

**Lankelly Chase**

## **The LankellyChase Foundation**

**Annual report and financial statements  
for the year ended 31 March 2018**

The LankellyChase Foundation is a registered company limited by guarantee number 5309739  
Registered charity number 1107583

# The LankellyChase Foundation

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## The LankellyChase Foundation

### Statutory information

The LankellyChase Foundation ('the Foundation') is a charitable company limited by guarantee and is incorporated in the United Kingdom (no. 5309739). The registered office address is Greenworks, Dog & Duck Yard, Princeton Street, London WC1R 4BH.

### Legal and administrative information

The Foundation is governed by its Memorandum and Articles of Association and registered as a charity (no. 1107583). The Directors of the Charitable Company are the trustees of the charity for the purposes of charity law and throughout this report are referred to as the trustees.

The following details are for the year ended 31 March 2018 and also include changes up to the date on which the accounts were signed.

Trustees	Myron Rogers (I)	Chair, appointed 25 October 2017, appointed as Trustee 28 June 2017
	Morag Burnett (I,R) (A,F)	Vice Chair, re-appointed 25 October 2017
	Evelyn Asante-Mensah (F)	Resigned 28 November 2017
	Oliver Batchelor (L,R) (F)	
	Hilary Berg (L)	
	Martin Clarke (I) (A)	Resigned 3 October 2017
	Jake Hayman (I)	
	Marion Janner (L)	
	Peter Latchford (A)	Retired 25 October 2017
	Jane Millar (L)	
	Darren Murinas (L)	
	Simon Tucker (R) (A)	
	Robin Tuddenham (L,R) (F)	
	Paul Cheng (I)	Retired 5 June 2017

Co-optees	Andrea Marmolejo (I)
	Jeremy Rogers (I)

(I) indicates members of the Investment Committee  
(L) indicates member of the Learning and Communications Committee  
(R) indicates member of the Resources and Risk Committee

(A) indicates members of the Audit and Risk Committee  
(F) indicates members of the Finance and Resources Committee

It was agreed at the Board meeting of 25 October 2017 to merge the Audit and Risk Committee with the Finance and Resource Committee to create the Resources and Risk Committee, which first met on 24 January 2018. Any individual Trustee has the right to attend any Learning and Communications Committee meeting.

Staff team	Julian Corner *	Chief Executive
	Melissa Appel	Executive Assistant
	Yasmin Belgrave	Office Assistant
	Jessica Cordingly *	Director
	Karen Crompton	Office and HR Manager
	Joe Doran	Programme Manager, from 17 July 2017
	Alice Evans *	Director
	Oliver French	Programme Manager
	Carrina Gaffney	Communications Manager
	Ania Jeleniewska-Kaczmarczyk	Finance Officer

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	<p>Sara Longmuir *      Director of Finance and Investment and Company Secretary, redundant as of 31 January 2018</p> <p>Robert McLaurin      Interim Finance Director, from 16 January 2018</p> <p>Habiba Nabatu      Programme Manager</p> <p>Jenny Oppenheimer      Programme Manager, from 3 January 2018</p> <p>Cathy Stancer *      Director</p>
Key management personnel	Although in such a small staff team every member is considered to be key, for the purposes of the Statement of Recommended Practice (SORP 2015), those team members marked * have been designated as key management personnel.
Principal office and registered office	Greenworks, Dog and Duck Yard Princeton Street London WC1R 4BH
Telephone	020 3747 9930
Website	<a href="http://www.lankellychase.org.uk">www.lankellychase.org.uk</a>
Company registration number	5309739
Country of registration	England and Wales
Country of incorporation	United Kingdom
Charity registration number	1107583
Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
Bankers	<p>The Royal Bank of Scotland Group 1st Floor, Houblon House 62-63 Threadneedle Street London EC2R 8HP</p> <p>Lloyds TSB Bank plc Market Place, Didcot Oxfordshire OX11 7LQ</p>
Legal advisers	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE
Investment managers	<p>Cazenove Capital Management 12 Moorgate London EC2R 6DA</p> <p>CCLA Investment Management Senator House, 85 Queen Victoria Street London EC4V 4ET</p> <p>Ruffer LLP 80 Victoria Street London SW1E 5JL</p> <p>Sarasin and Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU</p>

## Report of the trustees

The trustees present their report together with the accounts of The LankellyChase Foundation for the year ended 31 March 2018. The legal and administrative information on pages 2 and 3 forms part of this report.

## Introduction

This report is divided into two halves. The first section looks at the approach we have taken this year, the way we work, our core assumptions, our activities, the key learning that we have drawn out from this and our plans for the next year. The second section (page 14 onwards) covers how we are governed, grants allocated and our financial expenditure and management.

## OUR WORK IN THE YEAR ENDED 31 MARCH 2018

### About us - the situation we want to change and the change we are seeking

Lankelly Chase works to change the systems that perpetuate severe and multiple disadvantage. By this we mean the interlocking nature of severe disadvantages in some people's lives. These often include extreme poverty, domestic abuse, substance misuse, homelessness, contact with the criminal justice system and mental ill health.

We have worked on this issue for more than five years now and have learned that changing systems is complex. Systems are messy, intricate webs that are constantly moving. They consist of tangible things like people and organisations connected by intangible things like history, world views, context and culture.

We realise there is no project, intervention, campaign or legislative change that we can sponsor that will lead to the change we want to see. Instead we think change will come from many people thinking and acting differently.

Acceptance of this complexity, of our lack of control and of change as a result of the behaviour of whole systems is why we now describe ourselves as an organisation taking a systemic approach.

We *have* observed that systems which effectively tackle severe and multiple disadvantage have some common qualities. We've noticed these qualities in lots of different places. We call them 'system behaviours'. They are our current best guess at both the change we want to see and the characteristics of processes that will help all of us navigate towards that change:

1. People see themselves as part of an interconnected whole
2. There is shared purpose and vision
3. Feedback and collective learning drive adaptation
4. Open, trusting relationships enable effective dialogue
5. All people are valued as resourceful and bringing strengths
6. Power is shared and equality of voice is actively promoted
7. Decision making is devolved
8. Accountability is mutual
9. Leadership is collaborative and promoted at every level

We now see our role as creating the conditions for these system behaviours to flourish and through that to test and challenge them in reality. We want more people to **want to, know how to** and **be free to** embody these behaviours. This implies a new and different strategy for us.

## The way we work - inquiry questions



Over the last five years we have learned from grant funding relationships with many organisations

We continue to work closely with some key partners and we now fund, commission and carry out work to support our action inquiries

We now describe our work as an 'action inquiry' into what it takes to create the conditions for the system behaviours to flourish.

We say 'action inquiry' rather than programme or plan because we need to hold a space for us and others to explore what it takes to promote the system behaviours (and indeed to question and critique them). Nobody has all of the answers here. We and others need to try things out and to learn from them.

At the moment we have structured our action inquiry around four themes. These have also emerged from our work over the last five years:

### **Knowledge**

Because the way we construct knowledge and evidence about severe and multiple disadvantage has a highly determining effect on the actions we take. At the moment, this often seems to be limited and problematic - it obscures our shared humanity and reinforces stigma.

### **Power**

Because powerlessness and inequality of voice appear to be key characteristics of the experience of severe disadvantage, with unhealthy and unbalanced power dynamics in systems perpetuating inequalities and preventing change.

### **Place**

Because place is one way to agree a manageable and meaningful boundary within which to explore what it takes for whole systems to embody the system behaviours.

### **Field**

Because working in a way which embodies the system behaviours and a systems perspective is different to 'business as usual'. People are keen to explore what it means for them, what new skills, mindsets and approaches they might need.

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A fifth inquiry theme is implied by our approach. As a part of the systems that needs to shift, we need to work to embody the system behaviours as an organisation. We are experimenting with what it takes for us to do this, in terms of our communications, internal processes, working relationships and governance.

