

file

216291

Registered Charity Number 216291

30/11/11

THE RAYNE FOUNDATION

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2011**

CHARITY COMMISSION
FIRST CONTACT
31 JUL 2012
RECEIVED
DP

**THE RAYNE FOUNDATION
CONTENTS
FOR THE YEAR ENDED 30 NOVEMBER 2011**

CONTENTS	PAGES
Charity information	1
Trustees' report	2 – 5
Independent auditors' report	6 – 7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 – 19

**THE RAYNE FOUNDATION
CHARITY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2011**

TRUSTEES

Lady Jane Rayne	Patron
The Hon Robert A Rayne	Chairman
Lord Moser	
Professor Dame Margaret Turner Warwick	
The Hon Natasha Rayne	
The Hon Nicholas Rayne	
Professor Sir Anthony Newman Taylor	
Lady Browne-Wilkinson	
Sir Emyr Jones Parry	

DIRECTOR

Tim Joss

REGISTERED OFFICE

100 George Street
London
W1U 8NU

BANKERS

Barclays Bank Plc
240 Whitechapel Road
London
E1 1BS

SOLICITORS

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 6LH

**STATUTORY
AUDITOR**

Crowe Clark Whitehill LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

INVESTMENT ADVISORS

Jupiter Asset Management Limited
1 Grosvenor Place
London
SW1X 7JJ

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

THE RAYNE FOUNDATION TRUSTEES' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2011

The Rayne Foundation (referred to as Foundation throughout this report) is an unincorporated association and registered as a charity with the Charity Commission under registration number 216291.

The trustees present their report and financial statements for the year ended 30 November 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is an unincorporated association and registered charity. It is governed by its Deed of Settlement of 1962.

The selection and appointment of Trustees is carried out using criteria which include expertise in relevant areas and networks. An induction programme for new Trustees is in place. Trustees regularly receive updates on the external environment including statutory matters and changes in charity regulations.

Trustees' responsibilities include the setting of policy and strategy and deciding on grants above £5,000. They are advised on finance, investments and risk mitigation by the Joint Finance & Investment Committee. Grants up to £5,000 are decided by the Chairman with the Director and Grants Manager. Operational matters are managed by the Director and his team.

An annual risk mitigation plan is produced. Trustees have analysed risks under six headings: Governance, People, Finance, Operations, Legal compliance and Environment/external factors.

OBJECTIVES AND ACTIVITIES

The Foundation's mandate, as determined by the Trustees, is to understand and engage with the needs of UK society. It does this in two ways; it provides financial support in response to applications, and, in particular instances, it takes practical steps to help address neglected national problems.

The Foundation's mission is bridge building in society. Its sectors of interest are broad: the arts, education, health and medicine, social welfare and development. At any one time it will have a small number of Areas of Special Interest. Here it aims to develop a depth of knowledge and may be willing to do more than simply respond to applications – for example, co-commission research, initiate targeted programmes and create new organisations.

To realise its mission the Foundation works towards four main outcomes:

- 'Enlarging sympathies' – increasing tolerance and understanding between communities and people of different backgrounds.
- Reduced exclusion – helping to bring people in from the margins of society.
- Reduced conflict in society – helping to heal divisions in society.
- New productive relationships – bringing unconnected people and organisations together to benefit society.

The Foundation's work is measured, as is that of its partnerships and grants, by the degree to which each contributes to the four bridge building outcomes. It aims to support innovative, high quality projects, and is particularly interested in those tackling problems which are of direct benefit to vulnerable and disadvantaged people or communities. It normally prefers projects and schemes which have potential for wider than just local application, those which are likely to encourage funding from or involvement of other organisations, and/or those which are hard to fund.

PUBLIC BENEFIT

The Trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Foundation provides public benefit through the making of grants to registered charities and other not-for-profit organisations with charitable objects and undertaking initiatives which contribute to the needs of UK society. Each year, it makes a careful judgment between investing in immediate calls on its funds and safeguarding the Foundation's endowment to meet future needs and challenges.

