

The Helen Hamlyn Trust

Annual report and financial statements for the year ended 31 March 2008

Registered Number: 4115082
Registered Charity Number: 1084839

The Helen Hamlyn Trust

Annual report for the year ended 31 March 2008

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Reference and administrative information

Trustees and Directors

Lady Hamlyn
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Dr Shobita Punja
Brendan Cahill
Margaret O'Rorke
Anthony Edwards
Dr Deborah Swallow

Secretary and Trust Administrator

Andrew Gray

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Investment Managers

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The Helen Hamlyn Trust

Report of the Directors for the year ended 31 March 2008

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 2008.

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.

Grant applications and new projects to be funded are 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.

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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 by Lady Hamlyn 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. Recommendations for projects are brought forward to the Trustees 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 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:

- support 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
- support examples of good practice in the humanitarian sector
- provide practical support to enable the elderly to maintain their independence for as long as possible.

The principal objective for the year was to further develop the Trust's flagship education project, Open Future, while continuing to initiate new medium to long term projects in accordance with the Trust's strategy for grant making. Additionally, the Trust continued to support small charities in accordance with grant making policies.

Examples of how the objectives for the year were achieved are summarised as follows:

- The Open Future Project - growIt, cookIt, filmIt, askIt - is an initiative which was launched by the Trust in 2005. Working in partnership with the Royal Horticultural Society's Flourish Campaign, the Royal Society of Arts Focus on Food Campaign and SAPERE (Society for the Advancement of Philosophical Enquiry and Reflection in Education) an internationally recognised charity promoting "Philosophy for Children" (P4C), the programme has been developed for 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. filmIt is an internet video system which teaches children how to document and share their ongoing project work and has been specially developed for the Trust as part of the initiative. Open Future is working with a number of pilot schools to initiate, develop and embed this skills-based learning programme as part of the schools' curriculum. The programme has been expanded during the year to include a further eleven schools in the South of England bringing the total number of schools

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participating to thirty-one. Additionally, the Trust has been approached by Wakefield Local Authority to work in partnership with them to trial the first Open Future local authority initiative. Thirty four schools in Wakefield have indicated that they wish to participate in the project with effect from the next academic year and an agreement to this effect is expected to be signed shortly. The project is being evaluated by Newcastle University to determine the success of the initiative and its future direction.

- Imperial College of Science, Technology and Medicine for the Hamlyn Centre for Robotic Surgery. On the back of the rapid developments being made in robotic surgery it has been agreed by the Trust to establish a National Centre for surgical robotics at Imperial College as a world-class facility and a national focus for research in the subject. The work of the Centre will cover the fundamental technologies involved in medical robotics and will also run a core research programme consisting of three streams each with several projects. The Centre will be under the direction of Professor Lord Darzi of Denham and Professor Guang-Zhong Guang. The £5.0m grant from the Trust together with a matching donation to be made by Lady Hamlyn from her estate will contribute to the funding required to pump-prime the first ten years of the core research programme. The initial commitment by the Trust is £2.0m payable over two years with the balance of £3.0m being paid over the following three years subject to satisfactory reports regarding the fulfilment of the approved purposes. This grant is funded from the No.1 Expendable Endowment Fund and a transfer was made to reflect this. See note 18.
- Mehrangarh Museum Trust for the restoration and re-use of the Ahhichatragarh Fort, Nagaur Rajasthan, India. This is a sequel to an earlier grant of US\$250,000 from the Trust and was designed to complete the renovation the Havelies within the Ranvas, the restoration of the fountains and water systems and to meet part of the cost of the initial phase of the restoration of the wallpaintings in the Sheesh Mahal. The completion of these works was recently celebrated with the staging of a SUFI Festival the funding of which was covered in part from the proceeds of the earlier grant from the Trust.
- The Centre for International Humanitarian Affairs. The Centre was founded in 1992 to promote healing and peace in countries shattered by war, regional conflicts and ethnic violence through education, symposia, publication and consulting for field projects, addressed to professionalising the role off humanitarian aid workers. The grant from the Trust was to meet the cost of the implementation of a five-day residential humanitarian negotiating training course in Istanbul, Turkey with delegates from both Israel and the Palestine territories engaging in an exchange of views in a neutral country. The training course was scenario based and the participants drew lessons from a number of conflicts and disasters. The Trustees have recently agreed to provide another grant to cover part of the cost of a further two courses over the next two years.
- Motivation Charitable Trust works in partnership with a range of organisations to implement projects which enhance the lives of people with mobility disabilities. The Charity works in low-income countries and to date their programmes have focused on Central America, East and Central Europe, South-East Asia, East and Southern Africa and the Indian Sub-Continent. Following on from two earlier grants the Trust's current grant is to fund the development of the WM4-SX and WM4X wheelchairs in order to expand their range of Worldmade wheelchairs in accordance with their strategy to offer a comprehensive range of products. The aim is to be able to launch both chairs in 2008.
- The British Museum to fund additions and amendments to the Hamlyn Family Trail leaflets created by means of an earlier grant from the Trust. These activity trails provide families with routes through the potentially bewildering scale of the collections and help them to appreciate their diversity and significance. Aimed at two age groups (under six and six to eleven years) the trails are divided into two categories: those linked to aspects of the National Curriculum and those which emphasise the cross-cultural nature of the collections and the ways in which cultures around the world can be encountered in one place. Two new trails will focus on the cross-cultural themes of clothes and music and dance.
- The Institute for Public Policy and Research is the UK's leading progressive think-tank, an independent voice for progressive social change and a catalyst for thinking on public policy. The grant from the Trust is to fund a study of youth offending and re-offending looking at trends and