### **Our Core Assumptions**

The way we work is based on some key assumptions about the situation we are trying to change, and what it takes for change to happen:

- People who face what we call severe and multiple disadvantage are not able to fulfil their capabilities to be and do the things they want. In other words, there is a real life problem here and something needs to change.
- It is not our role to make the change – in fact we can't. Instead systems, and the people working within them, will make their own changes. We will intervene with support and capacity to give people space to understand what is needed and then use money to unblock specific problems.
- Everyone is right...but only partially. In other words there are no right answers, all approaches have advantages and disadvantages, though some ways of thinking and acting are more likely to support the kind of change we want to see (the system behaviours).
- We all have assumptions and world views but these *can* change, though people differ in their willingness and freedom to be able to think differently. We need to start with where they are at and to use different processes to draw them in.
- Emotions are present and we need to work with them as well as structures, processes, world views, narratives, policies and institutions.
- People have to make decisions and to act in their day to day reality and most do so with good intentions. We need to be appreciative and our actions need to be practical.

### **Our work this year - main activities and methodologies**

Our new strategy is a change in our way of thinking about purpose and role which builds on work we have been doing over the last five years. All the work we are involved in, whether through grant funded partnerships, commissions or as a leading protagonist, helps us to progress our action inquiry. The themes interweave and many pieces of work are relevant to more than one.

### **Knowledge**

We are exploring the uses of knowledge in order to promote the construction of evidence, narratives and ideas about severe and multiple disadvantage that are increasingly consistent with the system behaviours.

This includes work to expand what we currently know.

We are also interested in why some aspects of the experience of disadvantage are less 'noticed' than others. We recognise that buried in decisions about what to notice, to evidence and to act upon are value judgements about what (and who) matters.

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Most fundamentally, we want to promote evidence and narratives that are consistent with a sense of human interconnectedness rather than those which drive stigma and 'othering'.

In partnership with the Robertson Trust, we are building on the methodology developed for our 2015 report *Hard Edges* to profile severe and multiple disadvantage in Scotland, again working with Professors Suzanne Fitzpatrick and Glen Bramley at Heriot-Watt University.

In addition, a gendered profile is underway, in recognition that extreme disadvantage plays out differently for different groups of people. This work is also with Heriot-Watt University, in partnership with DMSS Research. The report will be published in 2018.

With the LGBT Foundation, we have been exploring LGBT experiences of severe and multiple disadvantage. This work has used participatory processes to uncover testimony including from people outside of services. It speaks powerfully of the human consequences of the intersection of discrimination and material disadvantage. The report will be published in 2018.

The Synergi Collaborative Centre, a partnership between Queen Mary University of London and the University of Manchester, commissioned by Lankelly Chase, was launched in November 2017. Synergi is experimenting with the use of different kinds of knowledge (patient and frontline voices alongside formal academic evidence) to promote change in relation to ethnic inequality in mental health.

We have supported the women behind the book 'Untold Story', about their experiences of street-based prostitution, to form a new community group. They have travelled the country this year, speaking at conferences and in the media about what it has meant to them to take control of their stories.

We have continued to work with the Social Research Unit at Dartington and Ratio to listen to young people facing severe disadvantage and their frontline workers to learn about the qualities of their relationships which catalyse change. The lessons for organisations and wider commissioning environments have been shared and debated online on a dedicated open Medium site and through round-tables.

We are working with Bac-In, a strongly values-based user-led substance misuse service in Nottingham, to explore the lives of the mainly ethnic minority men they work with.

We have been supporting Domestic Violence Intervention Project and Cranstoun Drug Services to work with men with serious substance misuse problems on their use of violence. We have begun a small research project with them exploring the significance of ideas of toxic masculinity. We think this is a significant but mostly unnoticed feature of the causes and experience of severe and multiple disadvantage.

We began a new phase in our partnership with Leeds GATE, focusing in particular on ideas of solidarity and identity.

We continue to fund and support a research network of more than 200 researchers from academia, NGOs and statutory agencies convened by Revolving Doors Agency. The network is a place for all those with a concern about the construction of knowledge and evidence in this field to ask 'what do we know, and what do we still need to know?'

We are also taking an exploratory approach to the next phase of this action inquiry, building on what we have learned from our own knowledge journey over the last five years. This journey has involved a gradual unfolding in our ideas about what severe and multiple disadvantage is, and increasing unease about our own use of potentially stigmatising labels. We have begun this new phase of inquiry by facilitating a series of interactive



workshops using Co-Resolve dialogue techniques with people in several organisations within and outside our partner network. We have been exploring how to talk about the rather esoteric subject of knowledge in ways that are meaningful to people and to gather ideas for lines of inquiry and for action. We are also reaching out to people who can help us shape our analysis and to others with expertise in knowledge generation processes which appear to be aligned with the system behaviours.

### Power

From place-based change to social innovation, our partners and colleagues have kept telling us that sharing power and promoting equality of voice is essential for change to happen at the level of an individual, organisation and wider system.

In late 2017 we began explicitly inquiring into what it takes for this to happen. We have been approaching this by asking:

- What do we (collectively) mean when we talk about voice and power. What are the assumptions we are making when we talk about this?
- What are we and our partners already doing to share power and promote equality of voice?
- What are others doing in this field?

To help answer the first of these questions, we have commissioned several small scale “mini change projects” designed to explore different perspectives on power and voice, to trial different facilitation techniques, and to uncover assumptions about these topics. These have included using drama facilitation in a Bristol school, leading a Deep Democracy debate at the Association of Charitable Foundations annual conference, commissioning informal video interviews with people who have experienced extreme disadvantage and observing therapeutic games with young refugees settling in to life outside warzones. We are sharing what we are learning from these projects in a series of blogs.

To answer our second question we have been working closely with our many partners. Their work is complex, cuts across all our action inquiries and does not fit neatly into categories. We accept this, and we see themes emerging.

Many are working on the power dynamics between people experiencing severe and multiple disadvantage and those meant to “help” them. This includes some partners experimenting with what happens when they try to dispense with or subvert stigmatising language or labels in practice (there are overlaps here with our knowledge inquiry). We see different relational practices and organisational models opening up the space between people as they step outside rigid roles, holding each other mutually accountable in a process of change. Cyrenians, Holy Cross Centre Trust, Arts at the Old Fire Station, Camerados, Local Solutions, Our Sorority, Transforming Choice, St Mary’s Church and Community Centre and Mayday Trust are all informing our inquiry here, as is much of our place-based work.

Other partners are working to amplify less-heard voices and to create societal shifts in power. Real Insight and NSUN are both using their expertise to advise and shape existing infrastructure – Real Insight attending to healthcare organisations and charities and NSUN to mental health user/survivor voice platforms (particularly on issues of ethnic inequality). Open Book and Expert Link are doing this through grassroots movements, coaching people across the UK to lead their own change.

We are still in the early days of answering our third question and understanding what people across different sectors are already doing. We have been doing a great deal of

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research and are grateful to colleagues at the Zacchaeus 2000 Trust, Seedbed Trust, Practical Governance and Blagrove Trust among many others who are helping with this.

As we reach out beyond our own commissioned and funded work, we have become a founding partner of Losing Control, a network of people looking at new models of organising, governance and social action that disburse power and root it in communities.

We have joined colleagues from Expert Link, the Big Lottery's Fulfilling Lives Programme, the Prison Reform Trust, women's centres and the Amy Winehouse Foundation among many others to find and showcase examples of co-creation done really well, to share resources about how this is done and learn collectively about how we can all do this better.

We continue to work openly with a range of funders across the UK as we all seek to change our practice to better share power and promote equality of voice, particularly the voices of people who have themselves lived severe and multiple disadvantage. Our work as founder members of Funders for Race Equality relates to this.

Finally, we are aware already that by separating "what we are doing" from "what others are doing" we are falling into a paradigm of 'us and them', which goes against much of what we are learning about the importance of breaking down barriers between people so that roles can flow, voices can be equal and power truly shared. We are noticing this inconsistency for now and will revise our approach over the coming year.

