

THE WALCOT FOUNDATION

ANNUAL REPORT AND ACCOUNTS 2009/2010

The Walcot & Hayle's Trustee is a limited company (6133849)
registered in England and recognised by the Charity Commission
as the sole trustee of The Walcot Educational Foundation (312800)
The Hayle's Charity (312800-1)
The Walcot Non Educational Charity (312800-2)
and the Cynthia Mosley Memorial Fund (312800-3)

INTRODUCTION

In recent years we have been able to report on new initiatives and fresh approaches to our historic charitable aim of relieving poverty in Lambeth. During 2009/2010 we continued this approach. In this report we give details of our work over the last twelve months.

We regard it as a privilege to serve as trustees of our endowed charities. This year we assumed trusteeship of a further – fourth – charity. We say more about this later, and report on how we have begun to nurture that charity's assets and use its income to help a specific group of Lambeth children from low income households.

Our aim remains that of being faithful to our historic purposes in ways that engage with modern forms of poverty and financial exclusion. *A hand up, not a hand out* is the phrase we have used in recent years, and it still accurately expresses our aim. Poverty remains a feature of the UK – to a degree which must be regarded as an indictment in a wealthy Western democracy such as ours.

HISTORY - AND NEW A TRUSTEESHIP

We are always glad to acknowledge our principal benefactor, Edmund Walcot. His memory is honoured by two of our four charities – the Walcot Educational Foundation and the Walcot Non-Educational Charity. By his Will of 1667 he left seventeen acres of land in north Lambeth, close to the River Thames, to provide income for the relief of the local poor. Over the centuries those assets have changed and grown and now provide the bulk of the income used to fund our grants programmes.

The other of our charities is named after Richard Hayle. History has treated him well, providing a permanent memorial though not for any act of generosity on his part. In 1671 he simply sold six acres of land at St George's Field, Southwark, at the market price of £300, to the parish of St Mary-at-Lambeth. The purchase was made by the parish with the intention of using rental income for the relief of the local poor.

These charities have existed for nearly 350 years. Along the way they have absorbed many other charities that had become too small to be viable by themselves – one of which, named after Sir Noel Caron, the Dutch Ambassador to England, takes our earliest, traceable, origins to 1623.

During the year we became the trustee of the *Cynthia Mosley Memorial Fund*. This was at the request of the former trustee, Lambeth Council, and with the support of the Charity Commission. The charity, which is concerned with pre-school education for 'poor Lambeth children', had been inactive for some time. Well before the transfer we were able to put in place plans for using the accumulated unspent income and for the professional management of the charity's assets. As a result, the year included an award of £100,000, representing several years' unspent income, to *Early Education*, a national charity concerned with quality in pre-school education. *Early Education's* project, developed in response to our brief, is called '*P for Partnership*'. It is designed to establish the basis for parental involvement in their children's education on two levels: instilling it in the ethos/culture of key early years settings serving our target population and instilling it in day-to-day parental practice.

OBJECTS OF OUR CHARITIES

Our four charities are all concerned with the relief of poverty in Lambeth. Our largest charity (the Walcot Educational Foundation) emphasises education (broadly defined) as a means to that end. Our approach is to be fair and imaginative: 'fair' by applying consistent criteria to assessing financial need; 'imaginative' by thinking hard about what might bring about permanent improvement in individual lives and the means to escape generational deprivation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Committees of the Board undertake detailed work – particularly in the areas of managing the Foundation's assets and considering grant recommendations. We record our thanks to Charles Sands and to Shirley Hase for chairing the Investment and Grants Committees respectively.

INVESTMENT COMMITTEE

We manage the combined assets of our constituent charities with the needs of current *and future* beneficiaries in mind.. We are very grateful indeed to Henry Boucher who joined us last year as an Honorary Adviser. With his help we have been able to produce a *Strategic Investment Policy* which now informs the work of the committee and the decisions of the Foundation's fund managers. The Committee has paid careful attention during the year to medium and longer term investment strategy, maximising rental incomes, cash holdings and the refurbishment of properties. An important strand of activity has been developing models for predicting the Foundation's income over the coming years.

GRANTS COMMITTEE

The Grants Committee undertakes the scrutiny of recommendations and reports from our staff, as well as developing grant-making policy. During the year the committee met six times. It also met representatives from various bodies and a number of people with expert knowledge in areas within the Foundation's interests – teenage pregnancy is an example (the UK has amongst the highest European rates, and Lambeth shares with neighbouring Southwark the dubious distinction of the highest in the UK).

Two of our programmes, which we have reported on previously, have been ambitious in conception and continue to demand high levels of staff and Governor involvement – indeed, during the year rather more than we had expected. These are our Walcot Apprenticeship Scheme and the significant support we have given and continue to give to the development of credit union facilities in Lambeth. We say more about these below.

BOARD

The Board is the trustee body. During the year it met on four occasions.

MANAGEMENT

The Foundation's operations – which include extensive property management – are the responsibility of the Director and the staff team. We record our grateful thanks for the work they undertake on our behalf.

REVIEW OF 2009/2010

THE YEAR IN SUMMARY

This has been an interesting year for us, allowing us to further develop our knowledge of what is most likely to 'work' in pursuit of our charitable objects and also to experience the additional demands arising from being a 'progressive' grant-maker.

During the year we changed our working-name from *The Lambeth Endowed Charities* to *The Walcot Foundation*. We did this to minimise the confusion that often arose from our working name and the names of our constituent charities, and to avoid any stigma or unhelpful association with the word *charities* which we thought might discourage some applicants. Some of the Board regretted the loss of the local name *Lambeth* but our continuing and exclusive focus on Lambeth is evident in all our publicity. The name change has also dealt with the common misunderstanding that we were an arm of Lambeth Council and not an independent foundation.

We continued to weather the recession reasonably well, and were able to maintain the sums allocated to grant-making. You will find more about our financial position in the *Financial Review* and the Foundation's accounts, below.

OUR CORE WORK – THE GRANTS WE MADE

During 2009/2010 we awarded 358 grants, totalling £1,888,768. In line with our trend in recent years, we made fewer grants compared to the previous year but the grants were of larger value and of larger strategic importance. For more than three months of the year there was no Grants Officer in post and we deliberately held back on publicising grant opportunities during this period. This accounts for the reduction in total spend compared to 2008/09.

PROGRAMME	Number of grants		TOTALS AWARDED
	This year	Last year	
Grants to Individuals			
Students pursuing post-secondary education, whether academic or vocational	182	263	£106,059 [£106,865 - 08/09]
School aged children & young people to support the development of special talents or to enable them to overcome difficult circumstances	20	35	£14,878 [£24,329 - 08/09]
Individuals & families in financial need in order to enable next steps toward financial independence	0	21	£0* [£5,699 - 08/09] *This year this category was subsumed into student grants.
Pensions & medical allowances (programme being phased out)	27	33	£3,183 [£4,140 - 08/09]
Grants to Organisations, including schools			

Academic achievement	12	28	£355,129 [£305,828– 08/09]
Education outside the classroom	46	36	£233,458 [£195,823– 08/09]
Mentoring and similar support	5	15	£102,603 [£256,106– 08/09]
Employment entry and support	36	19	£636,167 [£520,056– 08/09]
Financial advice and inclusion	8	6	£216,488 [£358,235– 08/09]
Organisational capacity building	3	3	£95,341 [£86,159– 08/09]
Small grants to organisations	0	7	£0* [£8,752– 08/09] *This year we decided to categorise each 'small grant' into one of the categories above.
Maintenance grants to Lambeth CofE VA schools (as part of the WEF Charity Commission Scheme)	18	18	£110,000 [£110,000– 08/09]
St Michael & All Angels Academy (as required by the WEF Charity Commission Scheme)	1	1	£15,462 [£14,452-08/09]
	358	485	£ 1,888,768 [£1,996,444– 08/09]

Supporting credit union services for those on low incomes

On the grant-making side, this year presented an unexpected challenge. In 2008/2009 we reported on funding (actual and agreed) to ensure the sustainability and expansion of credit union facilities in Lambeth. In the course of this year that objective was threatened by weaknesses which were revealed by an adverse audit of the Lambeth Savings & Credit Union. We devoted considerable attention to ways of salvaging our original aim. We did not wish to see Lambeth lose a credit union provision - after all, this was concurrent with the melt-down in many of the major banking institutions, some of which had such a poor record with people on low-incomes, particularly with those who are relatively unskilled in managing savings and borrowing.

