

Charity number: 216291

THE RAYNE FOUNDATION

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013**



THE RAYNE FOUNDATION

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THE RAYNE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 NOVEMBER 2013

Trustees

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

Director

Tim Joss

Charity registered number

216291

Principal office

100 George Street
London
W1U 8NU

Investment advisers

Jupiter Asset Management Limited
1 Grosvenor Place
London
SW1X 7JJ

Cazenove Capital Management Limited

12 Moorgate
London
EC2R 6DA

Statutory auditor

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

Bankers

Barclays Bank Plc
240 Whitechapel Road
London
E1 1BS

Solicitors

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

THE RAYNE FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2013

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

The Trustees present their report and financial statements for the year ended 30 November 2013.

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 increase their understanding of the needs of the UK society and depth of knowledge on the four sectors (arts etc.) and Areas of Special Interest through regular meetings with experts.

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

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

OBJECTIVES AND ACTIVITIES

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

The Foundation's mission is bridge building in society. To realise its mission the Foundation works towards four main outcomes:

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

Its sectors of interest are broad: the arts, education, health and medicine, and social welfare and development. At any one time the Foundation will have a small number of Areas of Special Interest. Here it aims to develop a depth of knowledge and, where appropriate, to do more than simply respond to applications – for example, co-commission research, initiate targeted programmes, and create new organisations. Areas of Special Interest during the year were:

- Arts in deprived communities.
- Developing numeracy skills for all ages.
- Improved quality of life for older people.
- Improved palliative care in the community.
- Young people's improved mental health.
- Improved opportunities for refugees to cross into and contribute to mainstream society.

The Foundation's work is measured, as is that of its partnerships and grants, by the degree to which each contributes to the four bridge building outcomes. It aims to support innovative, high quality projects, and is

THE RAYNE FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2013

particularly interested in programmes which deliver direct benefit to vulnerable and disadvantaged people or communities. It normally supports projects which have potential for wider than just local application, those which are likely to encourage funding from or involvement of other organisations, and/or those which are hard to fund.

PUBLIC BENEFIT

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Foundation provides public benefit through the making of grants to registered charities and other not-for-profit organisations with charitable objects and through 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

The following strategic steps were planned for 2012/13:

1. An initiative with the National Theatre to commemorate Lord Rayne.
2. Progress on venture philanthropy initiatives with Age UK Cheshire and Emmaus UK.
3. Further exploration of how to turn around failing care homes for older people.
4. Appointment of the final group of Rayne refugee Fellows.

Progress on these objectives and other developments is reported below.

1. An initiative with the National Theatre to commemorate Lord Rayne regarding the award for playwrights

Following commemorations in health, education and Israel, the Foundation addressed another priority area of interest for Lord Rayne: the arts, and in particular the National Theatre of which Lord Rayne was the longest-serving Chairman and founder of the Royal National Theatre Foundation. Agreement was reached on a special £2.5 million grant. The grant would have two purposes: a contribution to the National Theatre's 'NT Future' capital development programme (and specifically the new production building which would now be called the Max Rayne Centre) and the first ten years of an award for playwrights. By the end of the year, work on the new production building was well advanced and detailed discussions on the award were under way with Sir Richard Eyre in his capacity as new Chairman of the Royal National Theatre Foundation.

2. Venture philanthropy initiatives with Age UK Cheshire and Emmaus UK

The Foundation continued its engagement with Age UK Cheshire, supporting it in planning expansion of its Men in Sheds programme (an initiative to reduce isolation amongst older men). The Foundation secured pro bono support from the international consultancy firm, BDO, to work with Age UK Cheshire on a robust development plan.

Emmaus UK helps homeless people through housing them together and providing employment in furniture recycling businesses. The Foundation created a £1 million fund for Emmaus centrally to provide loans to its branches and for new businesses. Overall, the aim of the Foundation's involvement is to help Emmaus UK to increase the number of bedrooms from 532 to 750 and broaden its revenue base through new social enterprises. During the year, Emmaus UK restructured its governance and staffing in order to prepare for this development, and £950,000 of the £1 million fund was committed to five Emmaus UK branches and a new textiles recycling business. Details of the awards appear in note 13 of the financial statements.

3. How to turn around failing care homes for older people

Research of options led to the Foundation facilitating the creation of a mentoring programme for care home managers. A partnership with the National Skills Academy for Social Care was established. By the end of the year the National Skills Academy for Social Care had run several consultation workshops and started a pilot mentoring programme.

