

Registered Charity Number 216291

**THE RAYNE FOUNDATION**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 NOVEMBER 2009**

**THE RAYNE FOUNDATION  
CONTENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**THE RAYNE FOUNDATION  
CHARITY INFORMATION  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**TRUSTEES**

Lady Jane Rayne	Patron
The Hon Robert A Rayne	Chairman
Lord Bridges	(Resigned 14 September 2009)
Lord Moser	
Professor Dame Margaret Turner Warwick	
The Hon Natasha Rayne	
The Hon Nicholas Rayne	
Professor Sir Anthony Newman Taylor	
Lady Browne-Wilkinson	

**DIRECTOR**

Tim Joss

**REGISTERED OFFICE**

Carlton House  
33 Robert Adam Street  
London  
W1U 3HR

**BANKERS**

Barclays Bank plc  
240 Whitechapel Road  
London  
E1 1BS

**SOLICITORS**

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

**STATUTORY  
AUDITOR**

Horwath 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 (Continued) FOR THE YEAR ENDED 30 NOVEMBER 2009

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The Trustees present their report and accounts for the year ended 30 November 2009.

## 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' responsibilities include the setting of policy and strategy and deciding on social investments above £5,000. They are advised on finance, investments and risk mitigation by the Joint Finance and Investment Committee (which also advises the separate Rayne Trust and JFR Charitable Trust). Social investments 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.

The Foundation is involved in social bridge building, and looks for 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 sectors of interest are the arts, education, health and medicine, and social welfare and development.

The Foundation has developed five tools to engage with, and address the needs of UK society:

- **Research** – from initial explorations to programme evaluation.
- **Grants** – our open application programme.
- **Initiatives** – targeted programmes of support.
- **Ventures** – helping organisations to develop and grow.
- **New Enterprises** – creating new organisations.

The Foundation's work is measured, as is that of its partnerships and social investments, by the degree to which each contributes to the four bridge building outcomes and:

- Can have wider than just local application or is of national importance.
- Helps the most vulnerable or disadvantaged.
- Provides direct benefits to people and communities.
- Tackles neglected causes.
- Brings in additional funding and encourages the involvement of other organisations.
- Strives to achieve excellence.

As well as its general grant-making across the arts, education, health and medicine, and social welfare and development, the Foundation continued to work in four areas of special interest:

- Improved quality of life for older people.
- Developing numeracy skills.
- Achieving learning outcomes through the work of artists and arts organisations.
- Greater public engagement with architecture through better architecture exhibitions, events and other initiatives.

**THE RAYNE FOUNDATION  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**PUBLIC BENEFIT**

The Trustees confirm that they have complied with their duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Trust provides public benefit through the making of social investments in 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.

**ACHIEVEMENTS AND PERFORMANCE**

Under each objective, a commentary is given on achievements and performance:

**1. Bridge-building theme**

The Foundation and the Association of Charitable Foundations jointly hosted a seminar on community bridge-building in October 2009, bringing together foundations and grantees.

**2. Area of Special Interest: Improved quality of life for older people**

Over 50 investments have been made in this area since its adoption in 2006. The bridge-building theme has led to particular attention being given to older people's isolation, intergenerational work, better information and support for older people and their carers, and improved quality of life for dementia sufferers.

**3. Area of Special Interest: Improved numeracy skills**

The Foundation decided to co-commission a report on numeracy amongst children and adults with a particular focus on the involvement of charities and others in the third sector. Four funders participated (the Clothworkers' Foundation, John Lyons Charity, KPMG and MAN Group Charitable Trust). New Philanthropy Capital were commissioned to produce the report. By the end of the year, the report was close to completion with a planned publication date of April 2010. Progress was aided and monitored by a steering group led by Lord Moser, and involving Professor Diana Coben (Professor of Adult Numeracy, King's College London), Professor Celia Hoyles (Professor of Mathematics Education, Institute of Education, University of London) and Alan Wells (former Chief Executive of the Basic Skills Agency).

**4. Area of Special Interest: Learning outcomes through the work of artists and arts organisations**

This Area of Special Interest continued to attract considerable demand for the Foundation's funds and several excellent projects were supported. To explore issues of responsiveness to schools, other learning providers and students, the Foundation hosted a seminar for investees in this Area.