By acting quickly the Foundation was able to bring together the stakeholders including the local authority, and to broker agreements which eventually averted a disaster. A neighbouring credit union was identified as being interested in taking advantage of recent changes in the regulatory framework and extending its area. Negotiations continued between September 2009 and March 2010 when the Financial Services Authority (FSA) approved the proposed amalgamation of the Lambeth and Southwark Credit Unions.

This exercise involved the Foundation in a far more 'hands-on' role than it has been used to, and the complexity of the issues and underlying figures demanded of us close attention to detail and new ways of working. For example, we established a small group of Governors to work with the Director and Grants Manager and to operate quickly and flexibly, on behalf of the Board, as matters unfolded.

We were delighted when these efforts came together and there was a seamless transfer to the new body – the London Mutual Credit Union. Our support is aimed at providing Lambeth residents on low incomes with fair access to the full range of banking services. For us, this programme has been a systemic and strategic approach to applying our charitable objects. The programme continues (our current funding agreements will end in 2012) and we have in place agreed targets and measures. With such a large grant, both because of the sums involved and because of its strategic importance, we appointed Andrew Fletcher as our credit union Board Observer who attended meetings of the Lambeth Savings & Credit Union Board and, now, the London Mutual Credit Union Board. He has had to deal with more than he bargained for having come on the scene as weaknesses within the Lambeth Savings and Credit Union started to emerge; we record here our very grateful thanks to him.

WALCOT APPRENTICESHIP SCHEME

In September 2009, nine young people were confirmed as *Walcot Apprentices* having undertaken a six-month pre-apprenticeship training programme designed and implemented by the Walcot Apprentice Support Manager who is employed by Knights Youth Centre, our Scheme partner. The new intake joined our first Walcot Apprentice, Reece Heaven, who is in his final year on the Walcot Apprenticeship Scheme as an apprentice in animal care at Vauxhall City Farm.

At the end of the year we had eight apprentices on the Scheme and transitional support in place for the two who have left the Scheme: one voluntarily and one at our request. The door remains open for these two to return to the Scheme if certain conditions are met.

The eight Walcot Apprentices are training in the following fields: Animal Care (x2); Beauty Therapy; Carpentry; Hospitality; IT; Travel & Tourism; and Youth Work.

The apprentices, generally speaking, did not have good early experiences, particularly in school, and have had long periods of not being engaged in education, training or employment. Many of the apprentices have found the demands of the Scheme, including being occupied five full days a week, challenging and many of those supporting them have found their support roles challenging as well. At times, apprentices, employers and colleges have wanted to give up. We are grateful to everyone who has stuck with it and stuck with us. We recognise that it would have been very easy to choose ten individuals who were going to 'make it' with or without our grants. To our mind that would not have been a 'success'. The aim of this programme has always been to turn lives around and whether we succeed or fail remains to be seen. The current programme runs until August 2012.

GRANT APPLICATION PROCESSES

During the year we launched a 'two-stage' application process for organisations applying to us and this has proved helpful to both the Foundation and applicants. This involves an initial proposal and then, by invitation, a second stage application form.

GRANT PRIORITIES AND CRITERIA

We have two major categories of grants: grants to individuals and grants to organisations; yet all our grants are focussed on *individuals* and how they can break out of cycles of financial poverty. Grants to organisations are a means to this end.

Individuals

We offer a hand up, not a hand out. We exist to enable Lambeth residents (of at least one year's standing) to move from financial poverty to financial self-sufficiency. We believe that education is the best route out of poverty.

If an individual is committed to making a long-term sustainable change to his/her financial circumstances through education or training or work experience that has a strong likelihood of leading to employment, then we can offset the costs of doing so by our grants. Similarly, we help young people from financially disadvantaged households and who have particular talents to develop their potential. We can also assist, financially, with the transition from moving from benefits to paid employment.

A financial assessment in each case determines eligibility and identifies any financial issues that we may play a role in resolving (through our partnership with Centre 70 – more below). We use a bespoke financial eligibility formula that takes into account household size and composition and allows us to determine a maximum grant amount based on circumstances. We are rigorous about evidence and references; all applications are treated fairly and objectively.

Organisations

As a Foundation that exists exclusively for the benefit of *individuals*, our grants to organisations are solely a means of reaching those same individuals. As such, we expect to be able to trace our grants to specific individuals – Lambeth residents demonstrably facing financial poverty - and to understand how the funded service or intervention has allowed them to move towards financial self-sufficiency (or not). We are much more concerned with quality than quantity in terms of numbers of people worked with.

We expect that clients of organisations we fund will become beneficiaries of our grants to individuals. When organisations refer successfully to our grants programmes for individuals it is one of the best indicators we have that an organisation is actually working with those who meet our criteria and is as focused as we are on ensuring that they succeed in education, training and employment. This 'crosschecking' does inform future grants to the organisation.

BRINGING 'ADDED VALUE' – THE WALCOT RANGE OF SERVICES

Many of the individuals we make awards to need more than a grant cheque. They may have debts. They may lack knowledge about how to restructure debts and repayments. Because we see 'making a grant' as only one piece of the jigsaw, we have also been providing access to professional money-management advice. This is available through a post we fund at Centre 70 advice centre. Now in its third year, this service continues to make a positive impact on many of our beneficiaries and we are grateful for the continuing dedication of our Centre 70 partners.

This year we put in place two more pieces of the jigsaw.

Through our routine follow-up with past grant recipients, it became clear that many of our student grant beneficiaries had no access to **high quality career and employment advice** and that they would complete their courses without being prepared to compete in the jobs market. We wanted to address this gap, and began to research the options. We engaged *Ingeus* (formerly

WorkDirections), one of the leading welfare-to-work providers in the UK, and are now able to offer a referral to their programmes to many of our beneficiaries, adding a new aspect to how our grant-making seeks to help people towards a more secure future.

The **WF Careers Adviser** began work in February 2010. Within the Careers Adviser's first few weeks in post she had helped two of our grant recipients secure work – not just any job but work in what they had studied. We recognise that the true test will be whether these jobs are sustained and we are carefully watching, impressed with the ongoing support provided by Ingeus.

We also saw how some of the local organisations we fund or could potentially fund, needed help to deliver the best possible service to those Lambeth individual we exist to serve. We wanted to explore how we could support them to be even more effective. We decided this should be by **access to advice and consultancy** through the Walcot Foundation Capacity Building Service - a service run and managed by ADP Consultancy. The WF Development Officer began work in November 2009 and in addition to a steady flow of referrals from us from day one, ADP has been instrumental in developing a long-term monitoring protocol that will go live in June 2010. Through this we will enable organisation grantees to keep in touch with those who benefited from the grant after the grant period has technically ended. This will help answer such questions as whether the gains made were of lasting benefit and whether there is any additional assistance that can be provided. This is valuable information for both the Foundation and the grantee organisation.

These additional services allow us to increase the real value of our grants by providing access to high quality, professional services. We have built in extensive monitoring requirements to each of these new initiatives so look forward to having hard data through which to assess impact. ADP Consultancy is also working with Centre 70 on monitoring so that we will soon have even more comprehensive data from that project than we currently do.

PUBLICISING OPPORTUNITIES

This year we initiated eNewsletters with subscription automatically managed via our website. Our first eNewsletter in July 2009 was sent to just over 500 subscribers. By the end of the year subscribers had risen to over 1,000. We have also increased our use of our text messaging software. This is currently one of the best ways to reach would-be applicants and beneficiaries, particularly young people. We will be undertaking a communications strategy review in 2010/11. We remain determined that anyone who is potentially eligible for our grants should know about us.

