

John Ellerman Foundation

**Annual Report and Financial Accounts
1 April 2012 – 31 March 2013**

Registered Charity Number 263207

www.ellerman.org.uk

Chairman's Introduction

This year marks the fortieth anniversary of the death of the philanthropist who, along with his father, the founder of the Ellerman shipping empire, was responsible for the generous endowment of our Foundation in 1971. It was not, however, until 1992, with the merger of two existing trust funds, that the Foundation became known as the John Ellerman Foundation. From the beginning Trustees have pursued a responsive grantmaking policy, funding mainly UK-registered charities in the spirit of their benefactor, reflecting his broad interests in the arts, natural history and the environment, and health, disability and social welfare. Over the years the Foundation has also funded work overseas and, particularly, in South Africa where John and Esther Ellerman spent much of their time and forged strong philanthropic links with local charities.

In April 2012 we held an Away Day in the Waterman's Hall in the City, an appropriate setting, we felt, in view of our shipping antecedence. What was discussed that day became the catalyst for a timely review of our Foundation's strategy. At the end of a year-long process, to which Trustees and staff alike contributed time, energy and enthusiasm, a few significant changes have been made. Our core values remain the same, and have indeed been reinforced, but our five historical funding categories have now become three: Arts and Environment remain, each with 25% of the budget, and a newly formed Welfare category sees the merger of Health and Disability and Social Welfare, with 50% of the budget. Our international partnership in sub-Saharan Africa with the Baring Foundation is on hold for a second year running. Inevitably, these changes entail a slight sharpening of focus but Trustees expect that there is the potential to make a greater difference to charities whose aims and values resonate with our own. We will continue to respond to excellence, and to provide core funding to those able to show a sound grasp of governance and an ambitious approach to tackling the needs of their beneficiaries – qualities now more than ever in demand as spending cuts bite.

Alongside the strategic review, a parallel initiative has been to refresh our website. The new look was launched in June of this year. We hope that our applicants and grant-holders will find it easy to navigate and use; it will also contain our new guidelines under which charities can apply for funding.

In the course of the year our investment portfolio increased to its highest ever value, £119m at 31 March 2013, due to an exceptionally strong performance in the equity markets. At the same time, changes are being considered about the way our investment portfolio is managed. With the enlisted help of independent advisors, the Finance Committee is conducting a review, with particular emphasis on how best to discharge its fiduciary responsibilities in relation to what has become a highly diversified portfolio.

Following discussions with fund managers and advisers, the target investment return has been reduced from RPI+5% to RPI+4%. In April 2013 the Board agreed a drop in the spend policy from 5% to 4.5%. This decision reflects the Trustees' objective of balancing the wish to maintain grantmaking capacity with that of operating in the longer term. One further change has been made in the way we account for grants. Instead of accounting for grants in the year the payments are made we have moved to providing for the whole amount of the grant in the year in which it is approved – and therefore committed. This change can be seen in the 2012/13 accounts that follow.

This last year we said goodbye to two of our Trustees. Sue MacGregor retired in July 2012 after ten years of invaluable contribution to the Board. She brought with her not only a deep love and knowledge of the arts (her contacts in the field were legion) but also a shrewd and dead-steady judgement, honed by years of public service broadcasting. She has been a wise and good friend to us all. Peter Mimiriss also stood down in 2012 after three years' service as a Trustee. A lawyer with very considerable experience of the charity sector, Peter applied his beady eye and questioning intellect particularly to the Finance and Risk and Audit Committees on which he served. We thank them both and wish them well for the future.

A handwritten signature in black ink that reads "Sarah Riddell". The script is cursive and elegant, with the first letter 'S' being particularly large and stylized.

Sarah Riddell
Chairman

Trustees' Report

The Foundation

The John Ellerman Foundation was created from a combination of the wealth and generosity of a father and son. The former, the first John Ellerman (1862-1933), had built up from scratch an empire of shipping and other businesses in the early part of the 20th century. His son, also called John, inherited his father's baronetcy and considerable fortune at the age of 23. Although in charge of the family firm, his real interests lay elsewhere. Like his father a publicity-shy man, the second Sir John was a distinguished zoologist and became a world expert in the study of rodents. In 1971, two years before his death, he donated the funds from the Ellerman Lines business that formed the original Foundation.

The current Foundation is governed by a Scheme, approved by the Charity Commissioners for England and Wales in March 2002. This brought together the funds originally donated in 1971 with a smaller trust fund set up under the first Sir John's will, and the Trustees were granted incorporation under the Charities Act 1993 as the Trustees of The John Ellerman Foundation. The Scheme provides a wide remit of powers for the Trustees to carry out their duties and responsibilities, anywhere except the American continent south of the USA.

Aim and objectives

Over the last year an in-depth review was conducted of the Foundation's approach to grantmaking. This resulted in Trustees adopting a new aim. While still concerned to be a model grantmaker, our aim is now to advance the wellbeing of people, society and the natural world. We intend to achieve this by:

1. funding charities with a national footprint to make a practical difference in the fields of arts, environment and welfare; and
2. managing our funds in such a way that balances the desire to maintain grantmaking capacity with operating in the longer term.

Each year Trustees and staff agree objectives for governance, administration, investment and grantmaking, and review those for the previous year.

In addition to looking at grants, Trustees decided to investigate a move towards a simpler way of managing the investment portfolio, with less fiduciary responsibility for the Finance Committee.

Achievements and Performance

The most notable development in the past 12 months has been the review of our approach to grantmaking and how this is communicated. It began with the Away Day in April 2012 and will culminate in June 2013 with the launch of our new website and guidelines for applicants.

Consulting grantholders and applicants

In preparation for this review, Trustees wished to find out what a good grantmaker looks like in the eyes of applicants and grantholders, and to compare the Foundation's practices against the best role models in the grantmaking sector.

We surveyed both our grantholders and unsuccessful applicants, and arranged some independently facilitated focus groups. We also commissioned nfpSynergy, a research consultancy, to carry out independent research with fundraisers. Their report 'Taking Nothing for Granted' was launched and discussed at a seminar for grantmakers, and is available on our website.

Some strong and consistent messages came through all three consultations, particularly the importance of communications and relationships and the need for funders to have clear criteria. For the first time core funding was given a monetary value, by asking respondents how much of a restricted grant they would sacrifice in return for an unrestricted one (the answer was around 30%). The report also identified some win/wins in grantmaking practice which would benefit both grantmaker and grantholder.

Strategic review

Trustees used the Away Day to reflect on the increasingly difficult external environment for charities and their beneficiaries, the role of philanthropy and foundations in civil society and to consider the Foundation's most effective possible contribution in its areas of interest.