**5. Greater public engagement with architecture through better architecture exhibitions, events and other initiatives**

Following consultation, it was concluded that the Foundation could not achieve significant impact in this area and it was decided to discontinue involvement.

**6. Rayne Fellowships**

Rayne Fellowships were founded in 2006 as a means to develop more bridge-builders in society. Rayne Fellowships for Choreographers are a partnership with Arts Council England and are managed by Dance UK. By the end of the year, the nine Fellows had completed their programmes of secondments inside and outside the arts, and were developing or implementing their 'Big Ideas' – practical projects which draw on the new skills and experiences provided by the secondments. Rayne Fellowships for Refugees are a partnership with the Diana, Princess of Wales Memorial Fund. Their two main aims are to help refugees cross into the mainstream of UK society and to achieve more positive public attitudes to refugees. Praxis was appointed as the management organisation in February 2009.

**THE RAYNE FOUNDATION  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**7. Interfaith issues**

The Foundation has embarked on a project for a proposed interfaith centre at West London Synagogue to be developed in partnership with the Regents Park Mosque and St Ethelburga's Centre for Reconciliation and Peace.

**8. Social investments outside Areas of Special Interest**

During the year over 65% of social investments were outside Areas of Special Interest. This reflects the Foundation's interest in supporting innovation and development in many different areas. It contributes to identifying neglected issues and needs, which can lead to the adoption of new Areas of Special Interest.

**9. Monitoring and evaluation**

Like many other funders and operating charities, the Foundation now places emphasis not just on outputs (a project's activities, services or products) but also outcomes (the effects or changes for beneficiaries brought about by the outputs). This is now well embedded in the Foundation's procedures. Outcomes are identified at the time of application as are the means to assess progress through monitoring and evaluation. An evaluation report on Chickenshed Theatre was produced during the year. Chickenshed Theatre has had a close relationship with the Foundation with considerable investment over the years. The report took stock and provided recommendations on several aspects of Chickenshed's work. It benefited from expert advice from Sarah Brigham (National Association of Youth Theatres), John Pulford (Worshipful Company of Management Consultants), Katharine Quarmby (writer on disability issues) and Colleen Toomey (Olivier Awards panellist).

**10. Governance**

It was with much regret that trustees accepted the resignation of Lord Bridges as a trustee and as Chairman of the Joint Finance & Investment Committee for the Foundation, the Rayne Trust and JFR Charitable Trust. Lord Bridges joined the Foundation in 1995 and contributed greatly, bringing to bear his considerable international experience as a leading diplomat and his vast knowledge, wisdom and judgment.

**11. Preparing for the future**

The following strategic steps are planned for 2010/11:

- A review of the Foundation's investment policy.
- Trustee recruitment.
- Practical outcomes of the numeracy report.
- Further efforts to ensure that the benefits sought from social investments are measured and analysed.

**FINANCIAL REVIEW**

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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, Trustees review spending guidelines and actual expenditure on a regular basis.

The Foundation had cash income for the year of £1,307,398. Social investments paid in the year amounted to £1,377,894. The value of the investment portfolio rose in the year from £39,769,555 to £53,891,530.

**THE RAYNE FOUNDATION  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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No changes were made to the Foundation's investment policies.

**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.

**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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's 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 1993. They are also responsible for safeguarding the assets of the charity 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**

A comprehensive review and revision of our risk management policies and procedures was undertaken in 2007/08. The revised risk assessment schedules were reviewed by the Trustees and the Director, and minor appropriate adjustments made.

Processes and procedures will continue to be reviewed, and changes made where appropriate.

**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 24 May 2010 by:

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

**THE RAYNE FOUNDATION  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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We have audited the charity financial statements of The Rayne Foundation for the year ended 30 November 2009 set out pages 8 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's Trustees, as a body, in accordance with section 44 of the Charities Act 1993. 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditors**

The Trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993.

We also report if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

**Basis of opinion**

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

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

**THE RAYNE FOUNDATION  
INDEPENDENT AUDITORS' REPORT (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**Opinion**

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 30 November 2009 and of its incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities Act 1993.