CASE STUDIES

Here we describe a selection of awards that will illustrate the Foundation's approach and aims.

Baytree Centre

This year we made a grant to the Baytree Centre for £82,024 over two years to run an English Literacy programme for 40 women a year who have English as an additional language, or native English speaking women who find reading and writing difficult. The course, which Baytree had previously piloted with success, incorporates a synthetic phonics approach and uses a specific method known as *the Spalding Method*, a programme for teaching students to read by first teaching them how to write. The grant was made with the knowledge that there is some resistance amongst academics and teachers to this approach as a valid method of adult learning.

As with all of our grants, this project is a step on the road to financial self-sufficiency for low-income Lambeth residents and we were satisfied that this is Baytree's ultimate goal for participating women. Because we are also in the third and final year of our grant toward the costs of Baytree's Youth Service (£75K over three years), we agreed with Baytree that parents/carers of young people benefitting from our existing grant are a priority for this programme. Literate parents are better placed to participate in their children's education.

Baytree would eventually like to become a national training centre for other organisations wishing to use the Spalding Method, which could mean an alternative source of income for Baytree. We have offered ADP Consultancy's services, through our capacity building service discussed elsewhere in this report, to assist Baytree in exploring this. We are always keen to help those organisations we know are making a difference for our target population to 'do more better' and indeed that was the impetus for our capacity building service.

Ebony Horse Club (EHC)

EHC engages young people, primarily from the Coldharbour area of Brixton, through horse riding. All the young participants are those who would otherwise have no means of accessing the sport. The organisation specialises in working with children who have emotional and behavioural difficulties and those excluded from school. The club provides mentoring services and aims to build self esteem and self discipline in the young people it engages with. The organisation is working to set up a riding centre in Brixton for which premises have been secured and plans drawn up. Any contribution we could make to the £1.75M cost of the riding centre and the associated £200,000 per annum running costs would be negligible. Knowing the long term sustainable difference this organisation has made for young people who meet our criteria, we offered instead a grant for a full-time fundraiser for two years to undertake the gargantuan fundraising task that would be near impossible without someone in post dedicated exclusively to the task.

We are currently in the second year of the grant and pleased to report that by March 2010 £541,500 had been raised.

One 14-year-old boy that benefitted both from an individual grant and our larger grant to EHC this year has had his life turned around with EHC support. Rather than being kicked out of the Club, and indeed school, for behavioural issues we funded additional services to help get him back on track. He went to the British Racing School at October half term and was invited back for one week's work experience; a complete turnaround.

Impact Consortium

In 2008/09 we awarded the Impact Consortium, a consortium of then-six organisations serving Lambeth young people who are NEET ('Not in Education, Employment or Training') a grant of £42,250 to appoint a Development Officer. This was instead of the grant requested to fund the organisations' activities with NEET young people. The one-year post was designed to develop the consortium and, specifically, to devise a payment system whereby, instead of a block grant, we would make the bulk of payments by results (for example, when someone moved from being NEET to 'in EET'). We favour incentive systems as a means of best ensuring the results we seek for the

individuals we exist to help. After a substantial amount of work on both sides we decided not to proceed with the proposal.

We were very much hoping we could make the idea of a 'payment-by-results' funding model a reality and, as a result, could really make a difference for the NEET young people with whom both of the Foundation and the Impact Consortium members are concerned. We were disappointed that, despite both parties' best efforts, we could not move from theory to something that had a strong enough likelihood of working in practice. This example demonstrates our interest in trying to develop new approaches but also to be realistic.

SHINE Trust

We are pleased to be working in collaboration with the SHINE Trust, another grant making trust with a focus on education and encouraging children and young people from disadvantaged backgrounds to raise their achievement levels. We currently co-fund the three 'SHINE on Saturday' projects in Lambeth: SHINE@Archbishop Sumner, SHINE@Clapham and Lark Hall and SHINE@Clapham Park.

The SHINE on Saturday programme means 20% extra tuition for participants each school week. Its emphasis on 'learning through fun' succeeds in engaging some children in their education. The July 2009 results from SHINE@Archbishop Sumner participants, for example, were that 68% of students had a reading age above their chronological age, compared to 36% at the beginning of the year. In maths almost half the Year 6 students were below target at the beginning of the year. All reached or bettered their target by the end of the year.

OUR OBJECTIVES FOR THE NEXT YEAR

We have worked hard over the last five years to become a 'progressive' grant-maker. By this, we mean that we have explored new ways of addressing our charitable aims, ways that have taken account of contemporary patterns of deprivation. We have used systemic as well as individual approaches and we have made use of new forms of communication. Overall, our approach is to be responsive, flexible and adventurous.

During 2010/2011, in further support of this general approach, we plan to –

- further develop our use of communications media (eNews, SMS texting, our website and to assess the likely benefits of social networking media to communicate with actual and potential beneficiaries)
- introduce online application processes
- start to pay grants by non-cheque means
- build on our systems for predicting income
- fully embed our Strategic Investment Plan into the Foundation's financial planning
- develop a communications strategy

- test the value of focus groups for better understanding the groups we exist to serve
- explore the options for rationalising our four constituent charity schemes into one

RISK MANAGEMENT

At the start of the year we undertook the annual review of the major risks to which our charities are exposed and identified the systems and processes to best manage them. Being an endowed foundation, a major risk arises from the variability of investment returns.

FINANCIAL REVIEW

INCOMING RESOURCES

Our income arises from a diversified investment portfolio comprising financial and property investments. The property investments consist of sixty local properties in and around Walcot Square, Kennington, London, and four out-of-London commercial investment properties.

Our total income for 2009/10 was £2.1m (2008/9 £2.46m). The reduction in income was caused by the effect of the adverse economic climate on our financial investments: lower interest rates, and reduced dividends. However, our property income increased slightly to £1.26m (2008/9 £1.21m), mainly because of higher rents on two of our commercial properties negotiated during the previous financial year.

EXPENDITURE

Our total expenditure was £3.3m (2008/9 £3.26m).

- Our cost of generating funds was £1.182m (2008/9 £1.043m). This high figure arises because of a planned programme of maintenance and improvement to the investment properties on the historic Walcot Estate. Such a programme was proposed in the mid 1990s but not undertaken. Most of the properties were built in the 1840s and the programme includes electrical rewiring and repairs; roof repairs, and external and internal refurbishments. These works are funded from a restricted fund established over many years for the sole purpose of rebuilding and repairing our properties, and we expect it to increase the properties' future income-generating potential and value.
- We spent £1.89m in grants (2008/9 £1.99m), in line with our intention to maintain grant-making at close to £2m pa (this sum would have been reached if one major award had proceeded satisfactorily).
- Our governance costs were £57,000 (2008/9 £45,000). This included exceptional costs of £15,000 accrued legal and professional fees associated with the transfer of trusteeship of the Cynthia Mosley Memorial Fund endowment. These costs were met by that fund.
- Our support costs were £181,000 (2008/9 £208,000) – a 15% reduction. We have sought to negotiate and reduce all our support contracts during the difficult economic climate, and

were able to make a “windfall” backdated partial reclaim of VAT on investment manager fees, following the recent HMRC ruling.

INVESTMENTS POLICY AND PERFORMANCE

During the year the Investment Committee worked on a Strategic Investment Policy which was adopted by the Board on 9 March 2010. We would particularly like to thank our Honorary Adviser, Henry Boucher, for his work on this.