**THE RAYNE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2011**

ACHIEVEMENTS AND PERFORMANCE

The following strategic steps were planned for 2010/11:

- Further progress towards the creation of National Numeracy.
- Delivery of the wider impact programme for Rayne Fellowships for Choreographers.
- A review of Areas of Special Interest.
- Completion of a review of the Foundation's application process and upgrading of grant-making software.
- A review of the aims used to select suitable organisations and projects for funding.

Progress on these objectives is reported first, followed up progress reports on other matters.

1. Further progress towards the creation of National Numeracy

In April 2010, New Philanthropy Capital published 'Count Me In', a research report on improving numeracy in England and a guide for charities and funders. The Foundation had led on the co-commissioning of this report, working with the Clothworkers' Foundation, John Lyon's Charity, KPMG and MAN Group Charitable Trust. The report was well received by foundations, charities working in numeracy and the media. It identified as the greatest need a national campaigning voice and coordinating body focused on improving the numeracy of children and adults. During the remainder of 2010 the Foundation worked alongside leaders in the numeracy field and co-funders of 'Count Me In' to test the need for a new organisation further. A strong case of need was demonstrated and work began on building it. Extensive consultation led to the following vision: 'Everyone in England has the confidence and competence to use numbers and think mathematically, thereby allowing them to participate to their full potential in our society and our economy'. Four principal objectives were identified: to challenge prevailing negative attitudes towards numeracy; to identify and scale up effective approaches to improving numeracy; to research new approaches; and to lobby for action by government and others. By the end of 2011, charity registration was achieved. Funding for the first three years had been secured from Nationwide Building Society (£750,000) and John Lyon's Charity (£155,000). The Rayne Foundation had earmarked £150,000 for practical projects. Chris Humphries CBE was recruited as Chair; until 2011 he was Chief Executive of the UK Commission for Employment and Skills. Mike Ellicock was appointed Chief Executive; Mike is former Managing Director of numeracy company, Numicon, which was sold to Oxford University Press in 2010.

2. Delivery of the wider impact programme for Rayne Fellowships for Choreographers

Rayne Fellowships for Choreographers were devised to address choreographers' tendency to be too inward looking and not sufficiently engaged with audiences and the world outside dance. They have been co-funded by Arts Council England and managed by Dance UK. Six of the nine Fellows gathered in September 2011 to contribute to the evaluation process, share experiences and make a presentation to artistic directors and leaders of vocational dance schools and choreographic courses – including the Royal Ballet's Artistic Director and the Principal of the London Contemporary Dance School. Short videos of the Fellows talking about the transformative effect of their Fellowships can be seen at <http://www.danceuk.org/about-us/rayne-fellowships-choreographers/>.

3. Review of Areas of Special Interest

At the start of the year, the Foundation had three Areas of Special Interest: 'improved quality of life for older people'; 'improved numeracy'; and 'learning outcomes through the work of artists and arts organisations'. Trustees decided to draw the last of these to a close and to investigate, as a possible legacy, a toolkit for arts organisations to measure their cultural, social and economic impact. The arts sector responded warmly to the idea of a toolkit and the Department for Culture, Media and Sport expressed interest in creating it. Regarding new Areas of Special Interest, it was agreed to adopt 'arts in deprived communities' - an area which public policy has neglected. It was also agreed that special efforts should be made to adopt new Areas of Special Interest in health and medicine.

**THE RAYNE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2011**

4. Review of the Foundation's application process and upgrading of grant-making software

The application process continued to be reviewed. The grant-making software was upgraded and has led to improved effectiveness and efficiency. There are two main grant-making software packages available to UK Foundations: 'Benefactor' and 'Gifts'. The Foundation's research led to it pursuing a different option: customising a generic Customer Relationship Management package. This success has led to invitations to lead seminars for other foundations.

5. Review of the aims used to select suitable organisations and projects for funding

This review continued throughout the year.

6. Rayne Fellowships for Refugees

Rayne Fellowships for Refugees are a partnership with the Diana, Princess of Wales Memorial Fund. They aim to help refugees cross into the mainstream of UK society and to achieve more positive public attitudes to refugees. Each Fellow proposes a 'Big Idea' which they are helped to realise. Praxis was appointed as the management organisation in February 2009. A further three Fellows were appointed, bringing the total to 15. These three are all under 25 and come from Ethiopia, Democratic Republic of Congo and Iraq. Their respective 'Big Ideas' are creation of a social enterprise based around healthy eating and a Ethio-Eritrean community café; a think tank focused on young refugees; an 'Unaccompanied Asylum Seeking Children'; and a photography programme for young people aged 10 to 14 designed to prevent anti-social behaviour, develop new skills and offer a pathway into photography as a career.