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practice around youth behaviour since the 1980s with a view to taking stock of progress. The Institute will then address certain problem areas with a view to influencing the direction of youth offending policy for the next decade. The areas to be examined include the risk factors behind young offending and how to divert young people away from re-offending; identifying the reasons for re-offending including the impact of youth justice reforms and trends and finally research into attitudes to criminal justice with a view to establishing the most effective political strategy for progressive youth offending reform. The grant from the Trust represents a continuation of a number of initiatives being undertaken as part its Education and Welfare programme

- Sadler's Wells and Lilian Baylis Theatres, to meet the cost of professional fees relative to the second phase of a programme of work to upgrade the appearance of the foyer areas within Sadler's Wells Theatre, London. A previous grant funded the professional fees for the first phase.
- Small grants totalling £109,821 were extended to thirty two small charities engaged in a range of activities.

Achievements and Performance

The level of grant making increased significantly during the year under review with the new grant for the Hamlyn Centre for Robotic Surgery at Imperial College, London accounting for the major part of the growth.

A significant part of the Trust's work during the year was focussed on the further development of the Trust's flagship Open Future Project with the expansion of the pilot programme to include a further eleven schools in the South of England making thirty-one schools overall. Additionally an agreement is to be signed for a further thirty-four schools in Wakefield to participate in the project from the start of the next academic year.

Work continues on a number of new projects which are expected to commence in the financial year 2008/09.

Financial Review

Income generation

The Trust was awarded a grant of £2,027,955 (2007: £1,794,962) by The Paul Hamlyn Foundation in respect of the year to 31 March 2008. In addition, Lady Hamlyn transferred shares with a total value of £1,935,343 (2007: £677,925) 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.

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 third parties is low, as there are no significant debtors.

Liquidity risk

The charity has no 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

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manager under an investment agreement.

Following the review of the portfolio referred to in last year's report to take account of changing market conditions, the bond and equity holdings in Common Investment Funds which made up the portfolio were disposed of. Adopting a total return strategy, the proceeds were then used to invest in corporate bonds, hedge funds and multi-asset funds with performance being measured against a new benchmark of LIBOR plus 3%. By the end of June 2007 the reorganisation of the portfolios had substantially been completed and the total amount invested was £2.7m (£2.7m as at 31 March 2007). In the third quarter the decision was taken to dispose of part of the portfolio with the proceeds of £1.4m being retained in cash to fund a new grant-funded project currently under discussion. The remaining investment portfolio of £1.3m generated a total return of 5.5 % for the nine-month period to 31 March 2008 (annualised gain of 7.3%) which underperformed the benchmark of LIBOR + 3%, which averaged 9% for the period. However, the total return compared well with the performance of the equity market with the FT All Share Total Return Index having declined by 11.5% during the same period.