### Place

We have had a 'place' focus for the last couple of years, in recognition that place is one way to create a boundary around systems and therefore to give a focus to our work.

To help us understand the contribution we could make, we've worked with other foundations, voluntary organisations, local and national government, people with lived experience and other interested individuals in the development of this work. As part of this, in April, we co-organised a large-scale Power of Place event, attended by more than 150 people from across the country.

This work to build connection continues, as we scope out the development of a funder collaborative on place.

We have also commissioned research to inform our thinking and our Historical Review of Place-Based Approaches was published with IVAR this year.

Our partnership with the Corra Foundation to support and learn from their place-based work in Scotland continues.

Our role as an active player, in different ways, in several places, has developed this year:

In **Barking and Dagenham** (which won Council of the Year in the 2018 Local Government Chronicle Awards), we have agreed a memorandum of understanding with the Local Authority and have supported processes of dialogue with community members and statutory stakeholders which have led to the prioritisation of inclusive growth and housing as key issues.

In **Barrow-in-Furness, Cumbria**, our focus has been on children's services. We have worked for several years with an innovative service, Love Barrow Families, a partnership between social workers and local families. More recently we have been working with a range of partners to spread the principles of the Love Barrow Families model.

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In **Birmingham** we have worked closely with a social worker 'intrapreneur' who is leading the SEMH Pathfinder - a new way of working through schools with children with social, emotional and mental health problems and their families. We've helped with funding, coaching and ongoing intellectual and emotional support as the work transitions from innovation to systems change.

In **Manchester**, the Elephants project brought together people with lived experience of severe and multiple disadvantage and decision-makers to have honest conversations about the barriers to co-production in order to overcome them. They are now using their learning to coproduce solutions.

In **York** we have been supporting Together's work to improve the city-wide response to people who frequently call the emergency services. In the last year we have worked with local partners to shift the focus from successful project to systemic change. We have been pleased that the local Police and Crime Commissioner has supported the work with substantial core funding.

In **Gateshead** we are still in the early stages of relationship building. We are visiting, shadowing and meeting key strategic leads in the council, police, health services and CVS. We have also supported a series of diagnostic interviews with different 'system actors'.

In **Lambeth** we are supporting Black Thrive, a systems change programme based on the principles of the 'collective impact' change model run with local people and statutory leaders on Black mental health. Black Thrive began life as a project of Social Finance's Impact Incubator research and development programme.

Our work in place has seen us develop a strong network of expert associates, some of whom are leading work in places as our representatives, others of whom have specific supporting roles such as coaching or mentoring local actors. The network is meeting regularly to reflect together, with our learning partners at Newcastle University Business School.

This is incredibly dynamic work that is evolving and changing daily, with many ups and downs. We are still at the early stages of a long journey but we are starting to see some shoots of positive change as we build relationships with key players, as partners continue to test out methodologies for change and as voices begin to be heard. These changes also reflect the unique characteristics of each place, the different actors, culture, historical context and relationships.

### Field

We are keen to understand what it will take to build the capabilities of people and organisations within the field of severe and multiple disadvantage so that they can analyse, change and disrupt systems.

Working in a systemic way, and in a way which embodies the system behaviours is different to business as usual. As we have discovered, it can feel at once exhilarating, freeing and personally challenging. It may require us to let go of long held assumptions. This can even be painful as some of us realise we had been working in ways which might actually have inhibited positive change.

We are in the early stages of understanding the role we might play here. Towards the end of the year we appointed a new team member to lead this work.

The most recent cohort of frontline practitioners from our programme, Systems Changers, 'graduated' early in 2017. Since then we've been exploring what it would mean to spread

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this programme, how it could work in different contexts and if we should even be doing this. We've started working alongside the Children's Society to see what it might look like in the youth sector.

We've continued to work with other Foundations who are interested in learning with us, and understanding how we can collaborate to build the field. This has included hosting an event to share the learning from the New Philanthropy Capital work on theories of change and systems change, speaking to trustee boards or inviting others to observe our grant decision making process internally. We've also continued to build international partnerships with foundations interested in this field.

We have made investments with partners also working to spread ideas associated with systems change like Forum for the Future's School of Systems Change.

We have funded strategic legal action for several years and we are now explicitly investigating whether and how legal strategies can contribute towards systemic change, in a partnership with the Public Law Project and with Lisa Vanhala and Jacqui Kinghan of UCL.

We include in this inquiry some of our key national partners, working to create a healthier policy environment for people facing severe and multiple disadvantage. These include Agenda, Revolving Doors Agency, Family Rights Group's Your Family, Your Voice Alliance, Making Every Adult Matter (MEAM) and Pathway, all of whom we support with financial and other resources.

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Over the course of 2017-18 we worked on updating our theory of change, now titled 'Our Approach', based on the journey described above. This captures our current thinking and is very much a live document that will change as we learn more. We operationalised this revised thinking in a new three year strategy accompanied by a three-year rolling budget.

In October, a new Chair joined our Board of Trustees. Myron Rogers is a systems theorist, a deeply experienced practitioner and a large scale change consultant.

We have invested in organisational development, on the basis that we need to work to embody the change we want to see. As an executive team we have paid attention to the way we have discussions and make decisions to try to make sure all voices are heard. We have been using the methodology called Co-Resolve, pioneered by Myrna Lewis in post-apartheid South Africa, to structure internal (and increasingly external) meetings. This is based on principles of valuing conflict and fully hearing discordant views. We are now skilled in this to the point where team members can facilitate large-scale dialogues such as at the Association of Charitable Foundations annual conference and with community members and others on issues of community cohesion in Barking and Dagenham. Several of our partner organisations have joined us in learning and practicing this method too.

As an executive team, we have used Systems Coaching to expose and work on our own assumptions and default behaviours. We use reflective practice and colleagues are training in and practicing the ORSC (Organisational and Relationship Systems Coaching) method.

We have developed our communications work, explicitly taking a networked approach and sharing communications opportunities with our partners and others. We have instigated weekly Twitter takeovers where we hand control of our main Twitter account to frontline practitioners. Along with partner organisations we have been trained in digital storytelling. Many of our partners including the women behind Untold Story, the Nelson Trust, Salford

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Dadz and Camerados have featured in radio, print and television media (Camerados in the Washington Post).

We have made our grants data accessible through the platform 360 Giving.

Our governance model has evolved over the last two years (most decisions on spend on grants and other work are now devolved to the executive for example). At the beginning of 2018 with our new Chair in place, we explicitly decided to begin an action inquiry into what effective governance looks like for us, given our mission and systemic approach. This will be ongoing into 2018-19.

### **Key learning to date**

Anything we think we are learning almost inevitably leads us to a new set of questions. Some key cross-cutting observations include the following:

We are a tiny part of a whole series of nested systems. We can only possibly take a limited number of actions, all of which are connected to huge themes - economic systems, gender and race discrimination, environmental degradation. We need to be able to act without being paralysed or overwhelmed by these macro themes but we need to engage with them.

We are developing our 'theory of money', recognising the link this has to power and observing how our money plays different roles in different aspects of our work. As a team we don't necessarily all relate to our resources in the same way - some of us feeling guilt and others not. We do acknowledge that sometimes money can create perverse incentives and cause division. It can be sometimes be hard to get to honesty on all sides when money is in the room.

When we talk about money, we need to include our investments, otherwise we are taking a wilfully incomplete view and aren't being systemic. We are still stuck in standard models of practice here, and not recognising sufficiently that our investments have an impact, whether we intend it or not, that relates to our mission.

Narrative, and the stories people tell themselves, are significant at every level. We have noticed, for example, the way narrative about places helps to determine what is and is not possible. In Manchester for example, the narrative about devolution is helping to foster a spirit of agency, possibility and hope. In other areas, a narrative about failure has created the opposite.