7. £1 million fund for additional grants and pro-active projects

The Trustees decided to deploy £1 million of unrestricted funds, to be used in 2010/11 and 2011/12. This would be available for additional grants and pro-active projects and, in particular, for transition funding to help previously supported organisations through the recession.

8. Preparing for the future

The following strategic steps are planned for 2011/12:

- Completion of the Foundation's role as catalyst for National Numeracy.
- Completion of the wider impact programme for Rayne Fellowships for Choreographers – including production of a final evaluation report and publication of a new edition of Dance UK's handbook for choreographers, 'Look before you leap'.
- Facilitation of a toolkit for arts organisations to measure their value.
- Completion of the review of the application process.
- Completion of the review of the aims used to select suitable organisations and projects for funding.

FINANCIAL REVIEW

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Settlement, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Investment performance and policy against objectives

The Foundation aims to maximise the total investment return and to achieve sufficient cash income to maintain the level of social investments. In the light of the current financial uncertainty, the Trustees review spending guidelines and actual expenditure on a regular basis.

The Foundation had income for the year of £1,540,001. Grants expenditure in the year amounted to £1,393,477. The value of the investment portfolio rose in the year from £59,502,055 to £63,371,538.

The Rayne Foundation produced a total return of 2.5% for the 12 months to 30 November 2011. This compares with a FTSE 100 total return of 3.2%, FTSE All Share total return of 2.6% and ARC Sterling Balanced Index of -0.5%.

**THE RAYNE FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2011**

Reserves policy

Reserves are held in order to ensure that outstanding commitments can be met and that, if necessary, levels of spending can be adjusted in a measured way. At the year end, unrestricted funds stood at £5,392,717 (2010 - £5,669,856), restricted funds at £1,252,510 (2010 - £1,265,084) and endowed funds at £55,754,454 (2010 - £51,650,538).

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the year and of its financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable UK Accounting Standards and the Charities SORP, disclosing and explaining any departures in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal controls

The Trustees confirm that internal control procedures are in place to provide reasonable, but not absolute, assurance against material misstatement or loss. This includes a comprehensive system of annual budgets, approved by the Trustees, and quarterly financial reporting of actual against budget and other key performance indicators.

Risk management

The risk assessment schedules were reviewed by the Joint Finance and Investment Committee, and minor appropriate adjustments made. Processes and procedures will continue to be reviewed, and changes made where appropriate to ensure that risks to which the charity is posed are mitigated as far as possible.

Relationships with connected parties

The Trust has no relationships with connected parties with the exception of those transactions disclosed in note 14.

Signed on behalf of the board on 3 July 2012 by:


**The Hon Robert A Rayne
Chairman, The Rayne Foundation**

**THE RAYNE FOUNDATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2011**

We have audited the financial statements of The Rayne Foundation for the year ended 30 November 2011 set out on pages 8 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 November 2011 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**THE RAYNE FOUNDATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2011**


Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Crowe Clark Whitehill LLP



Date: 17 July 2012

**THE RAYNE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 NOVEMBER 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2011 Total Funds £	2010 Total Funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	43,754	70,000	-	113,754	34,883
Investment income	3	<u>1,390,595</u>	<u>35,652</u>	-	<u>1,426,247</u>	<u>1,327,992</u>
Total incoming resources		<u>1,434,349</u>	<u>105,652</u>	-	<u>1,540,001</u>	<u>1,362,875</u>
RESOURCES EXPENDED						
Costs of generating funds						
Investment management costs	4	78,291	-	-	78,291	71,617
Charitable activities						
Arts	4	431,989	-	-	431,989	295,257
Education	4	359,220	29,929	-	389,149	158,077
Health and Medicine	4	85,719	70,000	-	155,719	205,614
Social Welfare and Development	4	741,427	-	-	741,427	654,277
Governance	4	<u>22,394</u>	-	-	<u>22,394</u>	<u>19,784</u>
Total resources expended		<u>1,719,040</u>	<u>99,929</u>	-	<u>1,818,969</u>	<u>1,404,626</u>
Net (outgoing) / incoming resources before transfers		(284,691)	5,723	-	(278,968)	(41,751)
Transfers between funds		<u>78,291</u>	-	<u>(78,291)</u>	-	-
Net (outgoing) / incoming resources before other recognised gains and losses		(206,400)	5,723	(78,291)	(278,968)	(41,751)
Realised and unrealised (losses)/gains on investments		<u>(70,739)</u>	<u>(18,297)</u>	<u>4,182,207</u>	<u>4,093,171</u>	<u>5,847,968</u>
Net movement in funds		(277,139)	(12,574)	4,103,916	3,814,203	5,806,217
Balance brought forward at 1 December 2010		<u>5,669,856</u>	<u>1,265,084</u>	<u>51,650,538</u>	<u>58,585,478</u>	<u>52,779,261</u>
Balance carried forward at 30 November 2011	17	<u>5,392,717</u>	<u>1,252,510</u>	<u>55,754,454</u>	<u>62,399,681</u>	<u>58,585,478</u>

The charity has no recognised gains and losses other than those included in the Statement of Financial Activities.

All amounts relate to continuing operations.

The notes on pages 10 to 19 form part of these financial statements

**THE RAYNE FOUNDATION
BALANCE SHEET
AS AT 30 NOVEMBER 2011**

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	9	<u>59,468,315</u>	<u>53,241,484</u>
CURRENT ASSETS			
Debtors	10	236,610	208,136
Investments	9	3,903,223	6,260,571
Cash at bank and in hand		<u>164,856</u>	<u>311,592</u>
		4,304,689	6,780,299
CREDITORS: Amounts falling due within one year	11	<u>(1,129,548)</u>	<u>(1,161,530)</u>
NET CURRENT ASSETS		<u>3,175,141</u>	<u>5,618,769</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		62,643,456	58,860,253
CREDITORS: Amounts falling due after more than one year	12	<u>(243,775)</u>	<u>(274,775)</u>
NET ASSETS		<u>62,399,681</u>	<u>58,585,478</u>
FUNDS			
Unrestricted	16	5,392,717	5,669,856
Restricted	15	1,252,510	1,265,084
Endowed	13	<u>55,754,454</u>	<u>51,650,538</u>
	17	<u>62,399,681</u>	<u>58,585,478</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 3 July 2012 and signed on its behalf by:


The Hon Robert A Rayne (Chairman)
Trustee


Lady Jane Rayne (Patron)
Trustee

The notes on pages 10 to 19 form part of these financial statements

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2011**

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) in accordance with applicable Accounting Standards in the United Kingdom, the accounting regulations issued under the Charities Act 2011 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, with the exception of investments which are included at market value.

(b) Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 from including a Cash Flow Statement in the financial statements on the grounds that the charity is small.

(c) Incoming resources

Donations, legacies and other forms of voluntary income that provide core funding, or are of general nature, are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from investments is included in the Statement of Financial Activities only if received, or declared and receivable. Realised and unrealised gains or losses arising from the sale or revaluation of investments are dealt with in the Statement of Financial Activities.

Donations in kind for office space are included at an estimate of market value.

(d) Resources expended

Expenditure is recognised when a liability is incurred. Social investments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Charitable activities include expenditure associated with social investments payable and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(e) Investments

Quoted investments are stated in the Balance Sheet at their market value as at the year end date.

Works of art are valued periodically for insurance purposes, and this value is incorporated in the Balance Sheet. Realised and unrealised gains and losses are shown in the Statement of Financial Activities and reflected in the relevant fund.

Included in current asset investments are short term cash deposits.

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

1. ACCOUNTING POLICIES (Continued)

(f) Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation.

(g) Expendable endowment fund

The expendable endowment fund is maintained to generate sustainable income for the unrestricted funds.

(h) Restricted funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

(i) Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects or administration of the charity.

(j) Taxation

The Rayne Foundation is a registered charity, and as such is entitled to taxation exemptions on all its income and gains, properly applied for its charitable purposes.