These discussions formed the basis for considering our generic policies and practices (including whether we should remain a responsive grantmaker, provide core costs and fund only those charities with a national footprint) and our subject categories. We commissioned independent analyses of our grants, which also positioned them in the wider policy context. All Trustees participated in a series of sub-groups which debated the intrinsic and relative merits of all our funding categories and what our future priorities should be. Grantees and other stakeholders contributed to this process through round tables and other discussions.

Trustees concluded that they wanted to remain responsive and flexible and valued the overview that comes from funding in a number of areas. We recognised, however, that greater focus could benefit both applicants and the Foundation by providing clarity and opportunities for learning. After full consideration and debate it was agreed to retain our breadth of interests, but within three categories – Arts, Environment and Welfare - each with a sharper focus. Our website gives more detail about the main changes and the new funding guidelines. The two-stage application process remains in place.

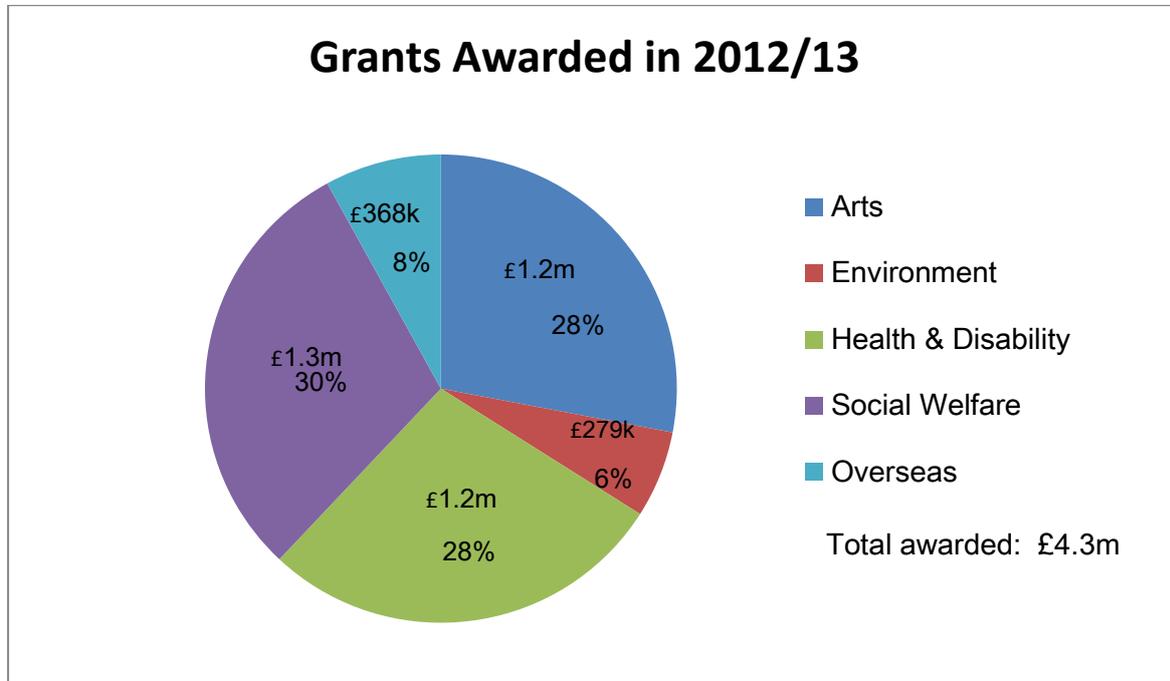
Grants 2012/13

Until this year, Trustees made grants under the five historical categories that reflected Sir John Ellerman's spirit and interests: Arts, Social Welfare, Health and Disability, Conservation and Overseas. This is the last year that we will report on applications received and grants approved under these categories.

Some general themes run through our grants. Trustees like to see practical work that leads to wider benefits, co-operation between charities and good use of volunteers. We also generally prefer to support small and medium-sized charities, and are happy to provide core funding. These criteria continue to be included in our new funding guidelines.

In the year to 31 March 2013:

- we made 71 grants worth £4.3m
- grants were made for a broad cross-section of work of national significance in five categories



- the average size of a grant was £25,000 pa
- 73% of grants were for core funding
- 80% of grants were made to small to medium-sized charities with a turnover between £100,000 and £5m
- most grants were for more than one year:
 - 8 were for one year
 - 34 were for two years
 - 28 were for three years
 - 1 was for four years (overseas grant)

A list of all the grants approved in the last three years is on our website.

Applications and success rates

2012/13 was an unusual year for us as we closed to new applications from 1 January 2013 in order to conduct our review. However, we received a total of 507 initial applications, only slightly fewer than last year. This suggests that demand is growing. There was a significant number of good quality applications from arts organisations.

Of the initial 507 applications, about half matched the guidelines. Most applications declined at the first stage were from organisations working only locally, not across England or the UK.

Of the 245 eligible initial applications received, 40% were invited to second stage.

Of the 95 applications submitted at second stage, 75% received a grant.

Communications

Given the importance attached to communications by the respondents to our survey, Trustees decided to refresh and update the Foundation's website. We commissioned a small brand and design agency to help us with this project. Most of the preparatory work was completed before 31 March 2013.

Public benefit

Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing their objectives and aims, making any relevant decisions and reviewing grantmaking policy.

Financial Review

Investments

The investment strategy agreed by the Trustee Board is that the Foundation should manage its funds in such a way that balances the Foundation's desire to maintain its grantmaking capacity with operating in the longer term. The Reserves Policy is effectively the same as the investment strategy. The Foundation operates a total return approach with the ability to spend capital as well as income.

The Finance Committee has agreed a long-term strategic asset allocation of 70% Equities and Hedge Funds, 15% Inflation-Hedging Assets and 15% Fixed Income, with some margin for each asset class before rebalancing is required. This strategy is implemented through active and passive managers and diversified across asset classes with a spread of geographical areas and industry sectors.

During the financial year there were two main changes to the investments. Concerns about liquidity, yield and fees led to a decision to exit from hedge funds completely. Investments in property were consolidated into the higher yielding fund. This also reduced the number of managers and banks holding the Foundation's funds to thirteen.

As explained below, during the year Trustees decided to account for grants in the year they are committed rather than over the period in which they are paid. Future liabilities therefore appear on the balance sheet rather than in the notes. The accounts to 31 March 2012 have been restated to enable a comparison to be made. Showing future payments on the balance sheet rather than in the notes to the accounts has an impact on the total funds figure; however in reality all payments listed in the notes are made so there is no real difference to the amount that the Foundation is obliged to pay.