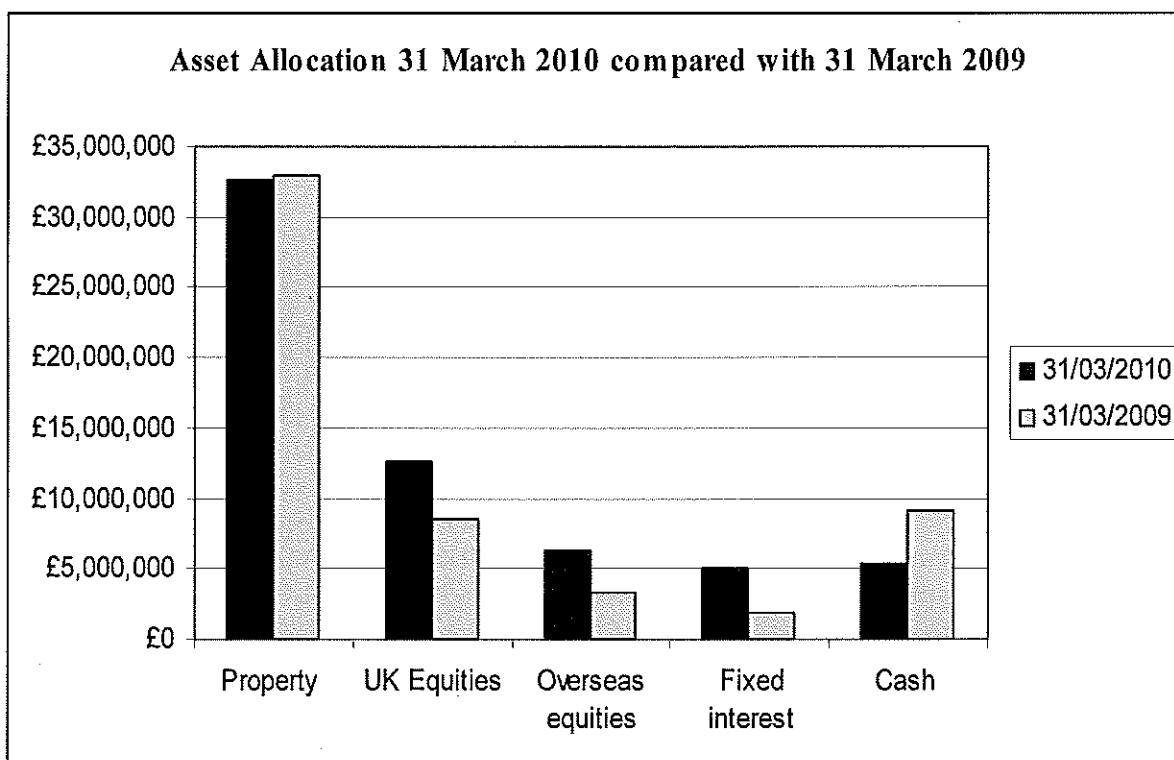
The policy outlines what we consider to be appropriate investment objectives in the light of our history, charitable purposes and current situation. These are:

- investments to generate sufficient income to meet the needs of current beneficiaries;
- investments to grow in value so as to meet the needs of future beneficiaries;
- to maintain the integrity of the Walcot Estate and to maximise rental income;
- to align our investment strategy to our values. This means –
 - aiming to be as rigorous in our selection of investment products as we are in our grant-making, and not investing in any products or funds that we do not understand;
 - Investing responsibly;
 - In the management of property, aiming to provide a high quality service to reliable tenants, which will maximise rental income in the long term by bringing the benefit of well maintained property, low tenant turnover and a minimum of voids.

Our target allocation of asset classes is -

Asset	Policy Portfolio	Min	Max
Equities	40%	30%	70%
Property			
• Walcot Estate	45%	25%	55%
• Other Property	0%	0%	10%
Bonds	10%	0%	20%
Alternative Investments	0%	0%	15%
Cash	5%	0%	20%
<i>Totals</i>	100%		

We began the process of the tactical implementation of the policy during 2009/10, re-allocating our assets away from cash investments into fixed interest and equities. The table below illustrates this.



In February 2010 we sold one of our properties (121 Kennington Road) for £1.462m representing a realised gain of £0.462m over its 2008/9 market valuation of £1m. The property, which does not form an integral part of the Walcot Estate, had become vacant after a long let. The high cost of refurbishment would not have been recoverable in future rents. The proceeds were held largely in cash at the end of the year in readiness for being drip fed into the stock market during 2010/11.

Overall the value of our assets rose to £62.35m (2008/9 £56.46m) fuelled by the rise in the stock market throughout 2009/10.

RESERVES POLICY

We reviewed our reserves policies this year, with a view to implementing a single policy that meets the needs of all four charities.

Our view is that we should hold a level of reserves sufficient to ensure that all our charities can continue a smooth level of grant-making operations throughout any short-term fluctuations in income. To achieve this, our three endowment charities should each hold reserves of one year's grant-making sums, plus one year's governance, grant-making and support costs. At current levels, this equates to £2m (Walcot Educational Fund), £160,000 (Hayle's) and £12,000 (Cynthia Mosley Memorial Fund). At 31 March 2010, the reserves held were higher than this: £3.659m (Walcot Educational Fund), £420,000 (Hayle's) and £45,000 (Cynthia Mosley Memorial Fund). We plan to reduce the reserves of Hayle's and the Cynthia Mosley Memorial Fund to the policy level over three years. The Walcot Educational Foundation reserves will remain at the present level over 2010/11, pending a more detailed review which will include consideration of the need to resume contributions to the Rebuilding and Repairs fund, as permitted by the Scheme.

The Walcot Non-Educational Charity does not need to hold reserves as it derives all its income as a grant from the Walcot Educational Foundation.

PUBLIC BENEFIT STATEMENT

All charities are now required to demonstrate that their charitable purposes or 'aims' are for the public benefit. This is known as the 'public benefit requirement'. Those of our charities fall within the first two descriptions set out in the Charities Act 2006: (a) the prevention or relief of poverty and, (b) the advancement of education.

We confirm that we have complied with the duty to have due regard to the guidance on public benefit published by the Commission in exercising our powers. The identifiable public benefit provided by the Walcot Foundation is the making of grants for the relief of poverty amongst those resident within our area of benefit who meet our eligibility criteria. The focus for awards made from the Walcot Educational Foundation is that of advancing the education (broadly defined) of beneficiaries in such ways as are likely to permanently improve their prospects and to break cycles of deprivation. We try to capture this aim by the phrase 'a hand up, not a hand out' which we use in much of our publicity material.

ADMINISTRATIVE

Registered address and www domain

127 Kennington Road London SE11 6SF | www.walcotfoundation.org.uk.

Constituent charities

The **Walcot Educational Foundation** (312800), **The Hayle's Charity** (312800-1), **The Walcot Non Educational Charity** (312800-2) and the **Cynthia Mosley Memorial Fund** (312800-3).

Trustee body

The Walcot & Hayle's Trustee (Company number 6133849) is the sole trustee of our four constituent charities. In the year ending 31 March 2010 those listed in the table below served as directors of the company and as governors/trustees of the constituent charities.

During the year

Mr Vinter and Ms Cossey served as Chairman¹ and Vice Chair, respectively, of the Board. Charles Sands chaired the Investment Committee and Shirley Hase the Grants Committee. Gordon Ley stood down as a Governor in July 2009 after serving as a Walcot Governor and Hayle's Trustee for 26 years. His long association with Lambeth included running a fruit and veg stall, serving as a local councillor and later as a business man. His extensive knowledge of the area and its people proved

¹ The Board Chairman also serves as Chairman of the Finance & General Purposes Committee.

invaluable, and found particular expression in his service on the Grants Committee. We owe him a great deal, and send him every best wish.