A key process for us is to help create protected spaces where people can be curious, take risks, show vulnerability and experiment with new ideas. It is hard to create these spaces, as people are often stuck in roles. We have found that the more techniques allow people to step outside of their role - of funder, grantee, trustee, service user, commissioner, frontline worker - and to explore safely their own and other people's perspectives, the richer the conversations have become.

We need to take into account a number of different reasons for why people might be willing/able to engage with the kinds of conversations that seem to be needed. These might include role, personality type, simple disagreement with our starting premise and language skills. We need a varied toolkit to hand. Learning new skills together as an organisation and with our partners has helped to deepen our relationships.

The role of emotions is significant. It is challenging to try to be genuinely collective and to hear all voices, when some people are hurt and feel a sense of injustice from being (historically) unheard whilst others might feel guilt and shame for their part in this.

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The distribution of this kind of emotion is not a simplistic 'people with lived experience' v. everyone else. Power is distributed in unpredictable ways (with some apparently powerful people feeling a distinct lack of power) though at the same time there are observable patterns.

Working together as a team trying to model the change we are seeking has been an emotional journey, by turns and sometimes all at once exciting, challenging, exposing, painful and satisfying. We recognise we are still finding some things difficult and that this work to deepen our relationships and honesty with each other will need to continue.

Place-based approaches have their limits, for example some of the challenges still come from national Whitehall agendas and there are structural dynamics of poverty and the exclusion of women and BAME and other groups to consider. Communities of place can risk excluding communities of identity.

We are experimenting with some adversarial approaches such as strategic litigation, which are a time-honoured part of the toolkit of social change. There is an open question about whether every change process needs to mirror the system behaviours. Some of the most successful national policy work we support suggests this might not be the case.

We often tell ourselves that this work takes a long time. It is dependent on relationships being built, the reality of a particular situation gradually unfolding and the stages of personal change and growth. At the same time we see how sudden shocks or unexpected events can create change in systems. Can these ever be predicted or precipitated? What does this mean for us?

We are realising again and again the truth in the idea that people really don't trust what they are not a part of.

### **The year ahead**

All of our work will take place in collaboration with partner organisations and individuals, current and new.

We will take time to shape our Knowledge, Power and Field action inquiries.

We will publish a number of pieces of research presenting different perspectives on what severe and multiple disadvantage looks like.

Our work in place will continue to develop and grow. We will learn more about how a foundation can act to support places to change.

We will support the development of a funder collaborative on place-based working.

Systems Changers will run in different settings, in a place and in a sector, building systems thinking capacity and capability.

We will experiment with the role residencies and other forms of protected space can play in helping to deepen relationships between key organisations/individuals in places.

We will develop our relationship with Myrna Lewis (the founder of the Co-Resolve method) so that she can directly support partners and local areas to use more transformative methodologies to surface and resolve suppressed conflict.

We will support and network our national partners who will continue to make the case for a policy environment that is better able to respond to the multiplicity of disadvantage.

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We will develop our networked communications strategy, sharing opportunities with our partners to get the stories of their work out into the world.

As our inquiries develop, we expect to start seeking new partnerships, possibly through participatory processes by which we share power and authority over our financial resources.

Under the leadership of our new Chair, we will adapt our governance model to support our mission more effectively. We view this as an action inquiry in itself, as there is no roadmap for how governance should be done in a foundation working in a systemic way.

**Through all our work we will seek to deepen our collective understanding about how to support systems to change and we will adapt our approach as a result.**

### Investing responsibly

The Foundation is committed to investing its assets in accordance with the Principles for Responsible Investment (PRI) and expects its fund managers to adhere to the same code.

In 2017, we continued our investment strategy review with guidance from Mercer, who presented initial options for implementation in September 2017.

The Board felt it needed to understand better the scope for extending its ethical investment approach beyond screening out equity in particular companies. It agreed to pause the review, establish a clear purpose for investments and to identify the values and beliefs that underpin that purpose. In 2018, therefore, the Investment Committee will develop a policy framework that will enable the Foundation to pursue a values-led investment strategy that balances impact, performance and risk.

## THE LEGAL REQUIREMENTS

### The objects of the Foundation

The Foundation's objects are to promote any charitable purposes under the law of England and Wales. The trustees define the policies that underpin the Foundation's programmes and have agreed the following vision and mission statement. We want our values to communicate our passion and inform our everyday relationships, belief systems and attitudes across the delivery of our work.

**Our vision** is of a society where everyone has the opportunity to live a rewarding life.

**Our mission:** Lankelly Chase is an independent foundation working in partnership with people across the UK to change the systems that perpetuate severe and multiple disadvantage.

**Our belief:** All people can thrive in the right conditions.

**Our strategic goal:** Systems that are effective in responding to the interlocking nature of severe disadvantages such as homelessness, drug misuse, violence and abuse and mental ill health.

### Values

Determined: real change takes tenacity, kindness and commitment. We work with humility and the knowledge that there are no simple answers.

## **The LankellyChase Foundation**

Open: we want to build relationships based on shared humanity, kinship and respect. We are always open to new ideas and evidence and we share whatever we learn for the benefit of everyone.

Reflective: we want to find out what really works. We challenge assumptions and we use feedback as a powerful tool for learning.

### **History**

The LankellyChase Foundation is the amalgamation of two grant-making trusts, the Lankelly Foundation and the Chase Charity.

The Chase Charity was established on 18 May 1962 and the Lankelly Foundation on 18 March 1968. On 9 December 2004, the two trustee bodies amalgamated the trusts and the new LankellyChase Foundation was incorporated.

### **Structure, governance and management**

The Board of Trustees administers the Foundation. The Board appoints trustees who then serve for four years, after which they may be re-appointed to serve one further term of up to four years. In exceptional circumstances a trustee may, if agreed unanimously by the Board, be asked to serve an additional four-year term. The Chair is appointed by the trustees through external competition and serves for a maximum of two 3-year terms.

Periodically the Board reviews the range of skills among trustees and may recruit new trustees to fill any gaps in the skillset of the board. New trustees are recruited through external competition. Appointments are made based on the skills that the Board decides are required to manage the Foundation and develop its work.

An induction programme is generally arranged for new trustees. Involvement in external training (such as that offered by the Association of Charitable Foundations) is encouraged.

The full trustee board meets three times a year to manage the Foundation.

The day-to-day administration continues to be delegated to the Chief Executive who is supported by a staff team.

The Board of Trustees had established four sub-committees (all of which meet three times a year), which were reduced to three this year:

- The Investment Committee to oversee the management of the Foundation's assets
- The Resources and Risk Committee to oversee the main risk and audit requirements, and to monitor and review budgets and human resources. This Committee was created through the merging of the Audit and Risk Committee and the Finance and Resources Committee, with its inaugural meeting on 24 January 2018.
- The Learning and Communications Committee to establish and oversee the learning and communications strategies.
- The Audit and Risk Committee to oversee the main risk and audit requirements (final meeting held on 4 October 2017)
- The Finance and Resources Committee to monitor and review budgets and expenditure, and human resources (final meeting held on 20<sup>th</sup> September 2017)



## **The LankellyChase Foundation**

### **Risk management**

The trustees are responsible for establishing and monitoring Lankelly Chase's internal control systems. The risk register is reviewed by the Resources and Risk Committee and the whole Board reviews the major strategic and operational risks at least annually. Trustees are satisfied that the system of internal controls currently in place is adequate, while recognising that it is designed to manage rather than eliminate risk. The Board agreed to explore an internal audit function following the merger of the Audit and Risk Committee with the Finance and Resource Committee, and this process is being managed by the Resources and Risk Committee. Internal controls are reviewed as part of the day-to-day management processes within the Foundation.