The Balance Sheet reflects changes in the asset value, the Foundation's expenditure in 2012/13 and the change in accounting policy for grants. As at 31 March 2013 total funds were £120.4m, the highest ever.

The total return from the investment portfolio was 12.5% over the year. The Finance Committee monitors performance against a number of benchmarks. Performance exceeded the policy benchmark (which relates to the Foundation's asset allocation) of 11.8%. The Finance Committee has also agreed a 'simple' benchmark which reflects the traditional charity portfolio of 70% UK equities and 30% UK government bonds. This is used to establish the benefit of running the diversified investment structure. Over the longer term period of ten years the Foundation's performance has matched this benchmark, at 5.7% per annum.

Socially responsible investment

To recognise the link between the Foundation's investments and grantmaking activities, Trustees exclude investment in tobacco-related companies wherever practically possible.

Social investment

In 2007, the Foundation made a social investment of £250,000 in Charity Bank, in the form of an unsecured 10-year loan. This combines a social and financial return. Charity Bank lends to charities and the funds are recycled to help yet more charities. The Foundation receives income annually and the funds should be repaid at the end of the loan. Trustees understand that the financial return could be lower than other investments over the same period.

Review of management of the portfolio

Over the past 18 months the Finance Committee has been reviewing the performance and management of the investment portfolio. While results have been acceptable, with the Foundation falling in the middle of the ranges of relevant peers of similar endowment funds, there were concerns about the Committee's significant level of fiduciary responsibility and the administrative complexity of the portfolio. In March 2013 the Board agreed to investigate whether a new structure with fewer managers would reduce operational and fiduciary risk while meeting the investment target. This project should be completed during 2013.

Investment target return

During the year it became increasingly clear to the Finance Committee that the target return of RPI+5% was too demanding. The likelihood of subdued economic growth and negative real returns from bonds led the Committee to decide to reduce the target to RPI+4%. This was thought to be challenging but realistic.

Spending policy

The Foundation's spending policy links expenditure to the value of the investment assets, averaged over the previous three calendar years. Since 2003 this has been aligned with the target investment return, at 5%. The decision to reduce the investment target to RPI+4% therefore led the Trustees to reconsider the spend policy.

The Finance Committee looked at various forecasts illustrating the effects of different spending rates. From this Trustees concluded that retaining 5% would have too adverse an effect on the value of the portfolio in the long term and did not take account of the revised investment target of RPI+4%. However using a 4% spend rate would reduce the grant spend by nearly £1m at a difficult time for charities. Trustees therefore agreed a middle way of spending 4.5%, which responds to the reduced investment target while providing some protection for the amount available for future grants.

New accounting policy for grants

During the year Trustees agreed to change the policy on accounting for grants. Multi-year grants are now fully accounted for in the year the grant is approved, rather than over the years during which payments are made. This change reflects the Foundation's experience that only in exceptional circumstances are approved grants subsequently not paid. The new policy will also simplify and therefore improve monitoring and analysis of grants made.

To implement this, the accounts to 31 March 2012 have been restated as a basis for comparison. These accounts and those to 31 March 2013 now show the total grants awarded in each year, and future payments as liabilities on the balance sheet.

Income and expenditure

Total investment income increased from £1.6m the previous year to £2m. Income is received in three different ways: cash distribution, shares received in lieu of income and 'notional' income through sale of shares. During the year the Foundation received a one off distribution from GMO, which largely accounts for the increase in income.

Income at 1.6% of total funds appears low, but increases to 2.2% when the redemption of accumulated income from the Wellington Global Bond Fund and State Street Global Equities Fund is included. Many of the pooled equity funds also retain dividends. The Finance Committee monitors the yield from the investment portfolio as a whole, because any reduction in income results in the need to raise further funds from capital to fund expenditure.

Total expenditure was £5m. This is 12% less than the previous year, largely as a result of the accounts being restated following the change in accounting policy for grants described in the section above.

The restated accounts show that in 2012/13 Trustees awarded £759,000 less on **new** grants than in 2011/12.

The new accounting policy will lead to more consistent annual expenditure on grants.

The Foundation's assets are its investments as it does not fundraise elsewhere, so its direct costs of generating funds of £157,000 relate to the costs of managing its investment portfolio. These are made up of custody and consultancy fees and a proportion of staff and Trustee time. All the Foundation's investments are held in pooled funds from which fees are already deducted. The Finance Committee expects these costs to reduce in the coming year.

Grants made in the year ended 31 March 2013

Grants are included in the Statement of Financial Activities once they have been approved by the Trustees and grantees informed. This is a list of the new grants awarded in 2012/13.

Health and Disability	Total grant awarded during 2012/13
<p>Auditory Verbal Centre Towards the core costs of their therapeutic services for deaf babies and children.</p>	<p>£60,000 over two years</p>
<p>Beating Bowel Cancer Towards the salary of a Head of Patient Services and the costs of a Nurse Advisory Service to provide information and support to patients and family members affected by bowel cancer.</p>	<p>£60,000 over two years</p>
<p>Body & Soul Towards the salary of a Social Worker for people and their families who are affected by HIV.</p>	<p>£90,872 over three years</p>
<p>Bright (Voluntary Sector Communications) Towards the running costs of Star Wards, which aims to improve the quality of care services on secure mental health wards.</p>	<p>£75,000 over three years</p>
<p>Brittle Bone Society Towards core costs, specifically for expanding peer support groups for individuals with fragile bones.</p>	<p>£30,000 over two years</p>
<p>Childhood Eye Cancer Trust Towards the salary of a Family Support Worker for their work with affected families.</p>	<p>£50,409 over three years</p>
<p>Compassion in Dying Towards the costs of an end-of-life rights information line.</p>	<p>£40,000 over two years</p>
<p>Cued Speech Association UK Towards the costs of the 'Achieve, Belong and Communicate in English' project, which enables deaf and hearing-impaired children to acquire the language, communication and literacy skills they need to reach their potential.</p>	<p>£40,000 over two years</p>
<p>Disabled Living Foundation Towards core costs, specifically the website which gives advice about equipment for disabled and elderly people.</p>	<p>£75,000 over three years</p>
<p>Dystonia Society Towards the cost of the Advocacy and Peer Support Service and helpline.</p>	<p>£50,000 over two years</p>