Name	Appointed (First 3 year term)	Re-appointed (second 3 year term)	Notes
Mrs I M Allen MBE	26 March 2007	8 July 2008	
Dr N M Berman	26 March 2007	7 July 2009	
Mr G F Bowden TD	26 March 2007	8 July 2008	
Ms D E Cossey OBE	26 March 2007	7 July 2009	<i>Vice Chair of the Board</i>
Dr V M G Ferguson	26 March 2007	7 July 2009	
Mrs S Hase	26 March 2007		<i>Chairman, Grants Committee</i>
Mr G H Ley	26 March 2007		<i>Stood down, July 2009</i>
Ms J Meldrum ‡	26 March 2008		<i>‡ Nominated by Lambeth Council</i>
Ms B O'Brien Twohig	26 March 2007	8 July 2008	
Mrs U J Ovenden	26 March 2007	8 July 2008	
Mr C F Sands	26 March 2007		<i>Chairman, Investment Cttee</i>
Mr B M Vinter	26 March 2007		<i>Chairman of the Board</i>
Mr C Wellbelove ‡	26 March 2008		<i>‡ Nominated by Lambeth Council</i>

STAFF

Director, Clerk to the Governors and Company Secretary
Hugh Valentine

PA and Estate Administrator
Gill Broaders

Finance Manager
Lesley French*

Grants Manager
Susan Cohen

Grants Administrator
Tonia Symons*

Grants Officer
James Middleton until 04/11/2009; Teresa Priest from 21/02/2010

(*part time; FTE is 5.4)

PROFESSIONAL ADVISERS

Solicitors

Field Fisher Waterhouse LLP 35 Vine Street London EC3N 2AA

Surveyors

Cluttons Portman LLP House 2 Portman Street London W1H 6DU

Auditors

Horwath Clark Whitehill LLP 10 Salisbury Square London EC4Y 8EH

Investment Managers

Rathbones 159 New Bond Street London W1S 2UD

Rensburg Sheppards 2 Gresham Street London EC2V 7QN

Bankers

National Westminster Bank 91 Westminster Bridge Road London SE1 7ZB

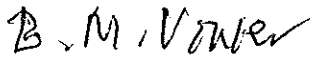
Statement of the Governors' responsibilities in relation to the financial statements

Law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the charities' financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Governors are required to –

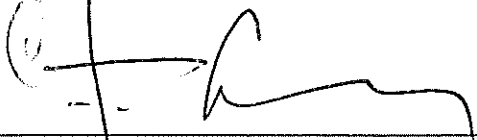
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charities will continue in business

The Governors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charities and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charities and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

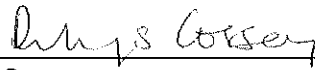
Approved by the Board on 13 July 2010 and signed on its behalf by



B M Vinter
Chairman of the Board of Governors



C F Sands
Chairman, Investment Committee



D E Cossey
Vice Chair of the Board of Governors



S Hase
Chairman, Grants Committee

WALCOT FOUNDATION

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 MARCH 2010

Independent Auditors' Report to the Governors of the Walcot Foundation

We have audited the financial statements of Walcot Foundation for the year ended 31 March 2010 set out in the following pages. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's Governors, as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report if, in our opinion, the information given in the Governors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources for the year then ended; and the financial statements have been properly prepared in accordance with the Charities Act 1993.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London EC4Y 8EH

Date *6 August 2010*

WALCOT FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 MARCH 2010

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2009-10 £000	Total 2008-09 £000
	1/2					
INCOMING RESOURCES						
Voluntary Income:		3	-	-	3	3
Activities for generating funds:						
Investment Income	2	2,091	11	-	2,102	2,460
Other incoming resources		-	-	-	-	1
TOTAL INCOMING RESOURCES		2,094	11	-	2,105	2,464
EXPENDITURE						
Cost of generating funds						
Investment Management Fees	3	7	17	57	81	66
Property Costs	6/7	215	886	-	1,101	977
		<u>222</u>	<u>903</u>	<u>57</u>	<u>1,182</u>	<u>1,043</u>
Charitable Expenditure						
Grants Payable	16	1,878	11	-	1,889	1,997
Grant-making Support Costs	6/7	175	-	-	175	181
Total Grant-making Expenditure		<u>2,053</u>	<u>11</u>	<u>-</u>	<u>2,064</u>	<u>2,178</u>
Governance Costs	5/6/7/ 15	42	-	15	57	45
TOTAL RESOURCES EXPENDED		2,317	914	72	3,303	3,266
Net (outgoing) resources		(223)	(903)	(72)	(1,198)	(802)
OTHER RECOGNISED GAINS AND LOSSES						
Unrealised gains/(losses) on investments		470	1,013	3,748	5,231	(3,796)
Gain on sale of investments		77	101	879	1,057	62
Incoming funds from transfer of trusteeship	17	154	-	651	805	-
Net movement in funds		477	211	5,206	5,894	(5,884)
FUND BALANCES brought forward at 1 April 2009		3,646	7,887	44,926	56,459	62,343
FUND BALANCES carried forward at 31 March 2010		4,124	8,098	50,132	62,354	56,459

All of the charities' operations are continuing
The notes on pages 22 to 36 form part of these financial statements

**WALCOT FOUNDATION
BALANCE SHEET
Year Ended 31 MARCH 2010**

BALANCE SHEET

	Notes	2010 £000	2010 £000	2009 £000
FIXED ASSETS				
Tangible assets	8	1,153		1,159
Investments	9	61,971		55,994
			<u>63,124</u>	<u>57,153</u>
CURRENT ASSETS				
Debtors	10	277		446
Cash at bank and in hand		413		396
			<u>690</u>	<u>842</u>
CREDITORS: amounts falling due within one year	11		<u>(1,460)</u>	<u>(1,536)</u>
NET CURRENT LIABILITIES			<u>(770)</u>	<u>(694)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>62,354</u>	<u>56,459</u>
Funds	13,14			
ENDOWMENT FUNDS		50,132		44,926
RESTRICTED FUNDS		8,098		7,887
UNRESTRICTED FUNDS		4,124		3,646
			<u>62,354</u>	<u>56,459</u>

These financial statements were approved by the Board of Governors (the trustee body) on and signed on its behalf by

B M Vinter, Chairman

B.M. Vinter

D E Cossey, Vice Chair

D.E. Cossey

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

1 ACCOUNTING POLICIES

a) Basis of preparation

Walcot Foundation is the working name for the group of four charities administered by the Walcot and Hayle's Trustee Company, which is the corporate trustee for each of the four charities. Three of the charities: the Walcot Educational Foundation (WEF), the Walcot Non Educational Charity (WNEC) and the Hayle's Charity, were united by a Charity Commission uniting order dated 26 March 2007. A fourth charity, the Cynthia Mosley Memorial Fund, joined the group when its trusteeship was transferred to the Walcot & Hayle's Trustee Company by Charity Commission Scheme on 23 June 2009. These financial statements are the aggregated accounts for the four separate charities and include all the funds of the four charities.

The funds of the Walcot Educational Foundation (WEF) are regulated by the Scheme of 6th February 1991, and the order of 26 October 1993; the funds of the Hayle's Charity are regulated by the Scheme of 31 January 1990, and the funds of the Walcot Non Educational Charity (WNEC) are regulated by a Scheme of 1974. All three Schemes were made by the Charity Commissioners, and in addition, all three charities were issued with new Schemes on 26 March 2007 by which each is governed.

The funds of the Cynthia Mosley Memorial Fund are regulated by the Declaration of Trust dated 1 January 1936, as amended by schemes of 23 January 1951, 6 December 1965, 27 September 1995, and 23 June 2009.

The accounts have been prepared under the historical cost convention except for investments and property fixed assets which are at market value at balance sheet date, and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) and the Charities Act 1993.

The Walcot Educational Foundation, the Hayle's Charity and the Cynthia Mosley Memorial Fund have permanent endowments, which they must retain intact as the charities' capital. These permanent endowments are invested in fixed assets either used by the charities or to provide income for the charities' activities.

b) Investments

Investment assets are stated at their market value at the balance sheet date. Gains and losses on revaluations and on investment asset disposals are taken to the accounts in which the investments are held, as disclosed in the statement of financial activities.

c) Tangible Fixed Assets and Depreciation

Operational property assets are part of the original endowment of the Walcot Educational Foundation and are included in tangible fixed assets of the charity and shown at their current value at the balance sheet date, with regular revaluations. They are maintained in such a condition that their residual value is at least equal to their carrying value and the Governors carry out an annual impairment review to ensure that this is so. As a result, no depreciation is charged on them. Computers and equipment are written off over the estimated useful life of three years through the Statement of Financial Activities. All non property assets are held on a historic cost basis.

d) Fund Accounting

Endowment funds

The Walcot Educational Foundation (WEF), the Hayle's Charity and the Cynthia Mosley Memorial Fund have permanently endowed assets, which provide unrestricted income to the WEF General Fund, the Hayle's General fund and the Cynthia Mosley Memorial Fund General Fund respectively.