A significant portion of the Trust's assets continues to be held in cash deposits, outside of the investment portfolio, in part to meet grant commitments within the next year but also to mitigate the capital risk arising from the investment portfolio. As at 31 March 2008 cash held by the Trust totalled £7.5m (2007: £3.8m).

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

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-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 £2,341,872 represents donations from Lady Hamlyn to the Trust made in the years ended from 31 March 2004 to 31 March 2008. 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 £1,424,229 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.

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Plans for the Future

A key focus will be on the further development of the Open Future educational programme over the next two years.

Additionally, the Trustees have a number of 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 2008 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.

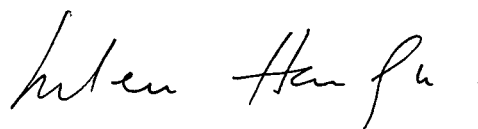
Statement on disclosure of information to auditors

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

Lady Hamlyn
Director



2 July 2008

The Helen Hamlyn Trust

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 2008 which comprise the statement of financial activities, incorporating 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 2008 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.

Haysmacintyre

Haysmacintyre
Chartered Accountants and Registered Auditors
London

2 July 2008

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Statement of financial activities for the year ended 31 March 2008

	Notes	Year ended 31 March 2008				Year ended 31 March 2007	
		Unrestricted fund £	Restricted fund £	No. 1 Expendable endowment fund £	No. 2 Expendable endowment fund £	Total £	Total £
Incoming resources from generated funds							
Voluntary income	2	2,027,955	-	1,935,343	-	3,963,298	2,479,887
Investment income	3	328,265	69,858	-	-	398,123	288,888
Total incoming resources		2,356,220	69,858	1,935,343	-	4,361,421	2,768,775
Resources expended							
Costs of generating funds:							
Investment income	4	2,596	1,387	-	-	3,983	7,820
Charitable activities	5	3,431,147	49,505	-	-	3,480,652	1,521,206
Governance costs	7	30,953	-	-	-	30,953	22,920
Total resources expended		3,464,696	50,892	-	-	3,515,588	1,551,946
Net (outgoing)/incoming resources before transfers		(1,108,476)	18,966	1,935,343	-	845,833	1,216,829
Transfers between funds		2,000,000	-	(2,000,000)	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses	10	891,524	18,966	(64,657)	-	845,833	1,216,829
Gains on revaluation of fixed assets for charity's own use		1,556	-	-	-	1,556	69,663
Gains/losses on investment assets		(2,458)	-	(607)	13,946	10,881	(3,802)
Net movement in funds		890,622	18,966	(65,264)	13,946	858,270	1,282,690
Fund balances brought forward at 31 March 2007		1,186,879	8,371	2,407,136	1,410,283	5,012,669	3,729,979
Fund balances carried forward at 31 March 2008	18	2,077,501	27,337	2,341,872	1,424,229	5,870,939	5,012,669

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.

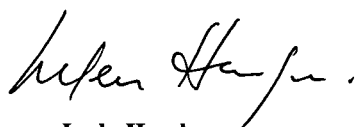
The structure of the Trust's funds is described in note 18 to the financial statements. The Trust's reserve policy is discussed in the Directors' Report.

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Balance Sheet as at 31 March 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible fixed assets	12	38,210	27,090
Fixed asset investments	13	1,301,435	2,691,938
		1,339,645	2,719,028
Current assets			
Stock	14	9,810	12,263
Debtors: amounts falling due within one year	15	833,750	811,184
Cash at bank and in hand		7,515,450	3,890,399
		8,359,010	4,713,846
Creditors: amounts falling due within one year	16	(2,210,468)	(1,388,126)
Net current assets		6,148,542	3,325,720
Total assets less current liabilities		7,488,187	6,044,748
Creditors: amounts falling due after more than one year	17	(1,617,248)	(1,032,079)
Net assets		5,870,939	5,012,669
Capital fund			
No.1 Expendable endowment fund	18	2,341,872	2,407,136
No.2 Expendable endowment fund	18	1,424,229	1,410,283
Income funds			
Unrestricted funds	18	2,077,501	1,186,879
Restricted fund	18	27,337	8,371
Total funds		5,870,939	5,012,669

The notes on pages 11 to 22 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 2 July 2008 and were signed on their behalf by



Lady Hamlyn
Director



Anthony Edwards
Director

The Helen Hamlyn Trust

Notes to the financial statements for the year ended 31 March 2008

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.