Jennifer Trust	£50,000
Towards the salary of an Information and Support Coordinator for families and individuals affected by all forms of Spinal Muscular Atrophy.	over two years
MDF The Bipolar Organisation	£60,000
Towards core costs, specifically for developing and expanding services for people affected by bipolar.	over three years
OCD Action	£50,000
Towards core costs, specifically to maintain their central services whilst reaching out to older people, BME groups and rural communities.	over two years
People First (Self Advocacy)	£20,000
Towards core costs, specifically the salary of the Director.	over one year
Rethink	£90,000
Towards the running costs of the Advice and Information Service for people affected by mental illness.	over three years
SANE	£50,000
Towards core costs, specifically for their advice and information service for people affected by mental illness.	over two years
Scope	£40,000
Towards the salary of a Head of Information to develop the advice and information services.	over two years
Shared Lives Plus Limited	£132,501
Towards the salary of a Carers' Development Officer to support families.	over three years
Stroke Association	£90,000
Towards salary costs of a Senior Helpline Information Officer to develop the helpline in the new After Stroke Centre.	over three years
YoungMinds	£60,000
Towards the costs of a helpline for parents who are concerned about their children's emotional wellbeing and mental health.	over two years
Social Welfare	Total grant awarded during 2012/13
Advocacy Project	£50,000
Towards core costs, specifically for developing their work in residential care homes and with individuals with learning disabilities.	over two years

AFRUCA	£47,505
Towards core costs, specifically the salary of a Head of Finance and Administration for their child protection work.	over two years
Association of Charitable Foundations	£4,860
Towards the core costs of the Association, the representative body for charitable trusts and foundations.	over one year
Circles of Support and Accountability	£40,000
Towards the salary costs of a Business Development Manager to support regional groups to increase and diversify their income.	over two years
Community Network	£20,000
Towards the core costs of providing telephone conferencing services to the not for profit sector and telephone based friendship groups for housebound elderly and disabled people.	over one year
Cranfield Trust	£100,000
Towards core costs, specifically the salary of an Operations Manager and a Volunteer Co-ordinator to expand their support services for charities.	over three years
Envision	£40,000
Towards core costs (specifically the Chief Executive's salary) supporting their work with disadvantaged young people.	over two years
Family Action	£90,000
Towards core costs, specifically the salary of a Health Development Manager for their work supporting vulnerable families.	over three years
Fostering Network	£120,000
Towards the costs of developing, implementing and disseminating a new social pedagogic approach to foster care.	over three years
Family Rights Group	£90,000
Towards the salary of a Principal Social Worker and a Social Work Officer for their work supporting vulnerable families.	over three years
Gingerbread	£40,000
Towards the core costs of developing support services for single parents.	over two years
Jamie's Farm	£75,000
Towards the salary of a Visit Coordinator to expand their work with disadvantaged young people.	over three years
MyBnk	£40,000
Towards the salary of an Expansion Director and Training and Quality Control Officer to implement and oversee quality control across MyBnk's franchise model.	over two years

National Communities Resource Centre Limited	£75,000
Towards the costs of 'Give Youth a Future', a programme supporting disadvantaged young people and their families.	over three years
National Family Mediation	£99,000
Towards the salary of a Director of Services to expand and develop services in response to changes in family law and mediation.	over three years
Post Adoption Centre	£25,000
Towards the salary of the Chief Executive Officer and the costs of updating their computer systems to support their adoption services.	over one year
Royal Courts of Justice Citizen Advice Bureau	£75,000
Towards developing the Family Legal Centre and the salary of a family solicitor.	over three years
Samaritans	£50,000
Towards the costs of expanding the volunteer base, with a particular focus on encouraging young people to volunteer.	over two years
Street League	£105,000
Towards core costs, specifically the salary of the Head of Quality and Performance for their football based employability programmes working with disadvantaged young people.	over three years
WAVE Trust	£40,000
Towards the core costs of their work tackling the root causes of child abuse and violence.	over two years
WorldWide Volunteering for Young People	£60,000
Towards the salary of a Volunteering Project Manager to enable disadvantaged young people to volunteer.	over two years

Arts & Heritage

**Total grant
awarded
during 2012/13**

Apples and Snakes	£48,000
Towards the costs of their national programme developing artists who create and perform the spoken word.	over two years
British Museum	£150,000
Towards the costs of the national programme working with regional museum partners to reach new audiences by lending objects, touring exhibitions and sharing expertise.	over three years

Candoco Dance Company	£50,000
Towards core costs, specifically the salary of a new Administrator to support the work of this contemporary dance company whose focus is on disabled and non disabled dancers.	over two years
Centre for Innovation in Voluntary Action/Sing London	£36,720
Towards core costs, specifically the salary of the Creative Director for the Talking Statues project.	over two years
Ex Cathedra Ltd	£40,000
Towards the costs of the development of rehearsing and performing three new concert programmes.	over two years
Forward Arts Foundation	£60,000
Towards core costs, specifically the salary of the Executive Director for their work promoting poetry.	over three years
Frantic Theatre Company Ltd	£60,000
Towards core costs to deliver the artistic programme.	over three years
Heart n Soul	£90,000
Towards core costs, specifically the salary of an Administrator to support the creative work with people with learning disabilities.	over three years
Manchester International Festival	£25,000
Towards the salary of the Executive Producer to develop a sustainable touring programme.	over one year
Music Theatre Wales	£40,000
Towards core costs of delivering the theatre touring works.	over two years
National Youth Theatre	£150,000
Towards core costs to develop a new artistic and operational model.	over three years
Orchestra of the Age of Enlightenment	£60,000
Towards the costs of the Night Shift and The Works programmes that focus on developing younger audiences.	over two years
Propeller Theatre Company Ltd	£53,070
Towards core costs, specifically the salary of the Assistant Director responsible for creating a more sustainable and stable operation as their work expands.	over two years
Rambert Dance Company	£50,000
Towards core costs, specifically the salary of the Music Director to support the company's artistic programme.	over two years
Sinfonietta Productions Limited	£50,000
Towards core costs, specifically the salary of the Chief Executive.	over two years

<p>Tate Foundation Towards the salary of a Sculpture Conservator to develop their sculptural programme to regional museums and galleries and oversee work at Tate St Ives.</p>	<p>£60,000 over two years</p>
<p>Unicorn Theatre Towards core costs to support their co-productions with national and international theatre companies.</p>	<p>£90,000 over three years</p>
<p>Young Vic Theatre Company Towards core costs to support their artistic programme.</p>	<p>£50,000 over two years</p>
<p>Conservation</p>	<p>Total grant awarded during 2012/13</p>
<p>Conservation Volunteers - (TCV) Towards the costs of creating Green Hubs to support and train volunteers to look after local green spaces.</p>	<p>£50,000 over two years</p>
<p>Organisation Cetacea Towards core costs, specifically the salary of the ORCA/ARC Coordinator to develop and train the volunteer network to identify whale and dolphin habitats.</p>	<p>£89,694 over three years</p>
<p>Pond Conservation Towards the costs of the salary of a Freshwater Policy Officer to improve the protection of freshwater landscapes, particularly ponds.</p>	<p>£49,000 over two years</p>
<p>Soil Association Towards core costs, specifically the salary of a Farm Business Advisor to support ecological farming practices.</p>	<p>£90,000 over three years</p>

Overseas

**Total grant
awarded
during 2012/13**

Rachel Swart Fund

Towards core costs.