Restricted funds

The application of WEF's income is governed by the Charity Commission Scheme, which permits the Walcot Educational Foundation (WEF) to allocate up to 18% of its income to a Rebuilding and Repairs Fund (R&R fund). This fund is treated as a restricted fund and has its own investment assets, but income generated from its assets is now credited to the WEF General Fund, as permitted by the Scheme, as the R & R fund is judged to be large enough for the charity's present needs. In addition, WEF has the St Thomas' Fund, a restricted capital fund arising from a gift to WEF in 1995. The St Thomas fund has its own investment assets, the income from which is credited to the St Thomas' Income Fund.

Unrestricted funds

All four charities have their own general funds, which are applied according to the Schemes governing the charities.

e) Income

Income from listed investments, unit trusts and common investment funds is accounted for by reference to the date on which distributions are receivable. Investment interest and rental income is accounted for on an accruals basis.

Donations and voluntary income are applied to the purposes expressed by the donor, if applicable, and are accounted for when receivable

f) Resources Expended

Costs incurred by each charity directly are assigned to that charity and all expenditure is accounted for on an accruals basis. Almost all the operational costs of the four charities, including the employment of all staff are borne by the Walcot Educational Foundation unless otherwise stated.

Apart from grants paid, the Hayle's Charity and the Cynthia Mosley Memorial Fund incur directly only investment management fees and some other small costs. Each pays an annual service charge to the Walcot Educational Foundation as a contribution towards the costs of grant-making and governance. Other than grants paid, the Walcot Non Educational Charity incurs only very small direct costs.

The following headings are used for the analysis of expenditure;

Cost of Generating Funds – Costs relating to the management of investments – eg valuation fees, investment managers' and surveyors' fees, management, maintenance and improvement of investment properties

Charitable Expenditure - Grants are recognised when conditions attaching to their payment have been fulfilled. Grants for which Governors still have further actions to take before releasing them for payment are not recognised in the financial statements but the total value of such grants is disclosed in note 12.

Governance Costs – Costs of running the organisation, including Governors' meetings and Governors' (trustee) expenses and the annual audit.

g) Allocation of Support Costs

Support costs are allocated to the three areas above on the basis of staff time spent on work in these areas. Included in support costs are the staff costs for those staff who work across the different areas together with the costs of running the office. Support costs are allocated as follows;

Cost of generating funds	50%
Charitable expenditure	35%
Governance costs	15%

h) Pensions

The pension charge represents contributions payable by the Foundation on behalf of employees to independent money purchase pension schemes.

WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010

2 INVESTMENT INCOME

	2009-10 Unrestricted Funds £000	2009-10 Restricted Funds £000	2009-10 TOTAL £000	2008-09 TOTAL £000
<i>Walcot Educational Foundation (WEF)</i>				
<i>Investment Income</i>				
Rents	1,263	-	1,263	1,219
Listed investments & CIFs	463	11	474	360
Investment interest	224	-	224	687
Bank deposit interest	-	-	-	7
WEF Total Investment Income	1,950	11	1,961	2,273
<i>Hayle's Charity Investment Income</i>	138	-	138	186
<i>Walcot Non Educational Charity Investment Income</i>	-	-	-	1
<i>Cynthia Mosley Memorial Fund Investment Income</i>	3	-	3	-
Total investment income	2,091	11	2,102	2,460

Restricted income refers to income from the St Thomas Fund.

3 COST OF GENERATING FUNDS

	2009-10 Unrestricted Funds £000	2009-10 Restricted Funds £000	2009-10 Endowment Funds £000	2009-10 TOTAL £000	2008-09 TOTAL £000
<i>Walcot Educational Foundation (WEF)</i>					
<i>Cost of Generating Funds</i>					
<i>WEF Property Investment Costs</i>					
Staff Costs	4	-	-	4	4
Property Costs (inc Insurance & Utilities)	36	-	-	36	29
Surveyors Fees	49	-	-	49	25
Other Professional Fees	35	-	-	35	19
Routine Walcot Estate maintenance	-	33	-	33	69
Improvement of Properties	-	853	-	853	727
	124	886	-	1,010	873
Support Costs (see note 6)	91	-	-	91	104
Total WEF Property Investment Costs	215	886	-	1,101	977
<i>WEF Investment Management Fees for Financial Investments</i>					
	5	17	37	59	48
WEF Total Cost of Generating Funds	220	903	37	1,160	1,025
<i>Hayle's Charity Investment Management Fees</i>	2	-	18	20	18
<i>Cynthia Mosley Memorial Fund Investment Management Fees</i>	-	-	2	2	-
Total Cost of Generating Funds	222	903	57	1,182	1,043

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

4 CHARITABLE EXPENDITURE

	2009-10 Number	2009-10 £000	2008-09 Number	2008-09 £000
<i>Walcot Educational Foundation (WEF) Grants awarded</i>				
Grants to Individuals	151	94	228	84
Grants to Institutions	110	1,173	114	1,230
<i>WEF Total Grants Awarded</i>	261	1,267	342	1,384
<i>Hayle's Charity Grants Awarded</i>				
Grants to Individuals	27	3	33	4
Grants to Institutions	4	137	8	189
<i>Hayle's Charly Total Grants Awarded</i>	31	140	41	193
<i>WNEC Grants Awarded</i>				
Grants to Individuals	51	27	91	33
Grants to Institutions	14	355	11	387
<i>WNEC Total Grants Awarded</i>	65	382	102	420
<i>Cynthia Mosley Memorial Fund Grants Awarded</i>				
Grants to Individuals	-	-	-	-
Grants to Institutions	1	100	-	-
<i>Cynthia Mosley Memorial Fund Total Grants Awarded</i>	1	100	-	-
Total Grants Awarded	358	1,889	485	1,997

As part of its grant-making to institutions, Hayle's Charity made a grant of £600 for educational purposes which reflects the scheme for the Hayle's Educational Foundation, a part of the Hayle's Charity

Grant-making Support Costs

	2009-10 Unrestricted Funds £000	2009-10 Restricted Funds £000	2009-10 Endowment Funds £000	2009-10 TOTAL £000	2008-09 TOTAL £000
Direct Grant-making Staff Costs	97	-	-	97	98
Other Direct Costs	15	-	-	15	10
	112	-	-	112	108
Support Costs (see note 6)	63	-	-	63	73
	175	-	-	175	181

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

GOVERNANCE COSTS

	2009-10 Unrestricted Funds £000	2009-10 Restricted Funds £000	2009-10 Endowment Funds £000	2009-10 TOTAL £000	2008-09 TOTAL £000
Audit fees (including VAT)	10	-	-	10	11
Governor (trustee) expenses	-	-	-	-	-
Governance & annual review	5	-	-	5	3
Legal fees incurred securing CMMF trusteeship	-	-	15	15	-
Governance support costs (see note 6)	27	-	-	27	31
	<u>42</u>	<u>-</u>	<u>15</u>	<u>57</u>	<u>45</u>

6 SUPPORT COSTS

	Cost of Generating Funds £000 50%	Charitable Activities £000 35%	Governance £000 15%	2009-10 TOTAL £000	2008-09 TOTAL £000
Management & finance staff Costs	74	52	22	148	157
Premises Costs	6	4	2	12	14
Office Expenses	10	7	3	20	23
Legal & Professional	1	1	-	2	5
Irrecoverable VAT	-	(1)	-	(1)	9
	<u>91</u>	<u>63</u>	<u>27</u>	<u>181</u>	<u>208</u>

Staff Costs includes salaries, national insurance costs, pension, life insurance, recruitment and staff expense costs.