THE RAYNE FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2013

4. The Rayne Fellowships programme

The second Rayne Fellowship gathering took place in October 2013, bringing together choreographer and refugees Fellows and alumni. The final group of Rayne refugee Fellows was appointed. The Fellows are from Columbia, Kenya and Zimbabwe. Selection of Fellows is based partly on the quality and feasibility of their practical 'Big Ideas'. The 2013 Fellows' Big Ideas are information and advice services for disadvantaged people in Derry/Londonderry, training for disadvantaged people in recycling equipment, a childminder service in Newcastle, and a centre for refugee children in Coventry.

5. New Area of Special Interest: 'Young people's improved mental health'

Following investigation, it was agreed that young people's mental health was a neglected area in the UK. 'Young people's improved mental health' was added to the list of Areas of Special Interest.

6. Developments in the 'Arts in deprived communities' Area of Special Interest

It was decided during the year that the action learning set for achieving more community champions for the arts in deprived communities had served its purpose. This had involved The Bluecoat (Liverpool), The Curve (Leicester), Live Theatre (Newcastle), Scottish Opera (Glasgow), and Wales Millennium Centre (Cardiff). A new action learning set was created to support arts organisations working in health and social care. This group is for those in the vanguard of obtaining commissions from health and social care rather than relying on grant income. Its purpose is to share best practice and learn from experts in health and social care.

7. 'Arts ventures' – a planned first social investment fund for the arts sector

A partnership was established with Arts Council England, Cabinet Office Esmée Fairbairn Foundation and Gulbenkian Foundation to create this UK-wide fund. An 'investment-readiness fund' was established with £500,000 each from the Cabinet Office and Arts Council England. It was agreed that each investment application would be screened first for artistic quality and then for potential social impact. Governance arrangements were researched by the Cabinet Office with pro bono legal support and published in November 2013. A start was made on testing a model of larger arts organisations supporting smaller arts organisations as an effective way to build capacity in the arts sector.

8. Seminar of music and dementia

Through its grant-making, the Foundation became aware of encouraging developments in the area of music and dementia. On 18 November 2013, the Foundation hosted with the National Alliance for Arts Health and Wellbeing a seminar for nearly 50 professionals from care settings, music organisations, and universities to discuss the potential of music to support the quality of life for people with dementia. A report of the seminar has been published and is available on the Foundation's website www.raynefoundation.org.uk.

FINANCIAL REVIEW

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

The principal funding source is income from the Foundation's investments. The Foundation continues to address the needs of UK society. It does this in two ways, it provides financial support in response to applications, and it commits funds for practical steps to help address neglected national problems.

The Foundation had income for the year of £1,411,421 (2012: £1,199,058). Grants awarded in the year amounted to £3,947,710 (2012: £1,627,376) (including the special £2.5 million award to the National Theatre). In addition, the Foundation has made a £1m fund available to Emmaus UK; at 30 November 2013 £950,000 has been approved but not drawn down.

Investment performance and policy against objectives

THE RAYNE FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2013

The Foundation aims to maximise the total investment return and to achieve sufficient cash income to maintain the level of social investments.

The value of the investment portfolio rose in the year from £71,410,365 to £79,510,814.

The Foundation produced a total return of 8.9% for the 12 months to 30 November 2013. This compares with a FTSE 100 total return of 17.5%, FTSE All Share total return of 19.8% and ARC Sterling Balanced Index of 9.2%. Total assets rose above the level reached before the 2008 recession. Trustees reviewed spending guidelines and actual expenditure and identified ways in which spending could be increased.

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 incoming resources 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 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 2011. 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

The risk assessment schedules were reviewed by the Joint Finance and Investment Committee. A new approach was adopted embracing both the likelihood of a risk occurring and its impact if it does occur. Minor appropriate adjustments were also made. Processes and procedures will continue to be reviewed, and changes made where appropriate to ensure that risks to which the charity is posed are mitigated as far as possible.

