at £13,220p.a. (2005: £7,000 p.a.) which is due to Lady Hamlyn.

Travel costs and other expenses incurred by trustees in the year totaling £7,808 were reimbursed (2005: £10,345).

21 Related party transactions

Lucy O'Rorke (director of projects and research), the daughter of one of the directors, was paid a salary of £15,044 during the year (2005: £18,000). This amount was consistent with the role for which she was employed.

Farrer & Co, of which Anthony Edwards (director) is a partner, was paid £14,560 (2005: £8,335) in legal fees during the year. All transactions were conducted on an arm's length basis.

22 Capital

The Trust is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 March 2006 is £7 (2005: £7).