(k) Pension costs

The charity operates a defined contribution scheme on behalf of its employees. Contributions are charged in the Statement of Financial Activities as incurred. No further liabilities accrue under this scheme.

2. VOLUNTARY INCOME

	2011 £	2010 £
Donation in kind for office space	43,739	34,883
Donation for National Numeracy	70,000	-
Other donations	<u>15</u>	<u>-</u>
	<u>113,754</u>	<u>34,883</u>

3. INVESTMENT INCOME

	2011 £	2010 £
Income from listed investments	1,352,841	1,252,210
Income from unlisted investments	16,003	16,294
Interest receivable	<u>57,403</u>	<u>59,488</u>
	<u>1,426,247</u>	<u>1,327,992</u>

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

4. TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	Grant funding £	2011 Total £	2010 Total £
Cost of generating funds					
Investment management costs	-	<u>78,291</u>	-	<u>78,291</u>	<u>71,617</u>
Charitable activities					
<u>Arts</u>					
Grant funding of activities	-	-	358,269	358,269	235,180
Support costs	<u>50,856</u>	<u>22,864</u>	-	<u>73,720</u>	<u>60,077</u>
Total	<u>50,856</u>	<u>22,864</u>	<u>354,269</u>	<u>431,989</u>	<u>295,257</u>
<u>Education</u>					
Grant funding of activities	-	-	285,500	285,500	98,000
National Numeracy costs	-	29,929	-	29,929	-
Support costs	<u>50,856</u>	<u>22,864</u>	-	<u>73,720</u>	<u>60,077</u>
Total	<u>50,856</u>	<u>52,793</u>	<u>285,500</u>	<u>389,149</u>	<u>158,077</u>
<u>Health and Medicine</u>					
Grant funding of activities	-	-	82,000	82,000	145,538
Support costs	<u>50,855</u>	<u>22,864</u>	-	<u>73,719</u>	<u>60,076</u>
Total	<u>50,855</u>	<u>22,864</u>	<u>82,000</u>	<u>155,719</u>	<u>205,614</u>
<u>Social Welfare and Development</u>					
Grant funding of activities	-	-	667,708	667,708	594,201
Support costs	<u>50,855</u>	<u>22,864</u>	-	<u>73,719</u>	<u>60,076</u>
Total	<u>50,855</u>	<u>22,864</u>	<u>667,708</u>	<u>741,427</u>	<u>654,277</u>
	<u>203,422</u>	<u>121,385</u>	<u>1,393,477</u>	<u>1,718,284</u>	<u>1,313,225</u>
Governance costs	-	<u>22,394</u>	-	<u>22,394</u>	<u>19,784</u>
	<u>203,422</u>	<u>222,070</u>	<u>1,393,477</u>	<u>1,818,969</u>	<u>1,404,626</u>

The total management, administration expenses and support costs attributable to social investment-funded activity are apportioned equally across the four grant-making activities.

5. SUPPORT COSTS

	2011 £	2010 £
Administrative expenses	109,743	70,480
Staff costs	<u>271,229</u>	<u>249,929</u>
Total gross support costs	380,972	320,409
Less costs recoverable from The Rayne Trust	<u>(86,094)</u>	<u>(80,103)</u>
	<u>294,878</u>	<u>240,306</u>

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

6. GOVERNANCE COSTS

	2011 £	2010 £
Gross governance costs	26,684	19,923
Less costs recoverable from The Rayne Trust	<u>(4,290)</u>	<u>(139)</u>
	<u>22,394</u>	<u>19,784</u>

7. ANALYSIS OF STAFF COSTS

	2011 £	2010 £
Wages and salaries	219,579	201,857
Social security costs	25,182	22,487
Pension contributions	<u>26,468</u>	<u>25,585</u>
Total gross staff costs	271,229	249,929
Less costs recoverable from The Rayne Trust	<u>(67,807)</u>	<u>(62,483)</u>
	<u>203,422</u>	<u>187,446</u>

The average number of full-time equivalent employees analysed by function was:

	2011 No.	2010 No.
Direct charitable:		
Administration	3	3
Management	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

The number of employees earning in excess of £60,000 per annum are detailed below:

	2011 No.	2010 No.
£90,000 to £100,000	-	1
£100,000 to £110,000	<u>1</u>	<u>-</u>

Defined contribution pension costs payable with regard to the above totalled £11,850 (2010: £11,450).

