COMPANY NUMBER 01971242

Lloyds TSB | Foundation for England and Wales

Annual Report and Accounts

YEAR ENDING 2010

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Cover photo. Project Challenge, Calderdale, Yorkshire

Message from the Chair & Chief Executive

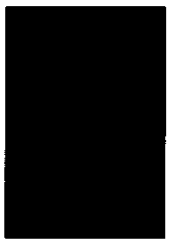
Professor Ian Diamond, Chair

Last year, we were delighted to confirm an increased income for 2010 of £25m and to confirm that this higher level of funding will be sustained for 2011, 2012 and 2013 Our new agreement with Lloyds Banking Group not only supports us to 2020 but also allows for us to flourish beyond This has been particularly important when many other organisations are facing times of instability in this difficult economy

This year has been a year of unprecedented change within the sector and the Foundation has proactively supported the funding environment for small to medium sized charities that help the most disadvantaged in society To celebrate and give profile to their work, we held two successful parliamentary receptions in Cardiff and Westminster giving many charities the chance to speak with their local MPs and Assembly Members

I would like to thank the very dedicated Board of Trustees for their commitment, energy and enthusiasm In particular, I would like to thank Professor Clair Chilvers, Anne Parker and John Hughes who served for two terms of office and generously provided time, support and wisdom to our work over the years

Finally, I would like to thank Linda Kelly and her team for their dedication throughout a time of significant change, and look forward to celebrating our 25th anniversary year in 2011



Linda Kelly, Chief Executive

2010 has been a year of significant change for both the sector and the Foundation with the difficult economic environment, a general election and the subsequent comprehensive spending review All of which have resulted in major ideological change and considerable public spending cuts

In these uncertain times, we feel particularly privileged to have a sustained and long term income stream from our new agreement with Lloyds Banking Group and have appreciated the support and help the Group has given us throughout 2010

Not surprisingly, we have seen a significant increase in the number of eligible requests for support from our needs driven Community programme and our Matched Giving programme As the landscape continues to change, we anticipate an even busier 2011 as many more organisations face an uncertain and difficult future At this time, we feel it is particularly important to protect the most vulnerable people in our society

In 2010, we also launched an additional funding stream within our Criminal Justice programme which looked at supporting Mental Health and we were delighted to be able to fund work of such quality and innovation

I would like to thank all the team for their hard work, sense of humour and commitment to supporting the most disadvantaged people living on the margins of society

We look forward to continuing our work in 2011

Redruth North Partnership

CORNWALL

Who we are

A leading Community funder
The Lloyds TSB Foundation for England and Wales is one of the UK's leading independent grant makers that supports local, regional and national charities working at the heart of communities to tackle disadvantage across England and Wales

Our focus is on providing lasting change, and we are committed to helping charities that support people living on the margins of our society We do this by listening to what will make the difference and responding directly to the changing needs and emerging trends

We are focussed on supporting charities that help disadvantaged people to play a fuller role in the community through
- Improved life choices and changes
- Improved social and community engagement
- Helping people to be heard

We have in-depth local knowledge and presence throughout England and Wales, strong links with the voluntary sector and a deep understanding of the issues both in local communities and nationally Our grant team visit eligible charities to gain an understanding of the work of the charity and can give a high level of guidance and support irrespective of the outcome of their request

An independent funder
We are a registered charity and an independently run Foundation Our primary source of income is from Lloyds Banking Group, specified by a deed of covenant

A responsive funder
With the significant changes in the economic and financial environment, the Foundation entered into a new agreement with Lloyds Banking Group in 2010 This agreement will enable the Foundation to maintain and expand its funding and support of charities that help disadvantaged people not only in the medium to long term but also in the much needed next four years

An accessible funder
The quality of the service we provide is very important to us from initial enquiry to learning from our grant making
We operate a simple grant process to ensure charities receive prompt and appropriate feedback