£40,000
over two years

Joint funding in collaboration with the Baring Foundation

Conciliation Resources

Towards supporting emerging women's groups in South Sudan to help with the reintegration of women returnees.

£83,500
over four years

Fauna & Flora International

Towards supporting displaced people, particularly women and former child soldiers, by building the capacity of community based NGOs to deliver community livelihood projects in northern DRC.

£76,380
over three years

International Bar Association's Human Rights Institute

Towards the costs of training lawyers on women's and human rights, so that they can become trainers in remote communities in the Darfur region.

£81,893
over three years

Trust for Africa's Orphans

Towards the extension of a land rights advocacy project for women and children affected by conflict into Kole and Dokolo districts of Northern Uganda

£83,361
over three years

Programme Support

Paid to 4 finalists of the Joint International Development Programme towards the cost of developing proposals and attending the Committee meeting in October 2012.

£2,397

Structure, Governance and Management

Trustees

The Foundation's Trustees are listed at the end of this report. The governing document provides for a maximum of nine and a minimum of three. There are currently seven. Trustees are appointed for five years, followed by the possibility of a further five years. A Trustee who is selected to be Chairman of the Board or the Finance Committee may serve beyond the 10-year term if this is in the best interests of the Foundation. Since the introduction of the Equalities Act 2010 there is no retirement age.

The first Trustees were personally selected by Sir John and Lady Ellerman and had strong links with the Ellerman companies. Over time this has changed and in 2011 the last Trustee with a personal connection to Ellerman Lines retired.

Today, Trustees are recruited according to the skills, knowledge and experience required. Existing Trustees identify where gaps need to be filled, such as those relating to a grant category or profession. A wide network of contacts at other trusts and experts in the particular field is used to find suitable candidates. Potential candidates are interviewed by the Chairman, a panel of Trustees and the Director.

Each new Trustee receives a full induction and a detailed information pack, covering the Foundation's governance, history, grant guidelines, investments and objectives. On-going training and skills development takes a variety of forms, depending on the role and interests of the individual Trustees, and includes attendance at seminars, conferences and other events. There is an annual appraisal by the Chairman.

Trustees are closely involved in the evaluation of applications and grants made. They sift initial applications, visit those organisations invited to submit a second stage application and provide written reports to the Board.

Organisational Structure

The Trustee Board meets six times each year. The Board sets strategy and policy for grantmaking and financial matters, and approves new grants.

Several Trustee Committees support the Foundation's work throughout the year, and report regularly to the Trustee Board:

- The *Finance Committee* is responsible for financial and investment matters. The Committee's role includes developing an appropriate investment strategy, overseeing its implementation, managing overall asset allocation and monitoring investment performance. It also reviews and recommends to the Board the annual budget and spend policy, monitors expenditure and ensures that adequate internal controls and procedures are in place. It meets at least five times a year.
- The *Remuneration Committee* is responsible for reviewing all remuneration and benefits for staff and Trustees. It meets at least once a year.

- The *Risk and Audit Committee* is responsible for reviewing systems of internal control of governance, operational and financial risks. It also reviews the draft annual report and accounts and meets the auditors. It meets at least twice a year.
- The *Nominations Committee* is responsible for the recruitment of Trustees as delegated by the Board. It is not a permanent committee but is convened when a new Trustee is to be appointed.

The day-to-day management of the Foundation's affairs is delegated by the Trustees to the Director and staff team. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, and for briefing Trustees on current trends in the charitable sector and advising on how these may affect policy.

The Foundation's strategy and policies are regularly reviewed at Board meetings and in more depth at Away Days for staff and Trustees. Away Days are held approximately every two years, and provide a forum to reflect on experience and the Foundation's future direction. The last one, on 26 April 2012, was the springboard for a significant review of our grantmaking strategy.

Risk Statement

The Trustees are responsible for the management of the risks faced by the Foundation. These fall into four areas:

- Governance and management
- Operational
- Grantmaking
- Finance.

The Risk and Audit Committee reviews all these areas and identifies the major risks, their likelihood of occurrence, the significance of the risk, mitigating controls which are in place and recommends any additional actions and resources required to reduce and manage those risks.

The Foundation's investment activities are its main financial risk. This risk is managed, with the support of investment advisers, through: regular review of the investment policy; strategic asset allocation; diversification across a range of asset classes, geographies, and investment managers; and performance reporting and monitoring. The Finance Committee keeps the level of its fiduciary responsibility under review and is currently considering changes in the management of the portfolio in response to this issue and the administrative complexity of the portfolio.

Applications for grants are assessed carefully to ensure that the Board understands any risks associated with a particular organisation or programme of work, and appropriate conditions are agreed. Once a grant is approved, monitoring and reporting processes are in place to ensure grants are well managed and evaluated.

All relevant procedures are included in the Foundation Handbook; these are checked and updated annually. An Emergency Disaster Plan and Health & Safety Review accompany the Annual Risk Assessment and are detailed in the Handbook.

Trustees confirm that they are satisfied with the current systems and internal controls.

Conflicts of Interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflict of Interest Policy is in place to ensure that there is no personal gain from the Foundation's work.

All staff and Trustees complete an annual register of interests form. At each Board Meeting, each Trustee completes a declaration of interest form listing all applications to be discussed. Staff and Trustees are also expected to alert those present to any interests, and may be asked to withdraw from the room during the relevant decision-making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests.

A note to the financial accounts lists grants made to any organisation during the year with which a Trustee of the Foundation has a close relationship.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



SARAH RIDDELL
Chairman
18 July 2013



DOMINIC CALDECOTT
Chairman, Finance Committee

Independent Auditors' Report to the Trustees of the John Ellerman Foundation

We have audited the financial statements of the John Ellerman Foundation for the year ended 31 March 2013 which comprise the statement of financial activities, balance sheet and the related notes. 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 Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' 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 Foundation and the Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of responsibilities of the Board of Trustees set out in the Trustees' Report, the Trustees are responsible for the preparation of financial statements which 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 Foundation'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' 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

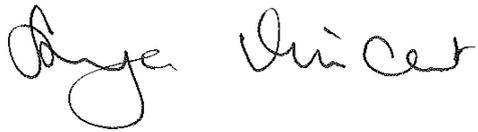
In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2013, 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.

Matters in 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' 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.