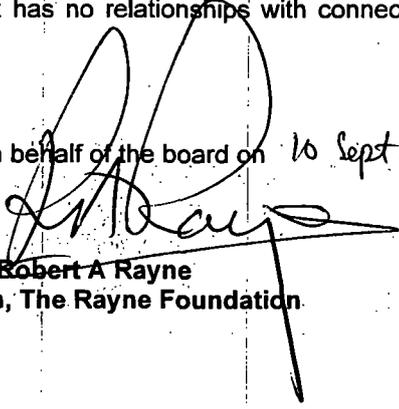
Relationships with connected parties

THE RAYNE FOUNDATION

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2013**

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 10 Sept 2014 by:



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

THE RAYNE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE RAYNE FOUNDATION

We have audited the financial statements of The Rayne Foundation for the year ended 30 November 2013 set out on pages 9 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 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 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's Trustees for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, 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 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 November 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

THE RAYNE FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE RAYNE FOUNDATION

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 17 September 2014

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE RAYNE FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Endowment funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	82,710	-	-	82,710	252,143
Investment income	3	1,328,711	-	-	1,328,711	946,915
TOTAL INCOMING RESOURCES		1,411,421	-	-	1,411,421	1,199,058
RESOURCES EXPENDED						
Costs of generating funds:						
Investment management costs		112,910	-	-	112,910	88,664
Charitable activities - grant funding		4,203,777	80,000	-	4,283,777	1,935,607
Governance		33,707	-	-	33,707	20,303
TOTAL RESOURCES EXPENDED	4	4,350,394	80,000	-	4,430,394	2,044,574
NET RESOURCES EXPENDED BEFORE TRANSFERS		(2,938,973)	(80,000)	-	(3,018,973)	(845,516)

THE RAYNE FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Endowment funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfers between funds	12	112,910	-	(112,910)	-	-
NET RESOURCES EXPENDED BEFORE REVALUATIONS		(2,826,063)	(80,000)	(112,910)	(3,018,973)	(845,516)
Realised and unrealised (losses)/gains on investments	8	(52,169)	158,143	10,257,822	10,363,796	12,895,983
NET MOVEMENT IN FUNDS FOR THE YEAR		(2,878,232)	78,143	10,144,912	7,344,823	12,050,467
<i>Total funds at 1 December 2012</i>		<u>4,866,783</u>	<u>1,486,307</u>	<u>68,097,058</u>	<u>74,450,148</u>	<u>62,399,681</u>
TOTAL FUNDS AT 30 NOVEMBER 2013		<u>1,988,551</u>	<u>1,564,450</u>	<u>78,241,970</u>	<u>81,794,971</u>	<u>74,450,148</u>

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

All amounts relate to continuing operations.

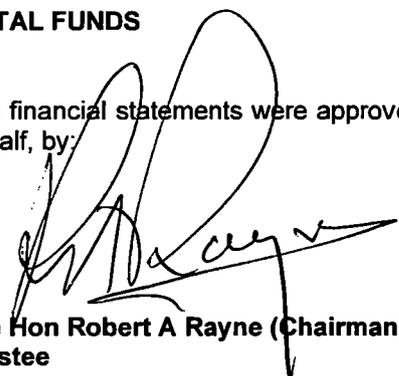
The notes on pages 12 to 26 form part of these financial statements.

THE RAYNE FOUNDATION

**BALANCE SHEET
AS AT 30 NOVEMBER 2013**

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	8		80,460,814		71,410,365
CURRENT ASSETS					
Debtors	9	131,566		462,806	
Investments	8	5,097,185		3,647,470	
Cash at bank	11	183,537		201,124	
			5,412,288	4,311,400	
CREDITORS: Amounts falling due within one year	10		(2,687,131)	(1,058,111)	
NET CURRENT ASSETS			2,725,157		3,253,289
TOTAL ASSETS LESS CURRENT LIABILITIES			83,185,971		74,663,654
CREDITORS: Amounts falling due after more than one year	11		(1,391,000)		(213,506)
NET ASSETS			81,794,971		74,450,148
CHARITY FUNDS					
Endowment funds	12		78,241,970		68,097,058
Restricted funds	12		1,564,450		1,486,307
Unrestricted funds	12		1,988,551		4,866,783
TOTAL FUNDS			81,794,971		74,450,148

The financial statements were approved by the Trustees on 10 Sept 2014 and signed on their behalf, by:


The Hon Robert A Rayne (Chairman)
Trustee


Lady Jane Rayne (Patron)
Trustee

The notes on pages 12 to 26 form part of these financial statements.