**Horwath Clark Whitehill LLP**

Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

Date: 22 June 2010

**THE RAYNE FOUNDATION  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

	Note	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	2009 Total Funds £	2008 Total Funds £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	33,285	100,000	-	133,285	1,136,974
Investment income	3	<u>1,140,509</u>	<u>33,604</u>	-	<u>1,174,113</u>	<u>1,255,842</u>
<b>Total incoming resources</b>		<u><b>1,173,794</b></u>	<u><b>133,604</b></u>	<u><b>-</b></u>	<u><b>1,307,398</b></u>	<u><b>2,392,816</b></u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Investment management costs	4	33,086	-	-	33,086	1,050
<b>Charitable activities</b>						
Arts	4	184,766	(9,479)	-	175,287	447,112
Education	4	185,098	-	-	185,098	489,362
Health and Medicine	4	194,597	-	-	194,597	216,886
Social Welfare and Development	4	947,302	100,000	-	1,047,302	1,019,797
<b>Governance</b>	4	<u>20,034</u>	-	-	<u>20,034</u>	<u>51,276</u>
<b>Total resources expended</b>		<u><b>1,564,883</b></u>	<u><b>90,521</b></u>	<u><b>-</b></u>	<u><b>1,655,404</b></u>	<u><b>2,225,483</b></u>
<b>Net (outgoing) / incoming resources before transfers</b>		<b>(391,089)</b>	<b>43,083</b>	<b>-</b>	<b>(348,006)</b>	<b>167,333</b>
Transfers between funds		33,086	-	(33,086)	-	-
<b>Net (outgoing) / incoming resources before other recognised gains and losses</b>		<u><b>(358,003)</b></u>	<u><b>43,083</b></u>	<u><b>(33,086)</b></u>	<u><b>(348,006)</b></u>	<u><b>167,333</b></u>
Realised and unrealised gains / (losses) on investments		<u>846,033</u>	<u>52,547</u>	<u>13,078,056</u>	<u>13,976,636</u>	<u>(24,085,413)</u>
<b>Net movement in funds</b>		<b>488,030</b>	<b>95,630</b>	<b>13,044,970</b>	<b>13,628,630</b>	<b>(23,918,080)</b>
Balance brought forward at 1 December 2008		<u>4,915,671</u>	<u>1,144,358</u>	<u>33,090,602</u>	<u>39,150,631</u>	<u>63,068,711</u>
<b>Balance carried forward at 30 November 2009</b>	17	<u><b>5,403,701</b></u>	<u><b>1,239,988</b></u>	<u><b>46,135,572</b></u>	<u><b>52,779,261</b></u>	<u><b>39,150,631</b></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 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investments	9	<u>48,725,577</u>	<u>33,752,516</u>
<b>CURRENT ASSETS</b>			
Debtors	10	302,006	346,880
Investments		5,165,953	6,017,039
Cash at bank and in hand		<u>126,157</u>	<u>624,383</u>
		5,594,116	6,988,302
<b>CREDITORS:</b> Amounts falling due within one year	11	<u>(1,105,932)</u>	<u>(1,390,687)</u>
<b>NET CURRENT ASSETS</b>		<u>4,488,184</u>	<u>5,597,615</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		53,213,761	39,350,131
<b>CREDITORS:</b> Amounts falling due after more than one year	12	<u>(434,500)</u>	<u>(199,500)</u>
<b>NET ASSETS</b>		<u>52,779,261</u>	<u>39,150,631</u>
<b>FUNDS</b>			
Unrestricted	16	5,403,701	4,915,671
Restricted	15	1,239,988	1,144,358
Endowed	13	<u>46,135,572</u>	<u>33,090,602</u>
	17	<u>52,779,261</u>	<u>39,150,631</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 24 May 2010 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 2009**

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**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 1993 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.

**(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, e.g. by allocating staff costs by the time spent and other costs by their usage.

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 Balance Sheet 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 endowment 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 2009**

**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) Designated funds**

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes.

**(i) 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.

**(j) Unrestricted funds**

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

**(k) 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.

**(l) 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**

	<b>2009</b>	<i>2008</i>
	<b>£</b>	<i>£</i>
Legacy	-	<i>1,105,564</i>
Donation in kind for office space	<b>33,285</b>	<i>31,410</i>
Co-Funding from Diana, Princess of Wales Memorial Fund	<b><u>100,000</u></b>	<i>-</i>
	<b><u>133,285</u></b>	<i><u>1,136,974</u></i>