The trustees consider that the principal risk to Lankelly Chase is that it does not fulfil its core purpose to tackle severe and multiple disadvantage. In order to mitigate this, the Executive and Board review our strategy, governance and work practices regularly and seek feedback on our effectiveness through an independent grantee perception survey and/or stakeholder insight reports. We also accept that the projects with which we work might involve more risk than other funders might be comfortable with. However, we have management processes in place to manage those risks where possible and to learn from failures as well as successes (recognising that there are no unalloyed successes or failures).

Our ability to fulfil our purpose is subject to the performance of our investments and therefore the unpredictability of the financial markets. To mitigate this risk the trustees work with four investment management firms and review asset allocation and fund performance on a regular basis.

### **Public benefit requirement**

The trustees aim to meet their public benefit responsibilities, as laid out in Section 17 of the Charities Act 2011, by using the Foundation's resources to support agencies that seek to enable some of the most disadvantaged people in our society to lead full and independent lives.

### **Review of grant activity**

In 2017-18 grant proposals were reviewed and approved by the Executive Committee. The Executive Committee is held monthly, with most of the team in attendance.

The purpose of the Executive Committee is to:

- Oversee the activity set out in Lankelly Chase's Operational Plan, ensuring that it is:
  - Moving Lankelly Chase towards its goal
  - Keeping to timescales
  - Working within budget
  - Identifying and managing the main risks, and where appropriate escalating risks to the Board.
- Approve individual items of spend above £5,000 and below £300,000. Items over £300,000 which have not been pre-approved in the annual budget are brought to the full board for review, as are any grants considered by the Executive Committee to be unusual or high-risk. Grants below £5,000 can be made at the discretion of the Directors and the Chief Executive and are reported to the Executive Committee meeting.

## The LankellyChase Foundation

Grants were awarded in the year as follows (some grants recorded against the strategic areas of the 2016/17 programme of work during transition into new strategic areas):

Organisation name	Grant amount £	Strategic area	Description
Arts at the Old Fire Station	250,000	Place	Five year core funding whilst exploring together how to create the conditions for place-based change
Arts at the Old Fire Station	6,000	Comms	Contribution to Marmalade 2018, a fringe event to the Skoll World Forum for Social Entrepreneurs
BAC-IN CIC	273,542	Who	Two year support for Project Ahryzen, including support for a learning partner
Birmingham Community Healthcare NHS Foundation Trust/City of Birmingham School	118,004	Place	One year support for operational costs of the Birmingham SEMH Pathfinder project, a collaborative and multidisciplinary approach to working with disadvantaged children and their families
Camerados CIC	137,257	Support	One year support for core costs and project funding for the rapid micro-business programmes
Centre for Local Economic Strategies Limited/CLES	830	Place	To support additional time for the participating partners of the Elephant Series – adjustment of 16/17 grant
Centre for Local Economic Strategies Limited/CLES	6,250	Place	The Elephants Series bridging process - to take forward the learning from the previous year action research
Centre for Social Justice, The	10,000	Systems	Support for the Housing First initiative to be presented at party conferences
Church Of England Children's Society	104,400	Field	One year support to develop the Systems Changers programme for the youth sector.
Collaborate CIC	150,000	Place	Two year support for work in Barking & Dagenham and Gateshead, including associates' learning communities and communications in local areas.
Corra Foundation, The (formerly Lloyds TSB Foundation for Scotland)	200,000	Place	Two year support for Corra's People in Place work across 9 areas in Scotland.
Cumbria Partnership NHS FT/Love Barrow Families	43,717	Place	Love Barrow Families – a project designed to improve the way that adult and children's health and social care services work together for families in Barrow.

## The LankellyChase Foundation

Organisation name	Grant amount £	Strategic area	Description
Family Rights Group/FRG Ltd	400,000	Who	Three year grant to support 'Your Family, Your Voice' - an alliance of families who have had contact with the child protection system and professionals working in the system
Friends, Families and Travellers	5,000	Field	Support to progress the System Changes principles and working with the local NFA Residents Association in Brighton
Goldsmiths' College - for Open Book	197,925	Power	Two year core funding to support Open Book, seeking to break down the barriers that discourage people from entering higher education
Homeless Link (host organisation for Expert Link)	278,181	Power	Three year core costs support to Expert Link to develop their training programme, build their network and engage with wider audiences
Hope into Action	154,545	Power	Three year core funding, provides homes for the most vulnerable in society in partnership with local churches.
Leeds Gate (Leeds Gypsy and Traveller Exchange)	284,011	Who	Three year core funding to build on the Asset Based Community Development work
Local Solutions	138,652	Support	18 month funding to integrate work, collect and share learning
National Survivor User Network (NSUN) for the Insight project	223,875	Power	18 months core funding for the Insight project supporting organisations to develop their service-user involvement infrastructure
NSUN (National Survivor User Network)	112,500	Power	Two year support for the 'Re-igniting the space' project, building support and momentum through networks of community organisations, groups and activists.
Nelson Trust, The	5,000	Who	To support an event in summer 2018 on disadvantage
New Philanthropy Capital	7,625	Support	Communications support for NPC theory of change for systems change research, including report design and launch campaign
Our Sorority CIC	121,200	Power	Two year core funding to continue supporting women and girls facing SMD in Birmingham and inform the response of services interacting with them

## The LankellyChase Foundation

Organisation name	Grant amount £	Strategic area	Description
Public Law Project. The	92,724	Field	18 month support for exploring the use of strategic litigation as a tool for systems change
Public Law Project. The	48,362	Field	Balance of the above grant
Public Law Project. The	10,000	Field	Support to enable other organisations to engage with Public Law Project
Revolving Doors Agency	122,757	Field	Three year funding to host the Research Network on Severe and Multiple Disadvantage
Social Innovation Exchange	20,000	Field	One year support to the SIX international funders node to deepen existing connections and relationships and expand the network
Social Research Unit/ Dartington	3,000	Support	Support for research on relational approaches and access to Canadian Housing First data
Transforming Choice CIC	50,000	Support	A core grant for six months to continue the work of Transforming Choice to detox and rehabilitate people who are experiencing severe and multiple disadvantage
Transforming Choice CIC	25,000	Support	Additional core costs support for six months.
An Untold Story - Voices	3,610	Who	To support women from the Lighthouse Project 'An Untold Story' to establish a voluntary group and build networks
York Road Project	15,800	Field	Human Language project - rewriting organisational signs and policy documents to help change mind-sets and internal language.
Young Foundation, The/AGENDA	20,000	Place	Support to AGENDA for scoping work on place-based systems change for women at risk
Young Foundation, The/AGENDA	247,272	Field	Three year core grant for AGENDA, the alliance for women and girls at risk
<b>Total</b>	<b>£3,887,039</b>		

## **The LankellyChase Foundation**

### **Financial report**

The trustees authorised a total budget (excluding investment management and social investment fees) for 2017/18 of £7,673k made up of:

- £6,415k programme costs
- £1,215k staff costs, governance and office costs

There was also a budget of £24k for capital expenditure.

Total expenditure, excluding investment management fees was £5,683k. This was made up of:

- £4,473k programme costs.
- £1,210k staff costs, governance and office costs.

£7k was spent on capital items in the year.

### **Income**

LankellyChase Foundation does not derive any income from fundraising.

LankellyChase Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

### **Spending policy**

Trustees and staff regularly review progress against the Foundation's strategic aims and a work plan is agreed with the staff team. In 2017/18, the work was grouped in terms of our action inquiries: Knowledge, Power, Place, Field and Lankelly Chase. This latter strategic area was set in order to support the Foundation to be an organisation that lives by its values, models the change we want to see, develops methodologies for reaching and engaging the most promising partners and for communications.

In 2017/18 a process of a 3-year rolling budget was agreed with the Board to facilitate and better reflect multi-year spend strategies. This process will continue in 2018/19.

It is our strategy and mission that are the main determinants of each year's expenditure.

### **Investment policy**

The Foundation adopts a total return approach to investment, generating the investment return from income and capital gains or losses after deducting investment manager fees.