THE RAYNE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The financial statements do not include a Cash Flow Statement because the Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 Incoming resources

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

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

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

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

1.4 Resources expended

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

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

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

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

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

THE RAYNE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.5 Investments

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

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

Included in current asset investments are short term cash deposits.

1.6 Recognition of liabilities

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

1.7 Expendable endowment fund

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

1.8 Restricted fund

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.

1.9 Unrestricted funds

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

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

1.10 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.

1.11 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.

THE RAYNE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013**

2. VOLUNTARY INCOME

	2013 £	2012 £
Donation in kind for office space	56,225	51,490
Donation for National Numeracy	-	50,000
Donations for Praxis	-	150,000
Other donations	26,485	653
	82,710	252,143

3. INVESTMENT INCOME

	2013 £	2012 £
Income from listed investments	1,299,011	908,141
Income from unlisted investments	18,044	18,270
Interest receivable	11,656	20,504
	1,328,711	946,915

4. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Grant funding 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Costs of generating funds:					
Investment management costs	-	-	112,910	112,910	88,664
Charitable activities:					
Support costs	220,736	-	115,331	336,067	321,401
Grant funding of activities	-	3,947,710	-	3,947,710	1,614,206
Total	220,736	3,947,710	115,331	4,283,777	1,935,607
Governance	-	-	33,707	33,707	20,303
	220,736	3,947,710	261,948	4,430,394	2,044,574

See note 13 for a breakdown of new grants committed to in the year.

THE RAYNE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013

5. GOVERNANCE COSTS

	2013 £	2012 £
Governance costs	<u>33,707</u>	<u>20,303</u>

Governance costs are stated after recharging £7,123 to The Rayne Trust (2012: £6,768).

6. NET RESOURCES EXPENDED

This is stated after charging:

	2013 £	2012 £
Auditor's remuneration	7,700	7,350
Auditor's remuneration - non-audit	13,176	12,379
Pension costs	<u>28,753</u>	<u>20,678</u>

THE RAYNE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013

7. ANALYSIS OF STAFF COSTS

Staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	164,534	173,148
Social security costs	27,449	20,034
Pension contributions	28,753	20,678
	<u>220,736</u>	<u>213,860</u>

These staff costs figures are stated after recharging £73,578 to The Rayne Trust (2012: £71,153)

The average number of full-time equivalent employees during the year was as follows:

	2013	2012
	No.	No.
Administration	3	3
Management	1	1
	<u>4</u>	<u>4</u>

The number of higher paid employees was:

	2013	2012
	No.	No.
In the band £100,001 - £110,000	<u>1</u>	<u>1</u>

Defined contribution pension scheme costs payable with regard to the above totalled £12,375 (2012: £12,250).

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

Travelling and meeting expenses of £617 (2012: £961) were reimbursed to 3 Trustees (2012: 4) during the year.

THE RAYNE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013**

8. FIXED ASSET INVESTMENTS

	Quoted Investments £	Social Investments £	Works of Art £	Total £
Market value				
At 1 December 2012	70,500,365	-	910,000	71,410,365
Additions	7,218,578	950,000	-	8,168,578
Disposals	(8,160,747)	-	-	(8,160,747)
Unrealised gains/(losses) in the year	9,048,518	-	(5,900)	9,042,618
	<u>78,606,714</u>	<u>950,000</u>	<u>904,100</u>	<u>80,460,814</u>
At 30 November 2013	<u>78,606,714</u>	<u>950,000</u>	<u>904,100</u>	<u>80,460,814</u>
Historical cost	<u>20,889,227</u>	<u>950,000</u>	<u>376,611</u>	<u>22,215,838</u>

Works of Art are valued for insurance purposes on a rolling basis at least every 5 years. In 2012 valuations were provided by Christie's and Sotheby's for pictures and by The Grand Panjandrum Limited for furniture. In 2013 valuations were provided by Bonhams for sculptures and 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.

Social investments represent funds made available to Emmaus UK for the provision of loans to other small charities.

The market value of investments held outside the UK was £7,373,485 (2012: £6,139,030).

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

INVESTMENT

	Market Value £	%
Derwent London plc	50,410,007	64
LMS Capital plc	7,485,598	9

At the year end cash held by the investment managers totalled £5,097,185 (2012: £3,647,470).