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 2008 or 31 March 2007.

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 over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	25% straight line basis
Other equipment	25% reducing balance basis

Fixed asset investments

Listed investments are stated at their market value at the year end. The realised and unrealised net gains

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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 is allocated to the unrestricted fund. Income arising on investments held in the No.2 expendable endowment fund is 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 £2,341,872 represents donations from Lady Hamlyn to the Trust made in the years ended from 31 March 2004 to 31 March 2008. 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 £1,424,229 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.

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 2008	Year ended 31 March 2007
	£	£
Donations from individuals	1,935,343	684,925
from other charitable bodies	2,027,955	1,794,962
	3,963,298	2,479,887

3 Investment income

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Dividends	96,617	122,473
Bank interest	301,506	166,415
	398,123	288,888

4 Cost of generating funds

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Investment Management Fees	3,983	7,820
	3,983	7,820

5 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 objectives.

	Grant funded activity	Support costs	Total
	£	£	£
Medical	2,071,959	116,853	2,188,812
The Arts and Culture	69,068	12,799	81,867
Education and Welfare	760,502	229,999	990,501
Heritage and Conservation in India	119,366	20,745	140,111
International Humanitarian Affairs	24,844	5,013	29,857
Healthy Ageing	38,414	11,090	49,504
	3,084,153	396,499	3,480,652

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The split of support costs is shown in the table below:

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Staff costs	127,446	101,762
Depreciation	17,035	9,029
Bank charges	2,204	1,375
Travel	26,940	17,770
Legal fees	15,257	7,368
Office rental	13,220	13,220
Consultancy fees	141,835	112,424
Office expenses	16,688	14,435
Exchange (gain)/loss	5,018	(6,743)
Sundry	30,856	14,644
	396,499	285,284

Basis of allocation: Salaries, consultancy fees and exchange rate gains and losses 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%).

6 Analysis of Grants

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Grants to Institutions:		
<u>Medical</u>		
Imperial College, London (The Hamlyn Centre for Robotic Surgery)	2,000,000	-
The Motivation Charitable Trust (development of wheelchairs)	69,530	37,649
Medecins de Monde UK (Operation Sourire)	1,000	-
Imperial College, London (The Paul Hamlyn Chair of Surgery)	-	(24,731)
Design & Manufacture for Disability (DEMAND)	-	4,872
The Sequel Trust	-	2,600
The University College London Hospitals Charitable Foundation	-	1,000
IT Lloyds (Malawi against AIDS)	-	1,000
Art in Healthcare	-	1,000
Sundry Small Grants	1,429	-
<u>The Arts and Culture</u>		
Sadler's Wells Theatre (re-design of the Theatre's foyers)	32,548	42,759
Jaipur Literature Festival	13,143	-
Wales Millennium Centre ("Breakin' the Bay" urban festival)	10,000	-
Festival International de Piano de la Roque d'Antheron	6,365	-