19 July 2013

Sayer Vincent, Statutory Auditor, 8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities for the year ended 31 March 2013

	Notes	Unrestricted Income Funds £'000	Unrestricted Capital Funds £'000	Permanent Endowment £'000	Total Funds 2013 £'000	Restated 2012 £'000
Incoming resources						
Incoming resources from generated funds						
Investment income	3	1,951	-	-	1,951	1,573
Total incoming resources		1,951	-	-	1,951	1,573
Resources expended						
Costs of generating funds						
Investment management costs		78	78	1	157	103
Charitable activities						
Grants to charities	5	4,285	-	-	4,285	5,044
Costs in support of grant-making		469	-	-	469	452
Total charitable activities		4,754	-	-	4,754	5,496
Governance costs		44	-	-	44	44
Total resources expended	6,7,8	4,876	78	1	4,955	5,643
Net outgoing resources before transfers		(2,925)	(78)	(1)	(3,004)	(4,070)
Gross transfers between funds		2,925	(2,966)	41	-	-
Net outgoing resources before other recognised gains		-	(3,044)	40	(3,004)	(4,070)
Other recognised gains						
Gains on investment assets	10	-	11,547	-	11,547	1,134
Net movement in funds	15	-	8,503	40	8,543	(2,936)
Reconciliation of funds						
Funds balance bought forward as originally stated		-	114,403	1,235	115,638	117,986
Prior Year Adjustment	4		(3,764)	-	(3,764)	(3,176)
Funds balance bought forward restated		-	110,639	1,235	111,874	114,810
Total funds at 31 March 2013		-	119,142	1,275	120,417	111,874

All the above figures relate to continuing operations. There are no recognised gains or losses other than those disclosed.

Balance Sheet at 31 March 2013

	Notes	2013	Restated 2012
		£'000	£'000
FIXED ASSETS			
Tangible Fixed Assets	9	767	768
Investments	10	118,945	113,607
Social Investment		250	250
Total Fixed Assets		119,962	114,625
CURRENT ASSETS			
Debtors	11	50	50
Cash at bank and in hand		3,962	1,038
Total Current Assets		4,012	1,088
CURRENT LIABILITIES			
Creditors falling due within one year	12	(2,626)	(2,937)
NET CURRENT ASSETS		1,386	(1,849)
TOTAL ASSETS LESS CURRENT LIABILITIES		121,348	112,776
Creditors: amounts falling due after more than one year	13	(931)	(902)
NET ASSETS	16	120,417	111,874
FUNDS	14,15,		
Unrestricted Capital		119,142	110,639
Permanent Endowment		1,275	1,235
TOTAL FUNDS		120,417	111,874

The financial statements were approved by the Trustees on 18 July 2013 and were signed on their behalf by:



SARAH RIDDELL
Chairman



DOMINIC CALDECOTT
Chairman, Finance Committee

Notes to the Financial Accounts for the year ended 31 March 2013

1 Charitable status

The John Ellerman Foundation is a charity registered under the Charities Act 1960, No. 263207; all the income has been agreed as being charitable and therefore no UK taxation is payable.

2 Accounting policies

The financial statements are prepared under the historical cost convention, with the exception that investments are valued at market value, and in accordance with applicable Accounting Standards, the Charities Act (2011) and the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP), issued March 2005. A summary of the more important accounting policies, which have been applied consistently, is set out below:-

- (a) Bank deposit interest has been included on the accruals basis.

Investment income is received in three ways and the appropriate accounting treatment applied for each one. For the pooled investment funds which distribute income in cash, this has been included on the date payable. Where shares are issued in lieu of income, the market value of these shares has been included in income. The remaining funds accumulate income in the fund and this is treated as part of the market value of the investment.

- (b) The accounting policy for the treatment of grants has been changed during the financial year 2012/13. Multi-year grants are now fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Foundation's experience that only in exceptional circumstances are approved grants subsequently not paid. It was decided the revised policy would be more accurate and transparent.
- (c) Expenditure has been accounted for on the accruals basis. Costs of generating funds include investment management, custody, consultancy and a proportion of staff and Trustee costs. The costs are split between the Permanent Endowment and Unrestricted Funds in proportion to the opening fund values. The charge to the Unrestricted Funds is then split equally between the Income and Capital Funds. Employee costs and trustee remuneration have been apportioned between charitable activities and governance costs on the basis of the proportion of time spent by each employee or trustee in contributing to each category. Governance costs include audit fees, legal fees and a proportion of staff and trustee costs associated with trustee meetings, away days and compliance with statutory requirements. The remaining expenses of the foundation have been apportioned on the same basis as employee costs and trustee remuneration. All expenditure is recorded inclusive of irrecoverable VAT.
- (d) Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee. Details are provided in note 8.
- (e) In line with the Scheme, the Foundation's governing document, the Permanent Endowment Fund is increased in line with inflation each year and a transfer is made from the Unrestricted Capital Fund to reflect this. Incoming resources from the Permanent Endowment Fund are unrestricted and expenditure is charged to it when deemed to be attributable.
- (f) At 5 April 2000, the Trustees valued the property of the Foundation's offices at Aria House, held on a 999 year lease from 1990, at £760,000, based on external independent

professional advice. This value has not been updated and will be held as the carrying value in future years, following the transitional provisions of FRS15 – Tangible fixed assets. The residual value of the leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial. Impairment reviews are carried out in accordance with Financial Reporting Standards. All fixed assets are held for the Foundation’s charitable use.

- (g) Furniture, fittings and equipment have been depreciated to write off the cost less the estimated residual value, on a straight line basis over the expected useful economic life. The annual rate used for this purpose is 33% for computer and office equipment and 10% for other assets. A capitalisation limit has been set such that purchases of £250 and over are capitalised and items below this level are treated as an expense in the year of purchase.
- (h) Profit or loss on realisations of investments and freehold properties has been taken to the Unrestricted Capital Funds.
- (i) Investments have been stated at market value in accordance with SORP. Net investment gains and losses are disclosed in note 10.

The Social Investment represents £250,000 fixed-rate subordinated unsecured loan notes with Charity Bank, maturing on 30 July 2017. The loan notes are valued at purchase cost which the Trustees believe is reasonable following regular quarterly reviews of the Bank’s finances.

- (j) Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate. Transactions denominated in foreign currencies are translated at rates prevailing at the transaction date. Exchange differences are taken into account in arriving at the movement of funds for the year.
- (k) The Foundation has adopted a Spending Policy which the Trustees believe to be sustainable in the long term. The Total Return investment policy means that actual income received each year will be supplemented, if necessary, from distributable capital. It follows that the reserves policy is to retain the capital value of the investment portfolio to be able to continue to support charities in the long term.
- (l) In line with the exemption in FRS1 (Cashflow statements), the Foundation has not prepared a cashflow statement due to its size.