9. DEBTORS

	2013 £	2012 £
Other debtors	126,513	455,039
Accrued income	5,053	7,767
	<u>131,566</u>	<u>462,806</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013

10. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Other taxation and social security	7,269	6,557
Other creditors	950,000	-
Accruals	17,813	13,533
Grants payable (see note 13)	1,712,049	1,038,021
	<u>2,687,131</u>	<u>1,058,111</u>

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

	2013 £	2012 £
Grants payable (see note 13)	<u>1,391,000</u>	<u>213,506</u>

Reconciliation of grants payable:

	2013 £	2012 £
Commitments at 1 December 2012	1,251,527	1,348,864
Commitments made in the year	3,947,710	1,627,376
Commitments withdrawn	-	(55,000)
Grants paid during the year	(2,096,188)	(1,669,713)
Commitments at 30 November 2013	<u>3,103,049</u>	<u>1,251,527</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013**

12. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	(Losses) / Gains £	Carried Forward £
Designated funds						
Emmaus UK	-	-	-	1,000,000	-	1,000,000
General funds						
General funds	4,866,783	1,411,421	(4,350,394)	(887,090)	(52,169)	988,551
Total Unrestricted funds	4,866,783	1,411,421	(4,350,394)	112,910	(52,169)	1,988,551
Expendable endowments						
Endowment fund	68,097,058	-	-	(112,910)	10,257,822	78,241,970
Restricted funds						
Praxis fund	112,500	-	(75,000)	-	-	37,500
Rayne Fellowships for Choreographers	1,959	-	-	-	-	1,959
Gerry Nash fund	1,371,848	-	(5,000)	-	158,143	1,524,991
	1,486,307	-	(80,000)	-	158,143	1,564,450

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

The transfer between general and designated funds represents money that has been made available to Emmaus UK as a social investment.

The Praxis Fund represents monies held by the Foundation for the Refugees Fellowships Project. This was previously known as The Diana, Princess of Wales Memorial Fund.

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

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

Total of funds	74,450,148	1,411,421	(4,430,394)	-	10,363,796	81,794,971
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THE RAYNE FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013**

13. GRANTS PAYABLE TO ORGANISATIONS

Grants payable in the year:

NAME OF ORGANISATION	PURPOSE OF GRANT	£
Area of Special Interest: ARTS IN DEPRIVED COMMUNITIES		
A New Direction	Create Jobs <i>Work experience placements, apprenticeships and training to improve the creative skills and employability of disadvantaged young people in London.</i>	25,000
Arvon Foundation	Teaching Writing <i>Creative writing for teachers to develop their own writing and to equip them to improve pupils' engagement in writing.</i>	30,000
Brighton Dome & Festival	Miss Represented <i>A two-year programme of creative workshops for young women at risk of or already involved in the criminal justice system.</i>	20,000
Changing Tunes	Core Costs <i>Core funding to help Changing Tunes while it seeks to reach more offenders, develop its franchise model and continue gathering evidence about its effectiveness.</i>	30,000
Daily Life Limited	The Daily Life Project <i>An arts education programme for people in East London, particularly those with experience of poor mental health.</i>	10,000
Drake Music Project	Connect & Collaborate <i>Artistic and music development opportunities for over 100 disabled musicians.</i>	19,000
Hofesh Shechter Company	Derry-Londonderry City of Culture 2013 Project <i>Project involving Hofesh Shechter's Company, disadvantaged local musicians' and youth and community groups in two performances.</i>	5,000
Kent Music	Orchestra of New Experiences <i>Music courses in improvisation, composition and playing for young people in challenging circumstances.</i>	20,000
Koestler Trust	Family Engagement Programme <i>10 five-day work experience placements for young people with special educational needs.</i>	15,000
Locality	Storytelling and Community Development <i>Training for 40 community leaders in the art of good storytelling and how it can be used to support community development.</i>	20,000
Naz Project London	Sing <i>Community choir for people living with or affected by HIV.</i>	3,000
Opus-U 360/Oxfordshire Music Service	State School Access to Opus-You <i>To give state schools access to Opus-You Teaching Resources.</i>	5,000
Prince's Foundation for Children & the Arts	Impact: Learning through the Arts <i>A programme using the arts in maths, English and science to help teachers and pupils improve attainment.</i>	24,000
Royal Liverpool Philharmonic Society	In Harmony Liverpool <i>Long-term, daily, intensive music-making programme in West Everton schools, in partnership with the local community council and primary care trust.</i>	70,000