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Andrei Korobeinikov (Festival International de Piano de la Roque d'Antheron)	4,102	-
Chickenshed Theatre Trust	1,000	-
The British Museum (Voices of Bengal Exhibition)	-	27,500
Lakeside Arts Centre, The University of Nottingham (Festival of Firsts)	-	16,592
The Liverpool and Merseyside Theatre Trust	-	10,000
Crying Out Loud	-	10,000
Theatre Absolute	-	4,300
Music Alive	-	2,500
Sundry Small Grants	500	-
<u>Education and Welfare</u>		
The Design Dimension Educational Trust (Open Future Initiative)	237,602	174,100
The Royal Horticultural Society (Open Future Initiative)	158,745	150,141
The Society for the Advancement of Philosophical Enquiry and Reflection in Education (SAPERE) (Open Future Initiative)	150,029	39,157
Newcastle University (Open Future Initiative)	55,490	-
Institute for Public Policy and Research (study of youth offending)	45,000	-
British Museum (The Hamlyn Family Trails)	40,500	-
Mosquito Productions (Vignelli documentary film)	33,094	-
filmIt (Open Future Initiative)	13,266	24,319
The Thames Festival Trust ("Feast on the Bridge" healthy living project)	10,000	-
Groundwork Leicester & Leicestershire Ltd (environmental art workshops)	6,598	-
The Friends of Hermitage ("Young Friends" course)	5,000	-
The Sacred Heart of Jesus High School , Anjuna, Goa , India	3,907	3,676
Museum Houses of Goa, India	1,271	-
The University of York (The Hamlyn - Feilden Fellowship)	-	128,245
TwoFour Communications Limited (Open Future Initiative)	-	23,500
Headscape Limited (Open Future Initiative)	-	19,823
UCanDoIT	-	10,000
Fareshare	-	6,050
Praxis Community Projects	-	2,000
The Duke of Edinburgh's Award	-	1,000
Young Musicians Symphony Orchestra (YMSO)	-	1,000
Sundry Small Grants	-	950
<u>International Humanitarian Affairs</u>		
The Centre for International Health and Cooperation (negotiation training)	24,844	-
<u>Heritage and Conservation in India</u>		
Mehrangarh Museum Trust (Restoration and re-use of Ahhichatragarh Fort, Nagaur)	91,275	-
INTACH (12 th International Conference of National Trusts)	10,000	-

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INTACH (Restoration and re-use of Reis Magos Fort, Goa)	9,337	392,471
Prince Art Exporter (Purchase of "Wood House" for museum)	8,754	-
Jaisalmer Heritage Trust (Restoration and re-use of Annapurna Bhandar, Jaisalmer Trust)	-	69,445
INTACH (Festival of India, Bozar Place of Fine Arts, Brussels)	-	5,000
Grants to Individuals:		
The Arts & Culture	1,410	-
Grants made from unrestricted income	3,045,739	1,187,918

Healthy Ageing

Grants to Institutions:

The Bedford Guild House	5,000	-
Mobility Trust	5,000	-
Chelsea Theatre	4,800	-
The Council for Music in Hospitals	4,770	-
Dressability	3,000	3,000
Neighbourly Care Southall	2,000	-
SIGN/National Society for Mental Health and Deafness	2,000	-
Integrated Neurological Services	2,000	-
Willow Burn Hospice	2,000	-
The British School of Osteopathy	2,000	-
The Walsall Disability Information and Advice Line	1,500	-
The Universal Beneficial Society	1,000	-
Watford Palace Theatre	-	10,000
Bath Institute of Medical Engineering	-	9,447
InterAct Reading Service	-	7,500
Foundations Independent Living Trust	-	5,000
Aidis Trust	-	2,500
Black and Asian Disability Group	-	2,000
Teesdale Disability Access Forum	-	2,000
Oxfordshire Artweeks Education Charity	-	1,797
Community Relief Project	-	1,600
Positive Lifestyle	-	1,500
Integrated Neurological Services	-	1,000
Sundry Small Grants	1,000	660
Grants to Individuals:		
Healthy Ageing	2,344	-
Grants made from restricted income	38,414	48,004
	3,084,153	1,235,922

The Helen Hamlyn Trust

7 Governance costs

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Staff costs	8,950	7,422
Travel	8,869	3,439
Audit fees	4,935	5,346
Legal fees	2,249	1,290
Accountancy fees	5,950	5,423
	30,953	22,920

8 Employee information

The average monthly number of persons employed by the charitable company during the year was 2 (2007: 2). These persons provide support services to charitable activities and in respect of governance (see notes 5 and 7 for the split of costs).

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Staff costs		
Wages and salaries	122,926	98,529
Social security costs	13,470	10,655
	136,396	109,184

The number of employees whose salary and benefits in kind fell within the following scales is as follows:

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
£70,001 - £80,000	1	-

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

9 Financing costs

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Interest payable and similar charges		
Bank charges	2,204	1,189
	2,204	1,189

The Helen Hamlyn Trust

10 Net incoming resources

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Net incoming resources is stated after charging:		
Depreciation on owned tangible fixed assets	17,035	9,029
(Profit)/loss on exchange	5,018	(6,743)
Auditors' remuneration for:		
Audit services	4,935	4,700

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

11 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.