The Trustees received no remuneration in either the current or previous year.

Travelling expenses of £659 (2010 - £522) were reimbursed to 4 trustees (2010 - 2) during the year.

8. NET OUTGOING RESOURCES FOR THE FINANCIAL YEAR

Net outgoing resources of £278,968 are stated after charging:

	2011 £	2010 £
Auditor's remuneration	7,050	7,475
Auditor's remuneration non-audit	<u>14,685</u>	<u>9,928</u>

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

9. FIXED ASSET INVESTMENTS

	Quoted Investments £	Works of Art £	Total £
Market value at 1 December 2010	51,954,984	1,286,500	53,241,484
Additions	5,191,200	-	5,191,200
Disposals	(3,198,626)	-	(3,198,626)
Unrealised gains in the year	<u>4,234,257</u>	<u>-</u>	<u>4,234,257</u>
Market value at 30 November 2011	<u>58,181,815</u>	<u>1,286,500</u>	<u>59,468,315</u>
Historical costs:			
At 30 November 2011	<u>18,434,459</u>	<u>376,611</u>	<u>18,811,070</u>
At 30 November 2010	<u>14,745,260</u>	<u>376,611</u>	<u>15,121,871</u>

Works of art are valued for insurance purposes on a rolling basis at least every 5 years. In 2007 valuations were provided by Christie's and Sotheby's for pictures and by Partridge Fine Art for furniture. These valuations have been used by the Trustees as a proxy for market value. Some of the items are on loan for display by public or charitable organisations.

The market value of investments held outside the UK was £5,620,220 (2010 - £4,678,133).

The following investments comprise more than 5% of the portfolio:

Investment	Market Value £	%
Derwent London plc	33,290,986	56
LMS Capital plc	<u>8,408,866</u>	<u>14</u>

At the year end cash held by the investment managers totalled £3,903,223 (2010 - £6,260,571).

10. DEBTORS

	2011 £	2010 £
Other debtors	206,827	120,080
Accrued income	<u>29,783</u>	<u>88,056</u>
	<u>236,610</u>	<u>208,136</u>

11. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Grants payable	1,105,089	1,153,699
Social security and other taxes	6,696	-
Other creditors	-	356
Accruals	<u>17,763</u>	<u>7,475</u>
	<u>1,129,548</u>	<u>1,161,530</u>

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

12. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Grants payable	<u>243,775</u>	<u>274,775</u>

Reconciliation of grants payable:

	2011 £	2010 £
Commitments at 1 December 2010	1,438,474	1,532,957
Commitments made in the year	1,472,477	1,113,419
Commitments withdrawn	(79,000)	(30,500)
Grants paid during the year	<u>(1,483,087)</u>	<u>(1,177,402)</u>
Commitments at 30 November 2011	<u>1,348,864</u>	<u>1,438,474</u>

13. ENDOWMENT FUNDS

The movement during the year on the endowment fund was as follows:

	<i>Balance at 1 December 2010 £</i>	Investment Gains £	Transfer Between Funds £	Balance at 30 November 2011 £
Expendable endowments				
Endowment fund	<u>51,650,538</u>	<u>4,182,207</u>	<u>(78,291)</u>	<u>55,754,454</u>

The transfer between funds represents costs incurred in managing the investments of the expendable endowment.

14. RELATED PARTY TRANSACTIONS

Lady Rayne and the The Hon R A Rayne also serve as Trustees of The Rayne Trust (TRT), a company limited by guarantee and a registered charity. Included in other debtors is £52,306 due from TRT (2010: £80,242). For the year under review, The Rayne Foundation (TRF) recharged expenses to TRT totalling £52,306 (2010: £80,242). In addition during the year £10,000 (2010: £nil) was paid to TRT towards the Samaritans grant.

During the year £10,000 (2010: £nil) was awarded as a grant to The Chicken Shed Theatre Trust of which Lady Rayne is a Patron, and The Hon Natasha Rayne is a Trustee.

Lady Rayne, a Trustee of The Rayne Foundation (TRF), holds 10.08% (2010: 10.08%) of shares in LMS Capital plc and 3.43% (2010: 3.44%) of shares in Derwent London plc.