7 STAFF COSTS

	2009-10 £000	2008-09 £000
Wages & Salaries	199	200
National Insurance Costs	19	21
Pension & Life Insurance Costs	30	25
Recruitment & Staff Expenses	1	11
	<u>249</u>	<u>257</u>

The average number of employees was 3 full-time (2008-09 - 3) and 3 part-time (2008-09 - 3). No employees received emoluments in excess of £60,000 (2008-09 - nil)

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

8 TANGIBLE FIXED ASSETS

	Freehold Property £000	Furniture & Equipment £000	Total £000
<i>Walcot Educational Foundation Tangible Fixed Assets</i>			
Cost or Valuation			
As at 1 April 2009	1,148	65	1,213
Additions	-	2	2
At 31 March 2010	<u>1,148</u>	<u>67</u>	<u>1,215</u>
Depreciation			
At 1 April 2009	-	54	54
Charge for Period	-	8	8
At 31 March 2010	<u>-</u>	<u>62</u>	<u>62</u>
Net book values			
At 31 March 2010	1,148	5	1,153
At 31 March 2009	1,148	11	1,159
Historic Cost of Property (stated as valuation at 1 st January 1980, see note 9)	116	-	116

9 INVESTMENTS AT VALUATION

Freehold property held within the Walcot Educational foundation (WEF) at 1st January 1980 is included in cost at the valuation at that date. The four large commercial properties held by WEF were revalued in March 2009 by Drivers Jonas. All other property held by WEF was revalued in March 2009 by Cluttons. It is the governors' view that their open market valuation will not have changed materially since then. All valuations are on an open market basis in accordance with the appraisal and Valuation Standards – 6th edition issued by the Royal Institution of Chartered Surveyors.

WALCOT FOUNDATION
NOTES TO THE ACCOUNTS Year Ended 31 MARCH 2010

INVESTMENTS AT VALUATION (continued)
Walcot Educational Foundation

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Market Value at 1 April 2009	3,778	8,175	41,053	53,006
Additions at Cost	3,520	8,565	6,194	18,234
Disposals at OBV	(3,330)	(9,434)	(5,423)	(15,997)
Fees charged	(5)	(17)	(37)	(59)
Net Gains/losses on revaluation at 31 March 2010	368	1,014	2,692	4,074
Market Value at 31 March 2010	4,331	8,303	44,479	57,113
Property	-	-	9,051	9,051
Financial Investments	4,224	7,312	10,537	22,073
Total Historical Cost at 31 March 2010	4,224	7,312	19,588	31,124

Historical cost at 31 March 2009	4,214	8,258	19,840	32,312
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Analysis of Investments held at 31 March 2010

Freehold land & buildings	-	-	31,885	31,885
UK Fixed Interest	145	3,125	1,085	4,355
UK Equities	894	2,776	6,584	10,254
Overseas securities	433	1,197	3,309	4,939
Property funds	-	266	142	408
Cash on deposit as investment	2,830	894	319	4,043
Cash with investment managers	29	45	1,155	1,229
TOTALS	4,331	8,303	44,479	57,113

Hayle's Charity

	Unrestricted Funds £000	Endowment Funds £000	Total Funds £000
Market Value at 1st April 2009	249	2,739	2,988
Additions at Cost	215	1,282	1,497
Disposals at OBV	(203)	(1,214)	(1,417)
Fees charged	(2)	(17)	(19)
Net Gains/Losses on revaluation at 31 March 2010	103	1,023	1,126
Market Value at 31 March 2010	362	3,813	4,175

Historical cost at 31 March 2010	232	3,053	3,285
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Historical cost at 31 March 2009	278	3,213	3,491
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Analysis of Investments held at 31 March 2010

Freehold land and buildings	-	8	8
UK Fixed Interest	47	547	594
UK equities	196	1,932	2,128
Alternatives	-	36	36
Overseas securities	115	1,020	1,135
Property funds	-	229	229
Cash with investment managers	4	41	45
TOTALS	362	3,813	4,175

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

INVESTMENTS AT VALUATION (continued)

Cynthia Mosley Memorial Fund

	Endowment Funds £000	Total Funds £000
Market Value at transfer of trusteeship 22 June 2009	651	651
Additions at Cost	636	636
Disposals at OBV	(636)	(636)
Net Gains/Losses on revaluation at 31 March 2010	32	32
Market Value at 31 March 2010	683	683
Historical cost at 31 March 2010	651	651
Analysis of Investments held at 31 March 2010		
UK Fixed Interest	125	125
UK Equities	207	207
Overseas securities	233	233
Property funds	31	31
Cash with investment managers	87	87
TOTALS	683	683

WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010

10 DEBTORS

	2009-10 £000	2008-09 £000
<i>Walcot Educational Foundation Debtors</i>		
Rental Debtors	22	114
Prepayments	14	73
Accrued Income	240	255
Staff loans	1	2
Other debtors	-	2
	277	446

11 CREDITORS

Creditors: amounts falling due within one year

	2009-10 £000	2008-09 £000
<i>Walcot Educational Foundation Creditors & Accruals</i>		
Trade creditors	50	230
Deferred rental income	176	216
Accruals	31	34
Accrued grants	778	748
Other creditors	50	33
<i>Total</i>	1,085	1,261
<i>Hayle's Charity Accruals</i>	63	36
<i>WNEC Accruals</i>	236	239
<i>Cynthia Mosley Memorial Fund Accruals</i>	76	-
	1,460	1,536

12 GRANT COMMITMENTS

These sums have been provisionally approved as grants to be made by the Governors in the period up to the 31 March 2010. Because the Governors have further actions to take on them (mostly carrying out progress reviews on each one against performance conditions) before releasing them for payment, they have not been recognised in this year's accounts.

	2009-10 £000	2008-09 £000
Due for payment in 2009-10	-	837
Due for payment in 2010-11	835	382
Due for payment in 2011-12	133	-
	968	1,219

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

13 ANALYSIS OF FUNDS MOVEMENTS

	Balance at 1 April 2009	incoming funds from transfer of trusteeship	Income	Expenditure	Realised Gains/ Losses	Transfers between Funds	Movement in Unrealised Gains/Losses	Balance at 31 March 2010
	£000	£000	£000	£000	£000	£000	£000	£000
Unrestricted Funds								
WEF General Fund	3,169	-	1,950	(1,466)	66	(427)	367	3,659
WEF 2007 Fund	153	-	-	(227)	-	74	-	-
HAYLE'S General Fund	324	-	141	(142)	11	(17)	103	420
WNEC General Fund	-	-	-	(382)	-	382	-	-
CMMF General Fund	-	154	3	(100)	-	(12)	-	45
Sub-total Unrestricted Funds	3,646	154	2,094	(2,317)	77	-	470	4,124
Restricted Funds								
WEF St. Thomas' Income Fund	22	-	11	(11)	-	-	-	22
WEF R&R Fund	7,590	-	-	(902)	90	-	917	7,695
WEF St Thomas' Capital Fund	275	-	-	(1)	11	-	96	381
Sub-total Restricted Funds	7,887	-	11	(914)	101	-	1,013	8,098
Endowment Funds								
WEF Endowment Fund	42,190	-	-	(37)	813	-	2,693	45,659
Hayle's Endowment Fund	2,736	-	-	(18)	66	-	1,023	3,807
CMMF Endowment Fund	-	651	-	(17)	-	-	32	666
Sub-total Endowment Funds	44,926	651	-	(72)	879	-	3,748	50,132
Total Funds	56,459	805	2,105	(3,303)	1,057	-	5,231	62,354

The Walcot Educational Foundation (WEF) Scheme directs the allocation of WEF's income: this includes payment of between 10% and 20% of net income after management expenses to the Walcot Non-Educational Charity; no more than 75% of the remainder of net income to Church of England Voluntary Aided Schools: 1% of the remainder to the Archbishop Michael Ramsey School; and the remainder to educational grant-making streams. In 2009/10 a total of £382,313. was transferred from WEF General Fund for these purposes.