**3. INVESTMENT INCOME**

	<b>2009</b>	<i>2008</i>
	<b>£</b>	<i>£</i>
Income from listed investments	<b>892,726</b>	<i>780,299</i>
Income from unlisted investments	<b>112,370</b>	<i>117,061</i>
Interest receivable	<b><u>169,017</u></b>	<i><u>358,482</u></i>
	<b><u>1,174,113</u></b>	<i><u>1,255,842</u></i>

**THE RAYNE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2009**

**4. TOTAL RESOURCES EXPENDED**

	Staff costs £	Other costs £	Grant funding £	2009 Total £	2008 Total £
<b>Cost of generating funds</b>					
Investment management costs	<u>-</u>	<u>33,086</u>	<u>-</u>	<u>33,086</u>	<u>1,050</u>
<b>Charitable activities</b>					
<u>Arts</u>					
Grant funding of activities	-	-	119,189	119,189	393,750
Support costs	<u>45,225</u>	<u>10,873</u>	<u>-</u>	<u>56,098</u>	<u>53,362</u>
Total	<u>45,225</u>	<u>10,873</u>	<u>119,189</u>	<u>175,287</u>	<u>447,112</u>
<u>Education</u>					
Grant funding of activities	-	-	129,000	129,000	436,000
Support costs	<u>45,225</u>	<u>10,873</u>	<u>-</u>	<u>56,098</u>	<u>53,362</u>
Total	<u>45,225</u>	<u>10,873</u>	<u>129,000</u>	<u>185,098</u>	<u>489,362</u>
<u>Health and Medicine</u>					
Grant funding of activities	-	-	138,500	138,500	163,524
Support costs	<u>45,224</u>	<u>10,873</u>	<u>-</u>	<u>56,097</u>	<u>53,362</u>
Total	<u>45,224</u>	<u>10,873</u>	<u>138,500</u>	<u>194,597</u>	<u>216,886</u>
<u>Social Welfare and Development</u>					
Grant funding of activities	-	-	991,205	991,205	966,434
Support costs	<u>45,224</u>	<u>10,873</u>	<u>-</u>	<u>56,097</u>	<u>53,363</u>
Total	<u>45,224</u>	<u>10,873</u>	<u>991,205</u>	<u>1,047,302</u>	<u>1,019,797</u>
	<u>180,898</u>	<u>43,492</u>	<u>1,377,894</u>	<u>1,602,284</u>	<u>2,173,157</u>
<b>Governance costs</b>	<u>-</u>	<u>20,034</u>	<u>-</u>	<u>20,034</u>	<u>51,276</u>
	<u>180,898</u>	<u>96,612</u>	<u>1,377,894</u>	<u>1,655,404</u>	<u>2,225,483</u>

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

**5. SUPPORT COSTS**

	2009 £	2008 £
Administrative expenses	57,972	76,588
Staff costs	<u>241,198</u>	<u>228,129</u>
Total gross support costs	299,170	304,717
Less costs recoverable from The Rayne Trust	<u>(74,780)</u>	<u>(91,268)</u>
	<u>224,390</u>	<u>213,449</u>

General support costs have been divided equally across the four social investment activity categories.

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

**6. GOVERNANCE COSTS**

	<b>2009</b>	<i>2008</i>
	£	£
Gross governance costs	<b>20,580</b>	<i>51,819</i>
Less costs recoverable from The Rayne Trust	<u><b>(546)</b></u>	<u><i>(543)</i></u>
	<b><u>20,034</u></b>	<i><u>51,276</u></i>

**7. ANALYSIS OF STAFF COSTS**

	<b>2009</b>	<i>2008</i>
	£	£
Wages and salaries	<b>193,029</b>	<i>185,905</i>
Social security costs	<b>24,217</b>	<i>20,408</i>
Pension contributions	<u><b>23,952</b></u>	<u><i>21,816</i></u>
Total gross staff costs	<b>241,198</b>	<i>228,129</i>
Less costs recoverable from The Rayne Trust	<u><b>(60,300)</b></u>	<u><i>(68,309)</i></u>
	<b><u>180,898</u></b>	<i><u>159,820</u></i>

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

	<b>2009</b>	<i>2008</i>
	No.	No.
Direct charitable:		
Administration	<b>3</b>	<i>3</i>
Management	<u><b>1</b></u>	<u><i>1</i></u>
	<b><u>4</u></b>	<i><u>4</u></i>

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

	<b>2009</b>	<i>2008</i>
	No.	No.
£90,000 to £100,000	<u><b>1</b></u>	<u><i>1</i></u>

Defined contribution pension costs payable with regard to the above totalled £13,110 (*2008: £13,936*).