12 Tangible fixed assets

	Other Equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2007	17,209	29,503	46,712
Additions	19,233	9,633	28,866
Disposals	-	(2,996)	(2,996)
At 31 March 2008	36,442	36,140	72,582
Depreciation			
At 1 April 2007	8,575	11,047	19,622
Charge for the year	6,967	10,068	17,035
Depreciation on disposals	-	(2,285)	(2,285)
At 31 March 2008	15,542	18,830	34,372
Net book value			
At 31 March 2008	20,900	17,310	38,210
Net book value			
At 31 March 2007	8,634	18,456	27,090

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13 Fixed asset investments

	Listed Investments £
Valuation	
At 1 April 2007	2,691,938
Additions	2,712,792
Gift	1,935,343
Disposals	(6,040,194)
Net revaluation gains	1,556
Net book value	
At 31 March 2008	1,301,435
Net book value	
At 31 March 2007	2,691,938

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Historical cost	1,299,879	2,508,150

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

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 March 2008 are as follows:

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Cazenove ABS RET Charities	467,701	-
Kleinwort Benson Elite Tot Ret Fd Cls A Inc	409,159	-
Citigroup Inc FR SNR EMTN 3/09	142,546	-
GE Capital UK Fund FRN MTN GTD 06/10	142,754	-
Wells Fargo & Co FR MTN 02/11	139,275	-
Fledgling Charity Bond Fund	-	1,186,284
M&G Securities Charifund	-	1,505,654

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14 Stock

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Stocks – stationary	9,810	12,263
	9,810	12,263

15 Debtors

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Amounts falling due within one year		
Inter-fund debtor	22,963	12,720
Other debtors	-	156
Prepayments	2,248	554
Accrued income	808,539	797,754
	833,750	811,184

16 Creditors: amounts falling due within one year

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Bank loans and overdrafts	30,651	70,400
Trade creditors	47,672	20,608
Inter-fund creditor	22,963	12,720
Grants payable	1,999,912	1,232,503
Other creditors	54,925	2,512
Accruals	54,345	49,383
	2,210,468	1,388,126

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

17 Creditors: amounts falling due after more than one year

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Grants payable	1,617,248	1,032,079
	1,617,248	1,032,079

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18 Funds

	Balance at 31 March 2007	Incoming Resources	Resources expended	Transfers between funds	Investment Profits/(losses)	Balance at 31 March 2008
	£	£	£	£	£	£
Capital fund						
No.1 expendable endowment	2,407,136	1,935,343	-	(2,000,000)	(607)	2,341,872
No.2 expendable endowment	1,410,283	-	-	-	13,946	1,424,229
Income funds						
Unrestricted funds						
General reserve	1,186,879	2,356,220	(3,464,696)	2,000,000	(902)	2,077,501
Restricted funds						
The Helen Hamlyn 1989 Foundation reserve	8,371	69,858	(50,892)	-	-	27,337
Total funds	5,012,669	4,361,421	(3,515,588)	-	12,437	5,870,939

Funds Analysis

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Fixed assets	38,210	-	-	38,210
Investments	1,301,435	-	-	1,301,435
Current assets	4,484,184	53,800	3,821,026	8,359,010
Liabilities	(3,746,328)	(26,463)	(54,925)	(3,827,716)
Total Funds	2,077,501	27,337	3,766,101	5,870,939

The Trust has two expendable endowment funds:-

The No.1 expendable endowment fund of £2,341,872 represents donations from Lady Hamlyn to the Trust made in the years ended from 31 March 2004 to 31 March 2008. 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 £1,424,229 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.

19 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 £13,220 p.a. (2007: £13,220 p.a.) which is due to Lady Hamlyn.

Travel costs and other expenses incurred by Trustees in the year totaling £29,703 were reimbursed (2007: £15,709).

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20 Related party transactions

Lucy O'Rorke (Director of Projects and Research), the daughter of one of the Directors, was paid a salary of £35,184 during the year (2007: £22,440). This amount was consistent with the role for which she was employed.

Farrer & Co, of which Anthony Edwards (Director) is a Partner, was paid £17,506 (2007: £8,628) in legal fees during the year. All transactions were conducted on an arm's length basis.

21 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 2008 is £7 (2006: £7).