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**NOTES TO THE FINANCIAL STATEMENTS
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Shakespeare at the Tobacco Factory	Education Programme <i>Theatrical workshops for young people from disadvantaged backgrounds.</i>	2,500
Workers Educational Association	Singing for Wellbeing <i>Four group-singing courses for older people in Birmingham and Stoke-on-Trent - the project forms part of a wider longitudinal study into how singing affects health and wellbeing (evaluated by the University of Oxford).</i>	19,115
Upper Space CIC	Brandalism: the art of self-defence <i>A series of workshops for young people exploring the values promoted by advertising and consumerism.</i>	1,000
Area of Special Interest: DEVELOPING NUMERACY SKILLS FOR ALL AGES		
Enabling Enterprises	Active Maths <i>Teaching resources and partnerships with businesses to help students recognise how the maths they learn in schools is useful in the real world.</i>	19,000
Student Hubs	School Hubs: Maths Plus <i>Tailored classroom and extra-curricular support for pupils experiencing difficulties with maths, led by local university students who also gain employability skills.</i>	10,000
Area of Special Interest: IMPROVED PALLIATIVE CARE IN THE COMMUNITY		
St Francis' Hospice	Discharge Taskforce <i>A new service providing same-day response specialist palliative support to patients discharged from acute hospital care.</i>	25,000
St Raphael's Hospice	Neighbours Project <i>A volunteer-led home visiting programme for isolated patients and carers in need of practical and emotional support.</i>	10,750
The Woolf Institute	Diversity in End of Life Care <i>Three bespoke courses for health professionals and other hospice staff to improve their knowledge of different faiths' perspectives on dying.</i>	15,000
Area of Special Interest: IMPROVED QUALITY OF LIFE FOR OLDER PEOPLE		
Age Cymru	'In Your Mind's Eye' - Phase 2 <i>Exploratory work with artists and nursing staff at Royal Glamorgan's Dementia Assessment on how to use the creative space most effectively.</i>	5,000
Age UK Islington	Meet & Do Things <i>A contribution towards the Activities Co-ordinator and Services Manager responsible for helping older residents to organise and attend the activities that interest them.</i>	20,000
Body & Soul	Silver Connections <i>Regular telephone support and targeted activities for older people living with HIV.</i>	28,580
Foundation for Conductive Education	Inside Out-Outside In <i>A project examining the role of carer as an 'enabler' in rehabilitation and the development of resources and training to support these carers.</i>	10,000
Hestia Housing & Support	GP:Reconnect <i>Training of 40 local older people as Community Navigators who can help other older worried well residents to access local community groups and services.</i>	10,000

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**NOTES TO THE FINANCIAL STATEMENTS
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National Youth Advocacy Service	Kinship Carers Project <i>Specialist legal information and advice to kinship carers.</i>	30,000
The Patients' Association	Unheard Voices: community helpline <i>A pilot in the West Midlands providing information and advice sessions in up to 50 care home settings.</i>	12,500
Pramacare	Dementia Friendly Community Blandford <i>To help Blandford businesses and community organisations improve their understanding of dementia and adapt their services appropriately.</i>	10,000
REACH Volunteering	Ageing Actively <i>To ensure that i-Reach (REACH's new on-line volunteering platform) is welcoming to older people, responsive to their needs and easy to use.</i>	30,000
Silverline	Silverline: national expansion <i>A contribution towards this national helpline and befriending service for older people.</i>	50,000
Area of Special Interest: YOUNG PEOPLE'S IMPROVED MENTAL HEALTH		
Autistica	BASIS Network: Co-ordinator <i>Towards the Co-ordinator for this collaborative study into the emergence of autism in young children at risk of developing the condition.</i>	15,000
British Association for Adoption & Fostering	Improving the mental health of infants in care <i>12 one-day workshops for foster carers and professionals on the early social-emotional development of babies and very young children in both functional and adverse home environments.</i>	15,000
Freedom from Torture	Risk, Rights, Resilience <i>A multi-disciplinary training programme on therapeutic approaches to working with vulnerable children, young people and families who may have experienced torture.</i>	10,000
Health Behaviour Group	Respect & Protect for Children in Care <i>Pilot peer-education programme about healthy relationships for young people in care.</i>	6,978
Siblings Together	Creative Connections <i>Creative opportunities for siblings separated by the care system.</i>	2,500
Other ARTS grants		
Music in Country Churches	General Donation <i>Exceptional donation.</i>	1,000
National Theatre	Production Building and Playwright's Award <i>Exceptional grant to commemorate Max Rayne</i>	2,500,000
Orchestra of the Age of Enlightenment	Transition Funding <i>To support OAE's plans to increase funding to the organisation.</i>	25,000
Other EDUCATION grants		
Afasic	Secondary Starters Transition Course <i>A new part-time co-ordinator to promote the courses to reach a greater number of children, explore ways to strengthen evaluation and sustainability.</i>	45,000
Braunton School	Restorative Justice Programme <i>To support students who are having problems in their relationships with other students, staff and the wider community plus training workshops for other schools in the area.</i>	3,000