The Trustees received no remuneration in either year.

Travelling expenses of £668 (*2008 - £1,614*) were reimbursed to 2 trustees (*2008 - 2*) during the year.

**8. NET OUTGOING RESOURCES FOR THE FINANCIAL YEAR**

Net outgoing resources of £348,006 are stated after charging:

	<b>2009</b>	<i>2008</i>
	£	£
Auditor's remuneration	<b>7,475</b>	<i>7,475</i>
Auditor's remuneration non-audit	<u><b>9,836</b></u>	<u><i>11,119</i></u>

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

**9. FIXED ASSET INVESTMENTS**

	Quoted Investments £	Works of Art £	Total £
Market value at 1 December 2008	32,466,016	1,286,500	33,752,516
Additions	4,552,224	-	4,552,224
Disposals	(3,542,390)	-	(3,542,370)
Unrealised gains in the year	<u>13,963,207</u>	<u>-</u>	<u>13,963,207</u>
<b>Market value at 30 November 2009</b>	<b><u>47,439,057</u></b>	<b><u>1,286,500</u></b>	<b><u>48,725,577</u></b>
Historical costs:			
<b>At 30 November 2009</b>	<b><u>12,722,929</u></b>	<b><u>376,611</u></b>	<b><u>13,099,540</u></b>
At 30 November 2008	<u>11,784,810</u>	<u>376,611</u>	<u>12,161,421</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 £2,640,434 (2008 - £1,869,964).

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

Investment	Market Value £	%
Derwent London plc	28,961,780	57
LMS Capital plc	6,176,423	12
	<u>                    </u>	<u>                    </u>

**10. DEBTORS**

	2009 £	2008 £
Accrued income	75,000	261,507
Other debtors	<u>227,006</u>	<u>85,373</u>
	<b><u>302,006</u></b>	<b><u>346,880</u></b>

**11. CREDITORS: Amounts falling due within one year**

	2009 £	2008 £
Grants payable	1,098,457	1,383,212
Accruals	<u>7,475</u>	<u>7,475</u>
	<b><u>1,105,932</u></b>	<b><u>1,390,687</u></b>

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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

	2009 £	2008 £
Grants payable	<u>434,500</u>	<u>199,500</u>
<b>Reconciliation of grants payable:</b>	<b>2009 £</b>	<b>2008 £</b>
Commitments at 1 December 2008	1,582,712	1,341,992
Commitments made in the year	1,421,852	1,959,708
Commitments withdrawn	(43,958)	-
Grants paid during the year	<u>(1,427,649)</u>	<u>(1,718,988)</u>
Commitments at 30 November 2009	<u>1,532,957</u>	<u>1,582,712</u>

**13. ENDOWMENT FUNDS**

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

	<i>Balance at 1 December 2008</i> £	<b>Investment Gains</b> £	<b>Transfer Between Funds</b> £	<b>Balance at 30 November 2009</b> £
<b>Expendable endowments</b>				
Endowment fund	<u>33,090,602</u>	<u>13,078,056</u>	<u>(33,086)</u>	<u>46,135,572</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 £151,078 due from TRT (2008: £76,654).

For the year under review, The Rayne Foundation (TRF) recharged expenses to TRT totalling £75,326 (2008: £91,811). In addition, TRF purchased 60,000 shares in Derwent London plc from TRT. The consideration of £387,900 represented the market value of the shares and was settled in cash.

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

**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 2008</i>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Investment gains</b>	<b>Balance at 30 November 2009</b>
	£	£	£	£	£
Rayne Fellowships for Choreographers	7,000	-	9,479	-	16,479
Peggy Nash Legacy	1,137,358	33,604	-	52,547	1,223,509
Praxis (Diana, Princess of Wales Memorial Fund)	-	<u>100,000</u>	<u>(100,000)</u>	-	-
	<u>1,144,358</u>	<u>133,604</u>	<u>(90,521)</u>	<u>52,547</u>	<u>1,239,988</u>

Rayne Fellowships for Choreographers represents the balance of contributions of £104,250 from the Arts Council in respect of The Rayne Fellowship for Choreographers Less resources expended.