Hayle's Charity and the Cynthia Mosley Memorial Fund (CMMF) pay an annual service charge to WEF to reflect a contribution to costs of grant-making and office administration. The service charge is based on proportion of grants each charity pays. In 2009/10 Hayle's paid £17,241 and CMMF £12,313.

The WEF 2007 fund is a grant-making stream set up by the Governors with funds arising from the dismantling of the Property Sinking fund: this fund was fully expended during 2009/10.

The trusteeship of the Cynthia Mosley Memorial Fund was transferred to the Walcot & Hayle's Trustee Company on 23 June 2009, at which time the charity and its assets became part of the Walcot Foundation group of charities.

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	TOTAL FUNDS £000
Fund balances at 31 March 2010 represented by				
Tangible fixed assets	5	-	1,148	1,153
Investment assets	4,693	8,304	48,974	61,971
Debtors	274	3	-	277
Other current assets	413	-	-	413
Current liabilities	(1,439)	(5)	(16)	(1,460)
Interfund balances	178	(204)	26	-
Net assets at 31 March 2010	4,124	8,098	50,132	62,354
Unrealised gains and losses included above				
Tangible fixed assets	-	-	1,032	1,032
Investment assets	208	956	24,527	25,691
	208	956	25,559	26,723
Reconciliation of movements in unrealised gains and losses on assets				
Unrealised (losses)/gains at 1st April 2009	(466)	(82)	22,802	22,254
Gains/(losses) realised on disposal	203	24	(990)	(763)
Net gains arising on revaluations for year	471	1,014	3,747	5,232
Unrealised gains at 31 March 2010	208	956	25,559	26,723

**WALCOT FOUNDATION
NOTES TO THE ACCOUNTS
Year Ended 31 MARCH 2010**

15 RELATED PARTY TRANSACTIONS

The four charities forming the Walcot Foundation are related parties, being all administered by the same corporate trustee – The Walcot & Hayle's Trustee Company. The grant-making, governance and support costs for the four charities are borne by the Walcot Educational Foundation. Hayle's Charity and the Cynthia Mosley Memorial Fund paid an annual service charge to reflect these costs. In 2009/10 Hayle's paid £17,241 (2008-09 £33,000), and the Cynthia Mosley Memorial Fund paid £12,313 (2008-09 £nil)

£80 was paid out to Governors to reimburse expenses incurred (2008-09 - £125). No Governor nor any person connected with a Governor received any remuneration or any benefit from any of the four charities.

16 GRANTS PAID TO INSTITUTIONS

Grants of £10,000 or more awarded to institutions serving financially disadvantaged Lambeth residents.

Name of institution	Source*	Description	£000
ADP Consultancy	WNEC	WF Organisation Capacity Building Project	50
Advisory Centre for Education	WEF	Education Advice Training	19
Baytree Centre	WEF	Contribution toward Youth Service costs	25
Baytree Centre	WNEC	English Literacy Programme	41
Bright Education Centre	WEF	Supplementary School running costs	52
Brunel University: The Brunel Able Children's Education Centre	WEF	Intervention for talented/gifted secondary school pupils	35
Centre 70	WNEC	WF Advice/Support Project	58
Centrepont	WEF	Getting Back on Track project for homeless young people	23
Charles Edward Brooke Girls' School	WEF	Maintenance grant programme (per the WEF scheme)	18
Clapham and Lark Hall Collaborative	WEF	Reading Recovery Programme	22
Clapham Youth Centre	WEF	Youth & Community Development Worker salary	20
Cranfield Trust	WNEC	WF Organisation Capacity Building Project	12
Early Education	CMMF	Parental Involvement Project	100
Ebony Horse Club	WEF	Campaign Development Officer salary	39
Fashion Awareness Direct	WEF	Fashion Project for 16-18 year olds	15
Foundation Training Company	WEF	Salaries and Training Costs for a project to support ex-prisoners and other offenders	22

Name of institution	Source*	Description	£000
Home Start Lambeth	WEF	The Start Right Project	13
Ingeus	WEF/ WNEC	WF Careers Advice Project	61
Knights Youth Centre	WEF	Walcot Apprentice Support Manager costs	27
Knights Youth Centre	WEF	Costs of Nine Walcot Apprentices	180
Knights Youth Centre	WEF	TYLAP (Trainee Youth Leader Apprenticeship Programme) project	40
Lift for Learning	WEF	DigiSmart Project	15
Lighthouse Group	WEF	Youth Development Worker salary	12
London Mutual Credit Union (formerly Lambeth Savings & Credit Union)	Hayle's/WNEC	Salaries and associated running costs	90
London Mutual Credit Union (formerly Lambeth Savings & Credit Union)	WNEC	Banking Inclusion Project	35
Metropolitan Housing Trust	WEF	Personal Development Project for NEET young people	39
Mosaic Clubhouse	WNEC	Support Worker In Education & Employment Unit	28
Oasis Children's Venture	WEF	Volunteer Programme	36
Oasis UK	WEF	Youth Development Worker costs	14
Red Kite Learning	WNEC	Manage with Money course	39
Roots & Shoots	WEF	Literacy, Numeracy & IT teaching	13
SHINE @ Clapham & Lark Hall	WEF	Saturday School project	25
SHINE @ Clapham Park	WEF	Saturday School project	24
Springboard for Children	WEF	Literacy Tuition	30
St Martin In the Fields High School for Girls	WEF	Key Stage 3 Intervention Programme	14
St Martin In the Fields High School for Girls	WEF	Maintenance grant programme (per the WEF scheme)	13
St Matthew's Project	WEF	Football Programme Expansion	19
St Michael and All Angel CofE Academy (formerly Archbishop Michael Ramsey Technology College)	WEF	Annual grant (per the WEF scheme)	15
Status Employment	Hayle's	Employment Officer costs	34
Streatham and Norwood Achievement Partnership	WNEC	Teaching Assistant course for parents	11

Name of institution	Source*	Description	£000
Thames Reach Housing	WNEC	TRaVEL Employment Readiness Project	24
Tomorrow's People	Hayle's	Lone Parent Intensive Support Project	37
Toucan Employment	WEF	Project for NEET young people with learning difficulties	15
Trees for Cities	Hayle's	Employment Training Project	21
Vauxhall City Farm	WEF	Cost of a Walcot Apprentice	20
Vauxhall City Farm	WEF	Youth Worker salary - Young Farmers' Project	27
Welcare In Lambeth	WEF	Generation Link project	20
Young Carers' Project (South Thames Crossroads)	WEF	Contribution to Project Manager's salary	29
		Subtotal of grants listed above	1,572
		Other grants to institutions working with financially disadvantaged Lambeth residents (not shown in the list above)	194
		Grants to individuals (inc: Walcot & St Thomas' Bursary)	124
		Total Grants Paid in the Year	1,889

* Source: WEF *Walcot educational Foundation*; WNEC *Walcot Non Educational Charity*; Hayle's *Hayle's Charity*; CMMF *Cynthia Mosley Memorial Fund*

17 CYNTHIA MOSLEY MEMORIAL FUND

By a Charity Commission Scheme dated 23 June 2009, the trusteeship of the Cynthia Mosley Memorial Fund was transferred from the London Borough of Lambeth to the Walcot & Hayle's Trustee Company, on which date the charity and its assets became part of the Walcot Foundation group of charities. The charity's assets at transfer of trusteeship totalled £805,092, comprising £651,573 permanent endowment, £153,519 unrestricted funds. The permanent endowment represents the net sale proceeds of the Cynthia Mosley Day Nursery which had been held in cash investments by the London Borough of Lambeth. The unrestricted funds represent interest accumulated on the endowment funds.

18 CAPITAL COMMITMENTS

Capital expenditure contracted for and not provided in the accounts, amounts to £181,000 (2009 £245,000). This anticipated expenditure will be paid from the Repairs and Rebuilding Fund.