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Camden Future First	Future First: Camden Schools <i>Alumni-centred careers guidance activities for state school pupils.</i>	13,290
Cardiff Metropolitan University	Somability <i>Towards the development of software encouraging adults with profound and multiple learning disabilities to engage in movement activities with their normal day care settings.</i>	12,000
The Carers' Support Centre	Support for Young Carers in Educational Settings <i>Training for schools to help them identify and support young carers.</i>	15,000
Forest School	Hardship Fund <i>Exceptional grant.</i>	5,000
Pestalozzi International Village	Scholarship programme <i>Exceptional grant.</i>	21,000
Other HEALTH & MEDICINE grants		
Air Ambulance	Establishment of new children's air ambulance service <i>Start-up costs</i>	2,500
Art Beyond Belief	Looking Glass <i>Digital photography project for 250 people with mental health issues.</i>	15,000
British Tinnitus Association	Improving effective healthcare options for tinnitus patients <i>A randomised controlled trial to assess the effectiveness of mindfulness cognitive behavioural therapy in relieving tinnitus-related stress.</i>	15,000
Dystonia Society	Self-management Pilot <i>Self-management workshops for 200 people with dystonia.</i>	5,000
East Lancashire Women's Centre	East Lancashire Female Offender Triage Pilot <i>Early intervention project providing tailored support to female offenders as an alternative to custody.</i>	4,350
Griffin Community Trust	General Donation <i>Exceptional donation.</i>	2,500
Hepatitis C Trust	Volunteer peer-to-peer awareness and prevention <i>Training of 24 peer volunteers and partner treatment centres in order to raise awareness of hepatitis C and its transmission, contributing to fewer new infections.</i>	30,000
The London Pathway	Care Navigator Apprenticeship Scheme <i>Training of nine former homeless people as Care Navigators who will befriend, mentor and support homeless people in hospital and following discharge.</i>	30,000
MAC-UK	Integrate Expansion <i>Expansion of MAC-UK's work supporting young people involved in gang-related activity to develop new skills, promote good mental health and reduce offending.</i>	75,000
Macular Society	Eccentric Viewing: skills for seeing <i>Training for local groups and 1,050 volunteers to help people with macular disease make the most of their remaining vision.</i>	15,000
Muscular Dystrophy Campaign	Richard Attenborough Clinical Fellowship Fund <i>Fellowship programme to increase the number of clinicians with expertise in neuromuscular diseases.</i>	50,000
Positively UK	From Pregnancy to Baby and Beyond <i>Support for pregnant women with HIV.</i>	20,000
Other SOCIAL WELFARE & DEVELOPMENT grants		