The Foundation seeks to produce the best financial return within an acceptable level of risk for the bulk of the assets. Trustees seek to maintain the value of the Foundation's assets at not less than £100 million in real terms (revalued from a base in 2013) after fulfilling its mission-related programme.

### **Investment management**

The trustees engage four investment management houses to manage a portfolio of assets on a discretionary basis which had a value of £141 million including cash balances at 31 March 2018 (2017: £141 million). These houses were chosen to complement each other

## **The LankellyChase Foundation**

and reduce style bias and manager risk. As such, they employ a range of strategies to meet investment objectives and report performance against stated benchmarks.

In addition, the trustees measure long-term performance against the objective of maintaining the real value of reserves at not less than £100 million (from a starting point on 31/3/13 for the indexation calculations) while being able to meet all the spending requests on projects and grants that are considered likely to help us to achieve our objectives. The underlying holdings are generally readily marketable and are either quoted on recognised exchanges or are authorised unit trusts or open-ended investment vehicles.

### **Investment portfolio**

The investment portfolio contains the bulk of the Foundation's assets. Certain restrictions apply to all investment managers such as a ban on investing directly in companies the operations of which might significantly conflict with the Foundation's mission or adversely affect our ultimate beneficiaries, people facing severe and multiple disadvantage. Each fund manager has agreed asset allocation bands and performance benchmarks against which performance is reviewed.

The total value of the managed fund investments decreased by £0.5 million, from £141.4 million in 2017 to £140.9 million in 2018 (2017: increase of £14 million).

### **Performance**

2017/18 has been a year where equity returns have continued to be strong. However, sterling has strengthened against particularly the Euro and US dollar that has negatively impacted returns on holdings in foreign currency. Bond yields have been flat and returns on cash holdings poor. Overall, the year has been neutral for the fund ending 2018 with a £1.5 million net gain on the managed investments (2017: £19.2million net gain).

Lankelly Chase is a long-term investor with a well-diversified portfolio spread over four investment managers each with its own benchmark, set to best enable the Foundation to achieve its investment strategy over the long term and so can accept some short-term volatility.

During the year two of our managers have performed better than the benchmark, one is performing to the benchmark and one is behind the benchmark. This broadly continues the trend we have seen following the review and change of fund managers in 2012. For the period since that change in 2012, two fund managers (including the worst performing in the current year) have exceeded the benchmark, the best performing in the current year is on the benchmark and the second best performing in the current year is below the benchmark. From 2012 to December 2017 the portfolio performance has been a return of 13.5% against a benchmark of 16.4%. However, poor equity returns in the first quarter of 2018 have adversely impacted the value of the fund, the value falling by 2.9% excluding withdrawals in the final quarter of the financial year.

In 2016/17, the trustees began an investment strategy review which continued during 2017/18 and will continue into 2018/19 to review asset allocations, fund managers and the performance needed to achieve our objectives.

### **Social investments**

The Foundation will consider making social investments where they directly support our mission and where the financial support required is different to that needed by grantees.

Achieving the maximum financial return is not the overriding consideration in making these investments and in reviewing their success. The trustees recognise that the returns from

## **The LankellyChase Foundation**

social investments come from a blend of social impact and the traditional investment measures of income generated and increase in capital value. Income and the maintenance of capital value is important to demonstrate that social investments can produce a financial return as well as a social return, but the primary reason for the Foundation making social investments is, as for grant-making, to advance our charitable mission. Social investments are reviewed for both social impact and on financial measures to inform impairment considerations.

Social investments at 31 March 2018 totalled £1,094,460 (2017: £1,902,035).

### **Reserves policy**

As the Foundation's endowment is expendable, it is all available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Trustees consider it prudent to hold cash of approximately twelve months' projected expenditure. This includes grants that are payable in the next 12 months, one year's programme, staff, governance and office costs and the value of any purchases of office furniture or equipment that are anticipated within the next 12 months. This cash is held under the Foundation's direct control.

### **Remuneration policy**

The overall goal of the Foundation's remuneration policy is to ensure that staff members are remunerated fairly and in a way that ensures that the Foundation attracts and retains the right skills to have the greatest impact in delivering our charitable objectives.

Lankelly Chase aims to maintain a competitive and fair salary structure which is clearly defined and communicated to all employees with procedures that are applied consistently in a non-discriminatory manner. The Foundation benchmarks salaries against an appropriate comparative sector/set of organisations. All salary changes are approved by the CEO and the Resources and Risk Committee.

Lankelly Chase is a living wage employer and commits to paying at least the London Living Wage to all employees, including interns.

In February 2018 Trustees agreed to implement an Enhanced Parental Leave policy offering all new parents the same opportunity to take paid leave, regardless of gender, sexual orientation or how they became a parent (whether through birth, adoption, parental responsibility or surrogacy). This has been made available after passing probation, rather than the original requirement of 12-months of service, and reflects a commitment to living the values of the Foundation.

The Foundation does not currently pay remuneration to trustees or co-optees.

## **The LankellyChase Foundation**

### **Statement of responsibilities of the trustees**

The trustees (who are also directors of LankellyChase Foundation for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 27 June 2018 and signed on their behalf by

Myron Rogers  
Chair of Trustees



## **The LankellyChase Foundation**

### **Independent auditor's report to the members of The LankellyChase Foundation**

#### **Opinion**

We have audited the financial statements of The LankellyChase Foundation (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

## **The LankellyChase Foundation**

statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **The LankellyChase Foundation**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, London EC1Y 0TL

27 June 2018

# The LankellyChase Foundation

## Statement of financial activities for the year ended 31 March 2018

	Note	All restricted and unrestricted funds 2018 £	All restricted and unrestricted funds 2017 £
<b>Income from:</b>			
Investments	2	3,744,087	3,612,012
Other income		16,316	57,027
<b>Total incoming resources</b>		<b>3,760,403</b>	<b>3,669,039</b>
<b>Expenditure on:</b>			
Investment management fees		932,172	832,870
Charitable activities	3	5,683,786	6,264,728
<b>Total expenditure</b>		<b>6,615,958</b>	<b>7,097,598</b>
<b>Net expenditure before net gains on investments</b>		<b>(2,855,555)</b>	<b>(3,428,559)</b>
Net gains on investments		1,482,994	19,235,166
<b>Net income/(expenditure) for the year</b>	4	<b>(1,372,561)</b>	<b>15,806,607</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward at 1 April		145,769,303	129,962,696
<b>Total funds carried forward at 31 March</b>		<b>144,396,742</b>	<b>145,769,303</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Income and expenditure on both restricted and unrestricted funds have been combined as the net expenditure on restricted funds is not considered material to the overall result.

# The LankellyChase Foundation

## Balance sheet

as at 31 March 2018

			2018		2017
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		18,142		45,238
Investments					
Managed funds	11		140,906,524		141,388,210
Social investments	12		1,094,460		1,902,035
			<b>142,019,126</b>		<b>143,335,483</b>
<b>Current assets</b>					
Debtors	13	105,209		147,808	
Cash at bank and in hand		6,511,066		6,594,579	
		<b>6,616,275</b>		<b>6,742,387</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(2,507,677)		(2,514,060)	
<b>Net current assets</b>			<b>4,108,598</b>		<b>4,228,327</b>
<b>Total assets less current liabilities</b>			<b>146,127,724</b>		<b>147,563,810</b>
Creditors: amounts falling due after one year	15		(1,730,982)		(1,794,507)
<b>Total net assets</b>			<b>144,396,742</b>		<b>145,769,303</b>
<b>The funds of the charity</b>					
Restricted funds	16		-		10,000
Unrestricted funds	16		144,396,742		145,759,303
			<b>144,396,742</b>		<b>145,769,303</b>

The financial statements were approved by the Board of Trustees and authorised for issue on 27 June 2018 and are signed on its behalf by:

Myron Rogers  
Chair of Trustees

Company registration number 5309739

# The LankellyChase Foundation

## Statement of cash flows For the year ended 31 March 2018

	Note	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>	<b>18</b>				
Net cash provided by/(used in) operating activities		(6,752,840)		(7,059,478)	
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments		3,904,125		3,612,012	
Purchase of fixed assets		(7,053)		(6,801)	
Purchase of social investment		-		-	
Return or impairments of social investments		807,575		70,577	
Movement on cash within investments		(1,290,849)		815,617	
Proceeds from sale of investments		32,490,143		63,762,731	
Purchase of investments		(29,234,614)		(60,153,619)	
<b>Net cash provided by/(used in) investing activities</b>		<u>6,669,327</u>		<u>8,100,517</u>	
<b>Change in cash and cash equivalents in the year</b>		<u>(83,513)</u>		<u>1,041,039</u>	
Cash and cash equivalents brought forward at 1 April		<u>6,594,579</u>		<u>5,553,540</u>	
<b>Cash and cash equivalents carried forward at 31 March</b>	<b>19</b>	<u><u>6,511,066</u></u>		<u><u>6,594,579</u></u>	

**Notes to the financial statements  
for the year ended 31 March 2018**

**1. Accounting Policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**Income**

Investment income is accounted for when received by the Foundation or its agents. Social investment interest income is recognised when receivable on an accruals basis. Other income is accounted for when the amount receivable can be identified with reasonable certainty. In practical terms this is generally the date of receipt.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading: expenditure on charitable activities which includes the costs of programme activities and grant-making undertaken to further the purposes of the charity and their associated support costs.

Charitable activities are those costs relating to the programme activities of the Foundation and include grants, governance and support costs. Grants are generally payable in instalments over a number of years. The full amount of the grant however is accounted for in the year in which the decision is made rather than the year in which payment is made. These grants fall due for payment when all conditions have been met. These conditions will vary according to the purpose and period of the grant.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investment managers' fees are grossed up for any rebates received.

## **The LankellyChase Foundation**

### **Notes to the financial statements for the year ended 31 March 2018 (continued)**

Governance costs are the costs associated with the strategic direction of the organisation and with meeting regulatory responsibilities.

Support costs are those related to all the other activities of the organisation and are apportioned on the basis set out in note 4.

#### **Allocation of support costs**

Resources expended are allocated to the activity where the cost relates directly to that activity. However, the cost of the overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the proportion of staff time attributable to each activity.

#### **Operating lease commitments**

Rental charges are charged on a straight line basis over the term of the lease.

#### **Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over the remaining life of the lease
Office furniture and equipment	25% per annum

#### **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included in unrestricted reserves in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities (SOFA). The Foundation does not acquire put options, derivatives or other complex financial instruments.

#### **Social investments**

Social investments are carried at fair value or impaired cost where it is not practicable to recognise at fair value. Such investments are subject to regular review and any impairment is charged to the SOFA. Investment valuations are not enhanced to more than original cost.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.



# **The LankellyChase Foundation**

## **Notes to the financial statements for the year ended 31 March 2018 (continued)**

### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### **Pension costs**

Contributions by the Foundation to the personal, money purchase, pension schemes held in the names of the individual employees are recognised in the year in which they are payable.

### **Funds**

As the Foundation's endowment is expendable, unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable objects of the Foundation.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

## **2. Income from investments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Listed investments	3,584,049	3,530,187
Interest on cash held as part of the investment portfolio	52,016	5,709
Bank interest	9,447	16,531
Social investment income	98,575	59,585
Total investment income	<u>3,744,087</u>	<u>3,612,012</u>

Interest on cash includes income received from Index Linked Treasury bonds that have been held during the year in larger values than during 2017/18.

# The LankellyChase Foundation

## Notes to the financial statements for the year ended 31 March 2018 (continued)

### 3. Expenditure on charitable activities

All expenditure on charitable activities falls under the heading of programme costs. For 2017/18 a different approach has been taken that splits grants into the areas of Who, Power, Field and Place which it is felt is more meaningful for the way that the Foundation operates. The strategy in the year ended 31 March 2017 was based around four key areas: People, Support, Systems and Lankelly Chase.

Where the programme expenditure relates to grants, the allocation of costs to strategic areas is not precise, as most grants cut across more than one or two of these areas and, for grants that span a number of years, the focus of the work can also develop and change over time. The Foundation's approach is to encourage grant applicants to respond to what is needed locally rather than to restrict their work to just one strategic area.

There were restricted costs in the year of £7,924 (2017: £nil). This was the expenditure of restricted income received in the previous financial year.

As there is only one stream of income or expenditure to which support costs can be allocated, they are all allocated to programme costs, as set out below:

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Programme-related costs		
Strategic areas:		
People	-	1,528,230
Support	-	1,837,030
Systems	-	1,786,954
Lankelly Chase	-	85,605
Who	588,354	-
Power	1,112,139	-
Field	1,136,314	-
Place	878,129	-
Grants	327,365	-
Comms	116,304	-
Learning	73,710	-
Associates	19,180	-
General Development	21,882	-
Social investments write off	200,000	-
	<hr/> 4,473,377	<hr/> 5,237,819
Governance costs (note 6)	73,298	67,775
Support costs (note 7)	1,137,111	959,134
	<hr/> <b>5,691,710</b> <hr/>	<hr/> <b>6,264,728</b> <hr/>

**The LankellyChase Foundation**

**Notes to the financial statements  
for the year ended 31 March 2018 (continued)**

**4. Net income/(expenditure) for the year**

This is stated after charging/(crediting):

	<b>2018</b> £	<b>2017</b> £
Depreciation	34,149	38,840
Loss on disposal of fixed assets	-	549
Operating lease rentals		
Property	65,583	65,559
Other	357	8,801
Auditor's remuneration (excluding VAT):		
Audit	11,150	10,800
VAT on audit cost	2,230	2,160
	<u>          </u>	<u>          </u>

**5. Governance costs**

	<b>2018</b> £	<b>2017</b> £
Legal expenses	13	13
Auditor's remuneration	13,700	12,960
Membership of PRI	984	960
Chair and trustee recruitment	16,001	7,999
Trustee expenses reimbursed	7,283	5,760
Trustee training	845	-
Trustee meeting costs	9,727	10,430
Investment advisor fees	23,857	29,386
Other governance related administration expenses	889	267
	<u>          </u>	<u>          </u>
	<u>73,298</u>	<u>67,775</u>

# The LankellyChase Foundation

## Notes to the financial statements for the year ended 31 March 2018 (continued)

### 6. Support costs

The key elements of support costs are set out below.

	2018 £	2017 £
Staff costs (note 8)	851,992	720,824
Recruitment costs	14,076	10,845
HR-related costs	31,577	6,606
Premises costs including utilities and repairs	80,925	82,015
Legal and professional costs	14,382	6,787
Travel, subsistence and hosting of events	6,144	6,985
Training and conferences	17,326	18,370
Subscriptions and memberships	58,973	36,849
Telephone, postage, stationery and printing	16,206	16,027
Website and IT costs	10,708	13,573
Bank charges	655	697
Exchange rate differences	(2)	716
Depreciation	34,149	38,840
	<u>1,137,111</u>	<u>959,134</u>

### 7. Analysis of staff costs, trustee expenses and the cost of key management personnel

Staff costs were as follows:

	2018 £	2017 £
Salaries	664,104	595,536
Redundancy and termination costs	31,696	-
Social security costs	65,738	61,861
Employer contribution to defined contribution pension schemes	65,441	61,222
Temporary staff	22,727	-
Other forms of employee benefits	2,286	2,205
	<u>851,992</u>	<u>720,824</u>

The following number of employees received benefits in excess of £60,000 (excluding employer pension costs and employer National Insurance contributions) during the year between:

	2018 No.	2017 No.
£60,000 - £70,000	-	1
£90,000 - £100,000	2	1

## The LankellyChase Foundation

### Notes to the financial statements for the year ended 31 March 2018 (continued)

The total employee benefits including employer pension contributions and employer National Insurance contributions of the key management personnel were £481,968 (2017: £429,868).