The Peggy Nash Legacy has been restricted for medical research.

The Diana, Princess of Wales Memorial Fund contribution of £100,000 was given as a contribution to the Refugees Fellowships Project.

**16. UNRESTRICTED FUNDS**

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

	<i>Balance at 1 December 2008</i>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Investment Gains and Transfers</b>	<b>Balance at 30 November 2009</b>
	£	£	£	£	£
Unrestricted fund	<u>4,915,671</u>	<u>1,173,794</u>	<u>(1,564,883)</u>	<u>879,119</u>	<u>5,403,701</u>

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Fixed Asset Investments</b>	<b>Net current assets</b>	<b>Long term liabilities</b>	<b>Total</b>
	£	£	£	£
Unrestricted Funds	3,930,043	1,908,158	(434,500)	5,403,701
Restricted Funds	156,923	1,083,065	-	1,239,988
Endowed Funds	<u>44,638,611</u>	<u>1,496,961</u>	-	<u>46,135,572</u>
<b>Total Funds</b>	<u>48,725,577</u>	<u>4,488,184</u>	<u>(434,500)</u>	<u>52,779,261</u>

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

**18. SOCIAL INVESTMENTS PAYABLE TO ORGANISATIONS**

Social investments £10,000 and over payable in the year.

<b>NAME OF ORGANISATION</b>	<b>PURPOSE OF SOCIAL INVESTMENT</b>	<b>£</b>
<b>Area of special interest: ACHIEVING ARTS &amp; LEARNING OUTCOMES</b>		
Good Vibrations	Developing and Expanding Work	45,000
Irene Taylor Trust (Music in Prisons)	Creative Music Making with Women in Prison: an opportunity for women to develop their life skills	15,000
St George's Bristol	Migrations Festival: outreach programme to build long-term relationships with Bristol's minority ethnic communities	15,000
The Pro Corda Trust	Create Together: three music courses for children with special educational needs	<u>10,000</u>
		<b><u>85,000</u></b>
<b>Area of special interest: IMPROVED NUMERACY SKILLS</b>		
New Philanthropy Capital	Research Report on Numeracy	20,000
Birkbeck College	Interactive On-Line Numeracy Support for Students	10,000
Techniquet	Back Stage Maths: numeracy and financial literacy programme across schools in Wales	<u>10,000</u>
		<b><u>40,000</u></b>
<b>Area of special interest: IMPROVED QUALITY OF LIFE FOR OLDER PEOPLE</b>		
New Economics Foundation	Carebanks: evaluation of pilot to develop new model of self-help and mutual aid for older people	65,000
Marie Curie Cancer Care	Delivering Choice in South East London: improving local services for terminally ill patients and their carers	60,000
LBGT Centre for Health and Wellbeing	Befriending Project for older LGBT People	30,000
Age Concern Cheshire	Men in Sheds: expansion of activities for older men	25,000
Counsel & Care	Vital Links: development of a national network of befriending schemes for older people	20,000
Addaction	West Glasgow Alcohol Service for the Over-50s	15,000
Big Telly Theatre Company	Golden Gangs: intergenerational theatre workshops	12,000
Alzheimer's Society	Talking Point Online Discussion Forum	10,000
Brendoncare	Expansion of Social Clubs for Older People	10,000
Sing London	Sing Across the Ages: singing workshops for older people	10,000
St Catherine's Hospice	End-of-life Care Education Programme with Local Care Home	10,000
Tax Volunteers	Tax Help for Older People	10,000
TaxAid	Advocacy on Behalf of Low-Income Elderly Tax-payers in Dispute with HMRC	<u>10,000</u>
		<b><u>287,000</u></b>
<b>Other ARTS social investments</b>		
Theatre Resource	National Centre for Disability Arts and Social Inclusion: building development	25,000
Men's Room	Blue Tuesdays, Wednesdays & Thursdays: support and learning opportunities for young men vulnerable to sexual exploitation	15,000
New Marlowe Theatre	Building Development: construction of new theatre	10,000