The Hon R A Rayne, a Trustee of The Rayne Foundation (TRF), holds 3.01% (2010: 3.04%) of shares in LMS Capital plc and 4.16% (2010: 4.29%) of shares in Derwent London plc.

The Rayne Foundation holds 5.46% (2010: 5.46%) of shares in LMS Capital plc and 1.99% (2010: 2.06%) of shares in Derwent London plc, thus making this a related party disclosure.

During the year, The Rayne Foundation paid £208,668 on behalf of The Rayne Concert Party for advisory fees in relation to the potential sale of shares. Included in other debtors is £31,300 due from members of The Rayne Concert Party (2010: £nil).

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

15. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising of the following unexpended balances of donations and grants held on trust for specific purposes:

	<i>Balance at 1 December 2010</i>	Incoming Resources	Resources Expended	Investment Gains and Transfers	Balance at 30 November 2011
	£	£	£	£	£
Rayne Fellowships for Choreographers	1,959	-	-	-	1,959
Gerry Nash Fund	1,263,125	35,647	(70,000)	(18,297)	1,210,475
National Numeracy	-	<u>70,005</u>	<u>(29,929)</u>	-	<u>40,076</u>
	<u>1,265,084</u>	<u>105,652</u>	<u>(99,929)</u>	<u>(18,297)</u>	<u>1,252,510</u>

Rayne Fellowships for Choreographers represents funds which have remained unspent. These funds will be allocated to expenditure relating to the qualifying Arts grants awarded.

The Gerry Nash Fund (previously known as the Peggy Nash Legacy) has been restricted for medical research.

The Foundation received monies for National Numeracy while the new organisation was being developed. These monies consisted of £50,000 from Nationwide Building Society and £20,000 from four other foundations, plus interest. Resources expended related to National Numeracy's start-up costs.

16. UNRESTRICTED FUNDS

The movement during the year on the unrestricted fund was as follows:

	<i>Balance at 1 December 2010</i>	Incoming resources	Resources expended	Investment Gains and Transfers	Balance at 30 November 2011
	£	£	£	£	£
Unrestricted fund	<u>5,669,856</u>	<u>1,434,349</u>	<u>(1,719,040)</u>	<u>7,552</u>	<u>5,392,717</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Asset Investments	Net current Assets	Long term Liabilities	Total
	£	£	£	£
Unrestricted Funds	2,981,699	2,654,793	(243,775)	5,392,717
Restricted Funds	1,181,061	71,449	-	1,252,510
Endowed Funds	<u>55,305,555</u>	<u>448,899</u>	-	<u>55,754,454</u>
Total Funds	<u>59,468,315</u>	<u>3,175,141</u>	<u>(243,775)</u>	<u>62,399,681</u>

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

18. GRANTS PAYABLE TO ORGANISATIONS

Grants £10,000 and over payable in the year.

NAME OF ORGANISATION	PURPOSE OF GRANT	£
Area of special interest: ACHIEVING ARTS & LEARNING OUTCOMES		
Activate Performing Arts	Inside Out Dorset - Associate Programme	15,000
Almeida Theatre	Almeida Projects Development	30,000
Camden Arts Centre	Experiments for Change	15,000
Coventry Arts	Getting Involved: a programme of activities targeted at young people, their families and their communities	20,000
Drake Music Scotland	Figurenotes - I can make music!	14,000
English Pocket Opera Company	Ring Round the World	10,000
Manchester Camerata Limited	Music in Mind	10,000
Music in Detention	Building Relationships: detainees and communities	15,000
Royal Exchange Theatre	Community Leader Programme	15,000
Sadler's Wells Trust Ltd	Compass Community Programme: 2012 Project	10,000
Scottish Opera	Voices of Glasgow	21,000
Other Grants <£10,000		1,800
Grants withdrawn		<u>(5,000)</u>
		<u>171,800</u>
Area of special interest: IMPROVED NUMERACY SKILLS		
Campaign for Learning	Animate Learning	10,000
National Numeracy	Practical Projects	150,000
Quaker Social Action	Roll-Out of Made of Money	15,000
Tower Hamlets Education Business Partnership	Number Partners	10,000
University of Bristol	Tackling underachievement through creativity in the primary mathematics curriculum	20,000
Grants withdrawn		<u>(24,000)</u>
		<u>181,000</u>
Area of special interest: IMPROVED QUALITY OF LIFE FOR OLDER PEOPLE		
Alzheimer's Society	Carers Programme	30,000
Care & Repair England	Just About Managing?	90,000
Counsel and Care	Transition Funding	20,000
Enable Scotland	Older Carers Project	10,389
Family Rights Group	Self-Advocacy for Grandparent Carers	12,000
Grandparents Plus	Core Costs: towards direct services	15,000
Living Paintings Trust	Living Paintings Picture Groups for Older and Partially Sighted People	15,000
Mental Health Foundation	Dementia and Self-Help Care	20,000
Sensory Trust	Creative Spaces	15,000
Spare Tyre Theatre	Once Upon A Time	15,000
Stroke Association	Life After Stroke Centre	25,000
Suffolk Artlink	Creative Carers	13,813
Triangle Arts Trust	Even Better Together	13,500
Other Grants <£10,000		<u>29,100</u>
		<u>323,802</u>