The Chief Executive received a gross salary after salary sacrifice of £95,466 with employer pension contributions of £15,767 (2017: £93,138 and £15,382 respectively).

The key management personnel (including the Chief Executive) received salary payments (gross salaries after sacrifice) plus employer pension contributions and other benefits in the following bands.

	<b>2018 No.</b>	<b>2017 No.</b>
£60,000 - £70,000	1.9	2.9
£70,000 - £80,000	1.0	-
£80,000 - £90,000	-	1.0
£90,000 - £100,000	0.8	-
£100,000 - £110,000	-	1.0
£110,000-£120,000	1.0	-
Total	<b>4.7</b>	<b>4.9</b>

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £15,129 (2017: £13,202) incurred by 10 members relating to attendance at meetings of the trustees (2017: 10).

The Foundation trustees were not paid nor received any other benefits from employment with the Foundation in the year (2017: £nil).

#### 8. Staff numbers

The average monthly number of employees (head count based on number of staff employed) during the year was 13 (2017: 12).

#### 9. Related party transactions

There were no related party transactions in the year.

The LankellyChase Foundation

Notes to the financial statements  
for the year ended 31 March 2018 (continued)

10. Tangible assets

	Leasehold improvements £	Furniture & equipment £	Total £
<b>Cost</b>			
At 1 April 2017	133,849	63,640	197,489
Additions	-	7,053	7,053
At 31 March 2018	133,849	70,693	204,542
<b>Depreciation</b>			
At 1 April 2017	101,045	51,206	152,251
Charge for the year	26,172	7,977	34,149
At 31 March 2018	127,217	59,183	186,400
<b>Net book value at 31 March 2018</b>	<b>6,632</b>	<b>11,510</b>	<b>18,142</b>
Net book value at 31 March 2017	32,804	12,434	45,238

All assets are used for charitable purposes.

11. Investments – managed funds

Investments comprise:

	2018 £	2017 £
Listed investments	136,742,089	138,514,624
Cash held as part of the investment portfolio	4,164,435	2,873,586
<b>Total market value</b>	<b>140,906,524</b>	<b>141,388,210</b>

# The LankellyChase Foundation

## Notes to the financial statements for the year ended 31 March 2018 (continued)

### Investments – managed funds (continued)

	2018 £	2017 £
Fair value at 1 April	138,514,624	122,888,570
Additions at cost	29,234,614	60,153,619
Disposal proceeds	(32,490,143)	(63,762,731)
Net gain on change in fair value	1,482,994	19,235,166
Fair value at 31 March	<b>136,742,089</b>	<b>138,514,624</b>
Historic cost at 31 March	<b>125,355,512</b>	<b>122,410,302</b>

### 12. Investments - social investments

The movement in social investments held by the Foundation during the year, including those provided against, were as follows:

	At 1 April 2017 £	Purchases in year/ (return of capital) £	Impairment £	At 31 March 2018 £
Peterborough Social Impact Bond	345,860	(345,860)	-	-
Big Issue Invest	156,175	(11,715)	-	144,460
Charity Bank	200,000	-	-	200,000
Ethex	-	-	-	-
Social Justice and Human Rights Centre	500,000	-	-	500,000
Bristol Together CIC	250,000	(250,000)	-	-
Resonance Real Lettings Property Fund	250,000	-	-	250,000
Fair Finance	200,000	-	(200,000)	-
	<b>1,902,035</b>	<b>(607,575)</b>	<b>(200,000)</b>	<b>1,094,460</b>

At the year-end, the Foundation had committed to no further social investments (2017: £250,000) to be made in the following year.

### 13. Debtors

	2018 £	2017 £
Other debtors	71,071	91,313
Prepayments	29,883	48,399
Accrued income	4,255	8,096
	<b>105,209</b>	<b>147,808</b>

Included in other debtors is an amount of £nil (2017: £580) falling due after more than one year.

**The LankellyChase Foundation**

**Notes to the financial statements  
for the year ended 31 March 2018 (continued)**

**14. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	28,741	51,991
Grants payable within one year	2,228,818	2,202,849
Other creditors	-	3,004
Accruals	250,118	256,216
	<b>2,507,677</b>	<b>2,514,060</b>

**Reconciliation of movement in grants creditors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 31 March 2017		
Grants falling due within one year	2,202,849	2,697,916
Grants falling due after more than one year	1,794,507	1,414,024
Total grants creditor	3,997,356	4,111,940
Prior years' grants cancelled/returned in year	(40,171)	(55,000)
New grants awarded in year	3,887,039	4,866,572
Grants paid in year	(3,884,424)	(4,926,156)
At 31 March 2018	3,959,800	3,997,356
At 31 March 2018		
Grants payable within one year	2,228,818	2,202,849
Grants payable after more than one year	1,730,982	1,794,507
Total grants creditor	3,959,800	3,997,356

**15. Creditors: amounts falling due after one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Grants payable (all payable in 2-5 years)	1,730,982	1,794,507
	<b>1,730,982</b>	<b>1,794,507</b>



# The LankellyChase Foundation

## Notes to the financial statements for the year ended 31 March 2018 (continued)

### 16. Movement in funds

As the Foundation's endowment is expendable, there is no distinction between the endowment and unrestricted reserves. These funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation.

#### a. Current year

	At 1 April 2017 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2018 £
Unrestricted funds	145,759,303	5,245,473	(6,608,034)	144,396,742
Restricted funds	10,000	(2,076)	(7,924)	-
<b>Total funds</b>	<b>145,769,303</b>	<b>5,243,397</b>	<b>(6,615,958)</b>	<b>144,396,742</b>

All income and expenditure in the year related to unrestricted funds except for £10,000 relating to the cost of a conference in the year. £10,000 was received towards the cost of the conference in 2016/17. £7,924 of the £10,000 income was expended on the actual cost of the conference with the balance of £2,076 being returned and shown as negative restricted income. Both the income and expenditure has been disclosed as restricted because it is solely to cover a share of the conference costs. This expenditure is not disclosed on the face of the SOFA because it is immaterial.

#### b. Prior year

	At 31 March 2016 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 March 2017 £
Unrestricted and total funds	129,962,696	22,904,205	(7,097,598)	145,769,303
<b>Total funds</b>	<b>129,962,696</b>	<b>22,904,205</b>	<b>(7,097,598)</b>	<b>145,769,303</b>

There was net restricted expenditure in 2017 of £10,000 (2016: Net income £10,000). This representing use of the £10,000 net income received in the previous year.

### 17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £	2017 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(1,372,561)	15,806,607
Depreciation charges	34,149	38,840
Gains on investments	(1,482,994)	(19,235,166)
Dividends and interest from investments	(3,904,125)	(3,612,012)
(Profit)/loss on the disposal of fixed assets	-	549
Decrease/(Increase) in debtors	42,599	(21,591)
Decrease in creditors	(69,908)	(36,705)
<b>Net cash used in operating activities</b>	<b>(6,752,840)</b>	<b>(7,059,478)</b>

# The LankellyChase Foundation

## Notes to the financial statements for the year ended 31 March 2018 (continued)

### 18. Analysis of cash and cash equivalents

	At 1 April 2017 £	Cash flows £	Other changes £	At 31 March 2018 £
Cash in hand	6,594,579	(83,513)	-	6,511,066

### 19. Operating lease commitments

The Foundation's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land and buildings		Other assets	
	2018 £	2017 £	2018 £	2017 £
Less than one year	65,559	65,559	3,749	3,121
One to five years	262,236	262,236	1,068	2,306
Over five years	21,853	87,412	-	-
	349,648	415,207	4,817	5,427

### 20. Legal status of the charity

The Foundation is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.