3 Investment income

	2013	2012
	£'000	£'000
Investment income from assets in the UK	1,146	1,008
Investment income from assets outside the UK	773	528
Interest on cash deposits	<u>32</u>	<u>37</u>
Total investment income	<u>1,951</u>	<u>1,573</u>

Investment income received during the year relates to investments which are listed on recognised stock exchanges. All investments are held in pooled vehicles and dividend income and interest treated in accordance with the accounting policy 2(a) above.

4 Prior year adjustment

As noted in note 2(b) the accounting policy for the treatment of grants has been changed.

As this amounts to a change in accounting policy this has been disclosed as a prior period adjustment.

Reduction in funds as at 1 April 2011

	£'000
Increase in grant payments	3,176
Reduction in funds as at 1 April 2011	<u>3,176</u>

Increase in expenditure for the year to 31 March 2012

	£'000	
Grant payments in year now accounted for in prior years	(3,176)	
Grant payments awarded in the year not yet paid	3,764	
Increase in expenditure for the year to March 2012	<u>588</u>	
Reduction in funds as at 1 April 2012		<u>3,764</u>

Grants to Charities

	2013	2012
	£'000	£'000
Grants awarded in the year	4,285	5,044
Total Grants to Charities	<u>4,285</u>	<u>5,044</u>

A list of grants awarded during the year ended 31 March 2013 is shown in the Annual Report.

Trustees include in the notes to the Financial Accounts, for transparency reasons, any grant made to an organization with which a Trustee of the Foundation has a conflict of interest. In accordance with JEF policy Trustees withdraw from the room for these decisions.

This financial year 2012/13 three incidences occurred, they were:

- a) Vivien Gould, Trustee of the Stroke Association, awarded £30,000 over 3 years in May 2012.
- b) Sarah Riddell, Sarah's husband, John Riddell, had been a Trustee of the National Communities Resource Centre, awarded £25,000 over 3 years in September 2012.
- c) Hugh Raven, former employee and Trustee of the Soil Association and remaining in contact in an advisory capacity, awarded £30,000 over 3 years in March 2013.

5 Analysis of total resources expended

	Costs of Generating Funds £'000	Charitable Activities £'000	Governance Costs £'000	2013 £'000	Restated 2012 £'000
Investment fees	<u>58</u>	-	-	<u>58</u>	<u>24</u>
Grants to Charities	-	<u>4,285</u>	-	<u>4,285</u>	<u>5,044</u>
Staff costs	72	300	25	397	333
Trustee costs	9	74	4	87	99
Audit fees	-	-	9	9	10
Legal fees	-	2	-	2	30
Depreciation	1	3	-	4	5
General expenses	<u>17</u>	<u>90</u>	<u>6</u>	<u>113</u>	<u>98</u>
	99	469	44	612	575
Total resources expended – 2013	<u>157</u>	<u>4,754</u>	<u>44</u>	<u>4,955</u>	5,643
<u>Total resources expended – 2012 – Restated</u>	<u>103</u>	<u>5,496</u>	<u>44</u>	<u>5,643</u>	<u>5,643</u>

6 Trustees' remuneration

Trustees receive remuneration in accordance with the authority to discuss remuneration contained in the Scheme. In carrying out their duties, including visits to applicant charities, Trustees incurred travelling and related expenses totalling £6,677 (2012: £4,430), which have been included under general expenses.

6 Trustees' remuneration - continued

	2013	2012
	£'000	£'000
Remuneration paid to Trustees during the year:		
Sarah Riddell, Chairman from 1 August 2011	13	12
Richard Edmunds, Chairman to 31 July 2011	0	6
Dominic Caldecott, Chairman of the Finance Committee	14	14
Tim Glass	11	9
Vivien Gould	11	6
Brian Hurwitz	9	9
Sue MacGregor to 31 July 2012	3	9
Peter Mimpriss to 31 July 2012	4	11
Hugh Raven	9	9
Diana Whitworth	9	9
	<hr/>	<hr/>
Total remuneration	83	94
Social Security costs	4	5
	<hr/>	<hr/>
Total remuneration and Social Security costs	87	99
	<hr/>	<hr/>

7 Employees

	2013	2012
	£'000	£'000
Wages and salaries	276	268
Employer's National Insurance costs	33	33
Pension costs	39	32
	<hr/>	<hr/>
Total staff costs	348	333
	<hr/>	<hr/>

The increase in total staff costs for 2012/13 was mainly due to Director and Grants and Finance Assistant being in post for a full financial year.

The average number of employees during the year ended 31 March 2013 was 5.8 (2012: 5.2). The average full-time equivalent number of employees analysed by function was:

	2013	2012
Generating funds	0.2	0.8
Charitable activities	5.5	4.2
Governance	0.1	0.2
	<hr/>	<hr/>
Total full-time equivalent staff	5.8	5.2
	<hr/>	<hr/>

For each employee, the Foundation makes a contribution to an approved private pension scheme. The total pension cost for the Foundation was £39,000 (2012: £32,000).

8 Employees - continued

The numbers of employees who received emoluments (including taxable benefits in kind) in the following ranges on an annual basis were:

	2013	2012
	Number	Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1

For this employee, the Foundation made contributions to their approved private pension schemes totalling £11,000 (2012: £14,000) during the year.

9 Tangible fixed assets

	Leasehold property £'000	Furniture, Fittings and Equipment £'000	Total £'000
Cost or valuation			
At 1 April 2012	760	138	898
Purchases during year	-	3	3
At 31 March 2012	760	141	901
Depreciation			
At 1 April 2012	-	130	130
Charge for the year	-	4	4
At 31 March 2013	-	134	134
Net book value at 31 March 2012	760	8	768
Net book value at 31 March 2013	760	7	767

10 Investments

	31 March 2013	31 March 2012
	£'000	£'000
Investment assets in the UK	35,664	32,519
Investment assets outside the UK	82,158	77,372
	<hr/>	<hr/>
Total investments, excluding cash	117,822	109,891
Investment cash accounts in the UK	1,123	3,716
	<hr/>	<hr/>
Total investments at 31 March 2013	118,945	113,607
	<hr/>	<hr/>

The historical cost of the investments (including cash) held at 31 March 2013 was £86,752,000 (31 March 2012: £93,572,000).

The movement during the year of the total investments, excluding cash, was:

	2013	2012
	£'000	£'000
At 1 April 2012	109,891	110,342
Purchases at cost	12,531	11,086
Disposal proceeds	(16,076)	(12,671)
Net investment gains	11,476	1,134
At 31 March 2013	117,822	109,891

Investments are listed on recognised stock exchanges and valued at the middle market prices ruling at the period end. A full list of investments held at the period end may be obtained from the registered office of the Foundation. During the year, £6m (2012: £3m) was withdrawn from the investment portfolios to fund working capital.