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

NAME OF ORGANISATION	PURPOSE OF GRANT	£
Other ARTS grants		
Chicken Shed Theatre Trust	Donation in memory of Mr Walter Millsom	10,000
Donmar Warehouse	Dryden Street: the building behind the scenes	50,000
Hampstead Theatre	Hampstead Downstairs	100,000
Making Music	Vocality	20,000
Other Grants <£10,000		<u>6,469</u>
		<u>186,469</u>
Other EDUCATION grants		
Debatemate	Core programme in schools	15,000
Frobisher Primary School	'Pack for the Journey' - It's Not Always Happy at My House DVD	12,000
Gemin-i.org	Transition Funding	12,500
I Can	A Chance To Talk	15,000
Institute for Philanthropy	Youth & Philanthropy Initiative	30,000
Citizen Foundation	Local Leaders	15,000
Other Grants <£10,000	Core Programme in Schools	<u>5,000</u>
		<u>104,500</u>
Other HEALTH & MEDICINE grants		
Auditory Verbal UK	London Satellite Clinic	30,000
Brandon Centre	Multisystemic Therapy Contingency Management for Persistent Young Substance Misusers	15,000
Naz Project London	Transition funding	10,000
Spinal Injuries Association	Telephone Counselling Service	15,000
Target Ovarian Cancer	'Getting Back on Target'	15,000
Other Grants <£10,000		7,000
Grants withdrawn		<u>(10,000)</u>
		<u>82,000</u>
Other SOCIAL WELFARE & DEVELOPMENT grants		
Investment Property Forum Educational Trust	PhD Studentship: Dimotrios Papastamos at the University of Reading	15,000
Family Action	Transition Funding	25,000
Hope City Enterprise	Men's Safe House in Liverpool	20,000
HTV Circles	Mentoring scheme	20,000
Kingswood Trust	Community involvement programme	12,000
New Horizon Youth Centre	Creating Positive Futures	15,000
One Voice Europe	Bridging the Gap between divided UK communities	20,000
Papworth Trust	Peer Mentoring Service: Volunteer Co-ordinator	15,926
Rayne Trust	Match-funding The Rayne Trust' s grant to The Samaritans	10,000
Sound it Out Community Music Ltd	Community Cohesion Officer salary	10,000
St Ethelburga's Centre for Reconciliation and Peace	Resources for Reconciliation	45,000

**THE RAYNE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 NOVEMBER 2011**

NAME OF ORGANISATION	PURPOSE OF GRANT	£
Other SOCIAL WELFARE & DEVELOPMENT grants (continued)		
St Joseph's Specialist School and College	Springvale: Moving On	10,000
Startup	Startupnow for Women	13,500
Time for Families	Connecting children in prison with their parents	18,000
West London Synagogue of British Jews	Social worker	20,000
West London Synagogue of British Jews	Interfaith programme	45,000
Young Foundation	UpRising leadership programme	15,000
Youth Action, Northern Ireland	REACH Project	30,000
Other Grants <£10,000		24,480
Grants withdrawn		<u>(40,000)</u>
		<u>343,906</u>
		<u>1,393,477</u>