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

<b>NAME OF ORGANISATION</b>	<b>PURPOSE OF SOCIAL INVESTMENT</b>	<b>£</b>
<b>Other ARTS social investments (continued)</b>		
Other grants < £10,000		33,147
Grants withdrawn		<u>(18,958)</u>
		<b><u>64,189</u></b>
<b>Other EDUCATION social investments</b>		
Reader Organisation	Spread the Word: development of reading groups in health settings	30,000
Red Balloon Learner Centre Group	Support for Bullied Children: New learner centre in Merseyside	25,000
I CAN	Secondary Talk: work with secondary teachers to develop their skills in using communication-friendly teaching methods	20,000
Lighthouse Group	Salary of Centre Support Manager: to lead on creation of new learner centres for disadvantaged young people	20,000
The Prince's Trust	XL Outside of the Mainstream: 8 new clubs in London	12,000
Campaign for Drawing	Core Costs	10,000
Prisoners' Education Trust	Widening Prisoner Access to Learning	10,000
Other grants < £10,000		7,000
Grants withdrawn		<u>(25,000)</u>
		<b><u>109,000</u></b>
<b>Other HEALTH &amp; MEDICINE social investments</b>		
Academy of Medical Sciences	New Headquarters: building development:	25,000
The Connection at St Martin's	Active Health: drug and alcohol services for homeless people	21,000
Society of Mary and Martha	The Long Barn: building development:	20,000
Bromley-by-Bow Centre	Deciding for Ourselves: sexual health education among the Bangladeshi community	10,000
Other grants < £10,000		<u>12,500</u>
		<b><u>88,500</u></b>
<b>Other SOCIAL WELFARE &amp; DEVELOPMENT social investments</b>		
Praxis	Rayne Fellowships for Refugees	100,000
West London Synagogue of British Jews	Interfaith Centre	75,000
Institute of Community Cohesion	Building Bridges in Communities: flagship projects in three divided communities	40,000
Autism West Midlands	Criminal Justice Development Co-ordinator: to develop support for people with autism in contact with the criminal justice system	30,000
Bethany Christian Trust	Passing the Baton: community resettlement support for homeless people	30,000
Body & Soul	BaSe Group: social and educational support for 10 to 12 year olds affected by HIV	30,000
Elmore Community Services	Support Project for Young Parents with Multiple Needs	30,000
Fareshare	Employability Programme: support for 300 volunteers to gain new skills and qualifications	30,000

**THE RAYNE FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

<b>NAME OF ORGANISATION</b>	<b>PURPOSE OF SOCIAL INVESTMENT</b>	<b>£</b>
<b>Other SOCIAL WELFARE &amp; DEVELOPMENT social investments (continued)</b>		
Scottish Huntington's Association	North East Youth Advisory Service: support for young people affected by Huntington's Disease	30,000
Outward Bound Trust	Mark Scott Leadership for Life Award: personal development course for young people in divided communities	25,000
Edinburgh Cyrenians Path (Scotland)	Family Mediation Project	20,000
	Training Programme to Address Under-representation of BME Communities in the Workforce of the Scottish Housing Sector	20,000
Sutton Borough Citizens Advice Bureau Limited	Serving Prisoner Adviser Qualification Scheme: support to assist female prisoners gain qualifications in advice and guidance	20,000
Youth At Risk	Motivate the Estate: community development and support for young people on a Southend housing estate	20,000
Chance UK	Expansion into new areas of London and Wales	15,000
Holy Cross Centre Trust	Refugee Befriending Project	15,000
Jan Foundation	Jan and Guiding Light Projects: support for women experiencing domestic violence	15,000
Prisoners' Advice Service	Community Care Caseworker Salary: resettlement casework	15,000
Streets Alive Limited	Building Stronger Communities: expansion of the Street Party programme to eight cities	15,000
Trail-Blazers Mentoring Limited	Expansion of Mentoring Programme: core costs	15,000
Alcohol Focus Scotland	E-Counselling Pilot Project	10,000
British Refugee Council	Let Them Work: campaign to allow asylum seekers to work	10,000
Forward Thinking	Empowering Communities: bridge-building and capacity-building among Muslim communities in Britain	10,000
Refugee Action	National Volunteer Co-ordinator Salary: developing volunteering	10,000
Safe Ground	Project Director Salary for The Giant Project: prisoner and child education programme	10,000
Survivors UK	Operations Manager Salary: for improving health and wellbeing of men who have suffered sexual assault	10,000
International Social Service UK	Child Abduction Mediation Project	10,000
Other grants < £10,000		<u>44,205</u>
		<b><u>704,205</u></b>
		<b><u>1,377,894</u></b>