There were nine investments in funds which each made up more than 5% by value of the total investments: State Street S&P500 Tobacco-Free Equity Index (22%); Schroder Charity Equity Fund (17%); Wellington Global Bond Portfolio (10%); Comgest Growth Emerging Market Equities (9%); GMO Quality Fund (7%); Charities Property Fund (9%); GLG Japan CoreAlpha Equity Fund (6%); Harding Loevner Global Equity Fund (6%); Henderson Europe (6%).

Gains on revaluations and disposals of investments:

	2013	2012
	£'000	£'000
Net investment gains	11,476	1,134
Realised gains on foreign currency	71	-
	<hr/>	<hr/>
Total gains on revaluations and disposals of investments	11,547	1,134
	<hr/>	<hr/>

11 Debtors

	31 March 2013	31 March 2012
	£'000	£'000
Income tax recoverable	-	2
Accrued income and prepayments	48	44
Other debtors	2	4
	50	50
	50	50

12 Creditors falling due within one year

	31 March 2013	31 March 2012
	£'000	£'000
		Restated
Accrued expenditure	31	61
Other creditors	10	14
Grants payable	2,585	2,862
	2,626	2,937
	2,626	2,937

13 Creditors Amounts falling due after more than one year

	31 March 2013	31 March 2012
	£'000	£'000
		Restated
Grants payable	931	902
	931	902
	931	902

14 Permanent Endowment

The Permanent Endowment relates to a merger in 2002 with the Ellerman Will Trust: General Charitable Fund. The original funds transferred were £925,000.

All income generated from the Unrestricted Capital and Permanent Endowment funds is included in the Unrestricted Income Fund for distribution.

As required by the Foundation's Scheme:

- a) The Permanent Endowment is increased in line with the March Retail Price Index each year. The adjustment to the Permanent Endowment for the year ending 31 March 2013 is an increase of £41,000 (2011: £43,000) and a transfer from the Unrestricted Capital Fund has been made to reflect this.
- b) Investment management costs of £1,000 (2012: £1,000) are deemed to be attributable to and have been charged to the Permanent Endowment Fund.

Following the above two adjustments, the value of the Permanent Endowment at 31 March 2013 was £1,275,000 (2012: £1,235,000).

15 Movement of Funds

	Unrestricted Income £'000	Unrestricted Capital £'000	Permanent Endowment £'000	Total £'000
At 1 April 2012 (Restated)	-	110,639	1,235	111,874
Net movement in funds	-	8,503	40	8,543
At 31 March 2013	-	119,142	1,275	120,417

Distributions to beneficiaries may be made out of either of the unrestricted funds but, of the above Unrestricted Capital, £30,871,000 represents unrealised gains on investments. The Trustees may also apply appropriate expenditure to the Permanent Endowment.

16 Analysis of Net Assets between Funds

	Unrestricted Income £'000	Unrestricted Capital £'000	Permanent Endowment £'000	Total £'000
Fixed Assets	-	118,687	1,275	119,962
Current Assets	-	4,012	-	4,012
Current Liabilities	-	(2,626)	-	(2,626)
Creditors greater than one year	-	(931)	-	(931)
Total net assets	-	119,142	1,275	120,417

Trustees, Staff and Registered Office of the Foundation

Board of Trustees

Sarah (Lady) Riddell LVO Chairman
Dominic Caldecott
Tim Glass
Vivien Gould
Dr Brian Hurwitz MD
Sue MacGregor CBE (to 31 July 2012)
Peter Mimpriss CVO (to 31 July 2012)
Hugh Raven
Diana Whitworth

The following Trustees are members of or served on Committees as at 31 March 2013:

Finance Committee: Dominic Caldecott (Chairman), Peter Mimpriss (to 31 July 2012), Vivien Gould, Tim Glass (from 1 August 2012)

Remuneration Committee: Sarah Riddell (Chairman), Dominic Caldecott, Sue MacGregor (to 31 July 2012), Diana Whitworth, Brian Hurwitz (from 1 August 2012)

International Committee: Diana Whitworth, Hugh Raven (both to 31 January 2013, now on pause)

Risk and Audit Committee: Peter Mimpriss (Chairman to 31 July 2012), Hugh Raven (Chairman from 1 August 2012), Vivien Gould (from 1 August 2012)

Members of Staff

Nicola Pollock	Director
Linda Crowhurst	Administrative Assistant
Jo Davies	Office Manager/PA
Richard King	Grants and Finance Assistant
Barbra Mazur	Head of Grants
Patricia Yearley FCA, DChA	Head of Finance

Registered address of the Foundation

Aria House
23 Craven Street
London WC2N 5NS

Telephone:	020 7930 8566	Fax:	020 7839 3654
Website:	www.ellerman.org.uk	Email address:	enquiries@ellerman.org.uk

Registered Charity Number 263207

Advisers to the Foundation

Auditors

Sayer Vincent, 8 Angel Gate, City Road, London EC1V 2SJ

Solicitors

Bates Wells & Braithwaite, 2-6 Cannon Street, London EC4M 6YH

Investment Consultants

Cambridge Associates Ltd, Cardinal Place, 80 Victoria Street, London SW1E 5JL

Investment Managers

Charities Property Fund, Cordea Savills, 57 Berkeley Square, London W1J 6ER

Comgest Asset Management International Ltd, 46 St. Stephen's Green, Dublin 2, Ireland

Forester Diversified Ltd, Two Sound View Drive, Third Floor, Greenwich CT 06830, USA

GLG, One Curzon Street, London W1J 5HB

GMO UK Ltd, One Angel Court, Throgmorton Street, London EC2R 7HJ

Harding Loevner LP, 50 Division Street, 4th Floor, Somerville, NJ08876, USA

Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE

Rogge Global Partners, Sion Hall, 56 Victoria Embankment, London EC4Y 0DZ

Schroder Investment Management Ltd, 31 Gresham Street, London EC2V 7QA

State Street Global Advisers Ltd, 20 Churchill Place, Canary Wharf, London E14 5HJ

Wellington Management International Ltd, Cardinal Place, 80 Victoria Street, London SW1E 5JL

Custodians

JP Morgan Europe Ltd, 60 Victoria Embankment, London EC4Y 0JP

Bankers

Coutts & Co., 440 Strand, London WC2R 0QS

Charity Bank, 194 High Street, Tonbridge, Kent TN9 1BE

COIF Charities Deposit Fund, 80 Cheapside, London EC2V 6DZ