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2013**

Aderito's Football Academy	Haringey Football Academy <i>Structured training sessions for 40 young people.</i>	5,000
Alternatives to Violence Project	Prison Leadership Programme <i>Development of the AVP conflict management model in six prisons helping up to 900 prisoners to related more positively to others and handle conflict without violence.</i>	15,000
Bag Books	Books for storytelling sessions <i>New titles for use by Bag Books storytellers.</i>	2,000
Base 33 Youth Trust	Job Base <i>Pre-employment training and job support for vulnerable young people.</i>	15,000
British Deaf Association	Heritage Picture House <i>An on-line resource and outreach programme associated with the film footage of early sign language.</i>	15,000
Broadway	No Second Night Out Complex Need Worker <i>Towards the appointment of a specialist worker to support homeless people with complex needs to develop an individual care package and action plan.</i>	35,000
Chaos Theory	Violence Interruption Work <i>Employment of former gang members as 'Violence Interrupters' who develop relationships with the local community, in order to identify and mediate in conflict.</i>	17,145
Circles South East	Youth Circles <i>Development of the circles of support model for young people displaying sexually harmful behaviour.</i>	20,000
Clean Break	Leadership Training Pilot <i>Development of Clean Break's training offer for professionals in working in the criminal justice system, drug and alcohol agencies, education and other settings.</i>	10,000
DePaul UK	Aspiration NW Mentoring <i>Mentoring in order to enhance DePaul UK's overall support service to young people who are moving on from being homeless.</i>	15,000
Hertfordshire PASS	EmployerABILITY online training and qualification <i>An apprenticeship programme for disabled people as employers of carers.</i>	10,000
Hope for Justice	North East Regional Investigative Hub <i>A contribution towards the salary of a specialist investigator to help identify more victims of trafficking.</i>	30,000
Livability	Enterprise Agency <i>To help disabled people to set up their own businesses</i>	20,000
Marriage Foundation	Minding the Marriage Gap <i>Research into the needs, concerns and aspirations of young people with regard to long-term relationships.</i>	2,500
One Voice Europe	Bridging the gap between UK divided communities <i>To equip students, teachers and community groups with the skills, knowledge and confidence to address issues of prejudice and intolerance.</i>	10,000
Only Connect	Impact: professional development <i>Enhanced training for six-offenders as professional 'presenters' for Only Connect.</i>	5,000
Other	General Donations	32,502

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FOR THE YEAR ENDED 30 NOVEMBER 2013**

Resurgo Trust	Spearhead Development <i>A partnership between Westfield Shopping Centre and Hammersmith & Fulham Council providing support to young people who are not in work or training and support to their potential employers so that young people can find and maintain jobs at Westfield.</i>	20,000
Safer London Foundation	Empower: Young Men's Group Programme <i>Healthy relationship education for young men at risk of perpetrating violence or who have known gang associations.</i>	30,000
Spurgeons	The Pheonix Project <i>A pilot project for children and families affected by sexual exploitation incorporating specific support to help family members understand exploitation and repair relationships with their children.</i>	10,000
West London Synagogue	Interfaith Programme (Year 3) <i>Interfaith activities at the Synagogue - this grant forms part of the Foundation's overall annual commitment to West London Synagogue.</i>	45,000
West London Synagogue	Interfaith Programme (Year 2) <i>Social work at the Synagogue - this grant forms part of the Foundation's overall annual commitment to West London Synagogue.</i>	20,000
Worldwide Volunteering	Supporting Life Change for Ex-offenders <i>Supporting volunteering among ex-offenders.</i>	5,000
		<u>3,947,710</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Endowment funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Fixed asset investments	2,663,961	1,504,238	75,342,615	79,510,814	71,410,365
Social investments	950,000	-	-	950,000	-
Current assets	2,452,721	60,212	2,899,355	5,412,288	4,311,400
Creditors due within one year	(2,687,131)	-	-	(2,687,131)	(1,058,111)
Creditors due in more than one year	(1,391,000)	-	-	(1,391,000)	(213,506)
	<u>1,988,551</u>	<u>1,564,450</u>	<u>78,241,970</u>	<u>81,794,971</u>	<u>74,450,148</u>

15. RELATED PARTY TRANSACTIONS

Lady Rayne and 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 £100,402 due from TRT (2012: £83,244). For the year under review, The Rayne Foundation (TRF) recharged expenses to TRT totalling £100,402 (2012: £83,244).

During the year £nil (2012: £150,000) was awarded as a grant to THEPLACE2BE of which The Hon R A Rayne is a Trustee.

Lady Rayne, a Trustee of The Rayne Foundation (TRF), holds 1.57% (2012: 1.60%) of shares in LMS Capital plc and 3.51% (2012: 3.54%) of shares in Derwent London plc.

The Hon R A Rayne, a Trustee of The Rayne Foundation (TRF), holds 2.97% (2012: 2.99%) of shares in LMS Capital plc and 2.27% (2012: 4.28%) of shares in Derwent London plc.

The Rayne Foundation holds 5.35% (2012: 5.35%) of shares in LMS Capital plc and 2.03% (2012: 2.05%) of shares in Derwent London plc, thus making this a related party disclosure.

During the year, The Rayne Foundation paid £12,344 (2012: £387,965) on behalf of The Rayne Concert Party for advisory fees in relation to the potential sale of shares. Included in other debtors £nil is due from members of The Rayne Concert Party (2012: £330,420).