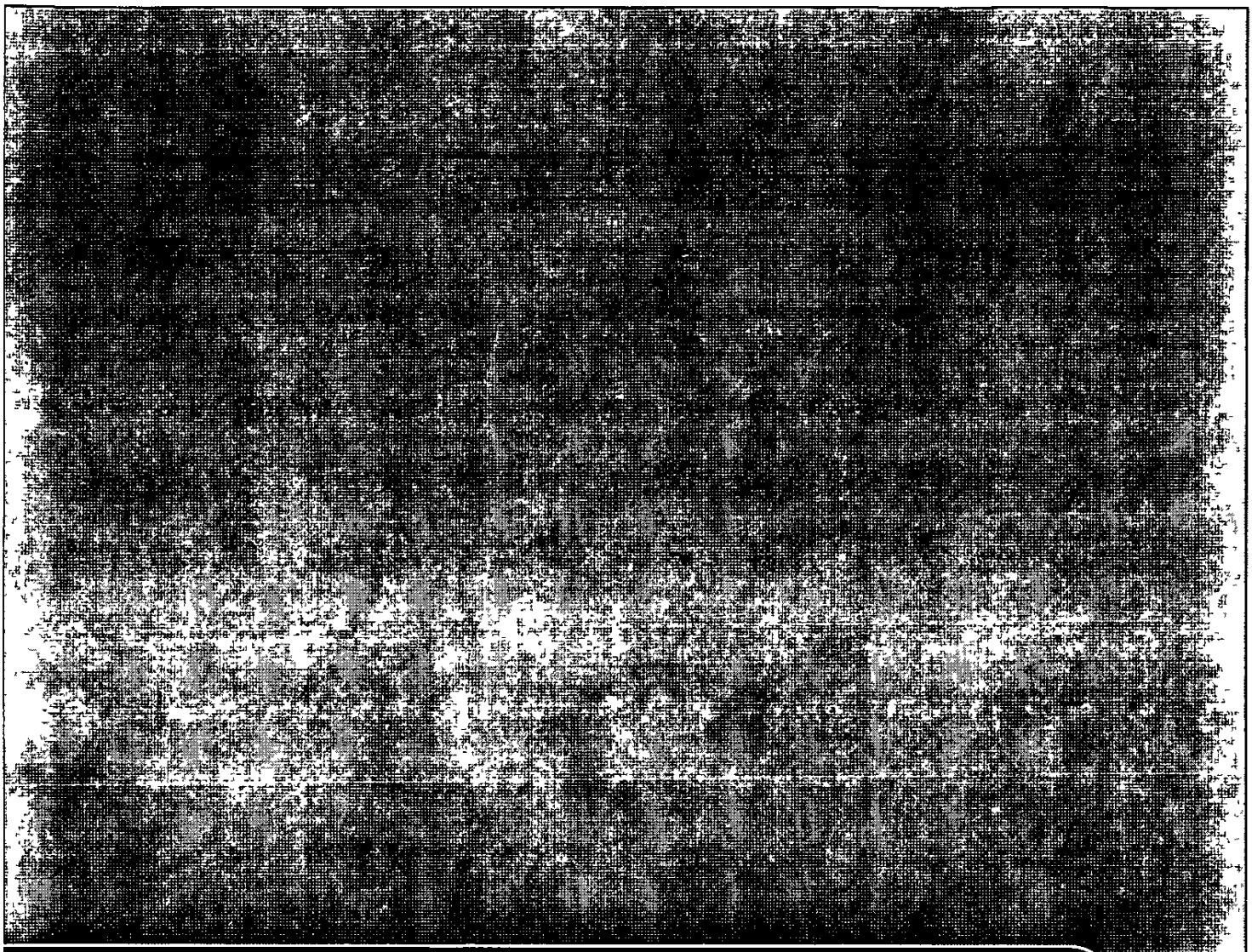
We aim to be
- accessible to all
- approachable and supportive
- responsive and customer focussed
- straightforward
- timely and transparent

Our aims in 2010

- To develop, deliver, monitor and evaluate a fully integrated set of grant making programmes that deliver incremental value to beneficiaries/users utilising our national strength and reach and strong local presence
- To facilitate the 'voice' of smaller charities working in disadvantage and positively support the funding environment for them by providing an informed, 'ambassadorial', accessible, customer focussed team
- To ensure we develop a consistent and relevant data set for each charity and programme we work with, so that we can actively communicate and promote our programmes and the benefits of our work to relevant stakeholders
- To ensure our organisation adapts, learns and shares best practice both internally and externally and effectively communicates this to our key stakeholders
- To further develop our organisational skills in quality grant making and 'Total Grant Care'
- To review and develop our income streams given the changes to the economic and financial sectors
- To continue to build a positive and appropriate relationship with Lloyds Banking Group

How we achieved our aims

- Making a difference
- Tackling disadvantage across England and Wales
- Investing where it counts
- Helping in hard times
- Improving life choices and chances
- Supporting community and social involvement
- Helping people to be heard
- Through our Criminal Justice and young offenders work
- Demonstrating a commitment to charities, fundraising and volunteering
- Demonstrating a commitment to communication and learning



Bengali Women's Group

SOUTHWARK, LONDON

£13,000 over two years to fund the salary of a Co-ordinator.

This women's group supports the Bangladeshi community in the London Borough of Southwark It provides a safe informal place for women to come and learn new skills, socialise and take part in activities such as sewing clubs, mother and toddler groups, luncheon club, keep fit and English classes

"It is wonderful to receive a grant which allows us to keep our doors open and keep supporting our beneficiaries."

Saleha Ahmed,
Bengali Women's Group

Making a difference

The difficult economic climate has brought about increased challenges for many charities Demand for services is high and funding has become even harder to come by, making it extremely difficult for many organisations to maintain their core day to day services As one of the very few Foundations that provide support to cover core services such as salaries and running costs, we understand how important the support we provide is

Meadow Well-Connected

NORTH SHIELDS
Two year grant of £25,000 towards the Project Manager's salary.

The charity runs a community centre which provides a wealth of services, training and volunteering opportunities for some of the most disadvantaged people in North Shields

"It has given us the financial security we need to continue delivering our services, which makes a huge difference to the lives of our beneficiaries David, who completed our horticulture course, has been awarded the adult learner of the year by North Tyneside Council and now plans to attend Newcastle College and become a horticultural tutor himself "
Carole Bell, MBE,
Meadow Well-Connected

In 2010, through our flagship Community programme, we made grants of £19 4m to support the core work of 890 small to medium sized charities This rolling programme continues to support work across over twenty areas of disadvantage and in communities throughout England and Wales

In the last three years, our approach to investing in core costs has allowed us to support over 2,500 roles and over 12,000 volunteers This has enabled many people the experience of work as a first step towards employment

Our support has also enabled charities to deliver their core services with most believing that we helped them to provide better support to their beneficiaries or users

Over 60% felt that gaining funding from us facilitated success in getting funding from other sources which in turn helps sustainability

All charities surveyed were able to demonstrate changes and benefits to their beneficiairies Over half the charities were able to demonstrate

- Reduced isolation and an increase in access to social interaction in both rural as well as urban settings
- Improved access to support networks

Just under half these charities showed

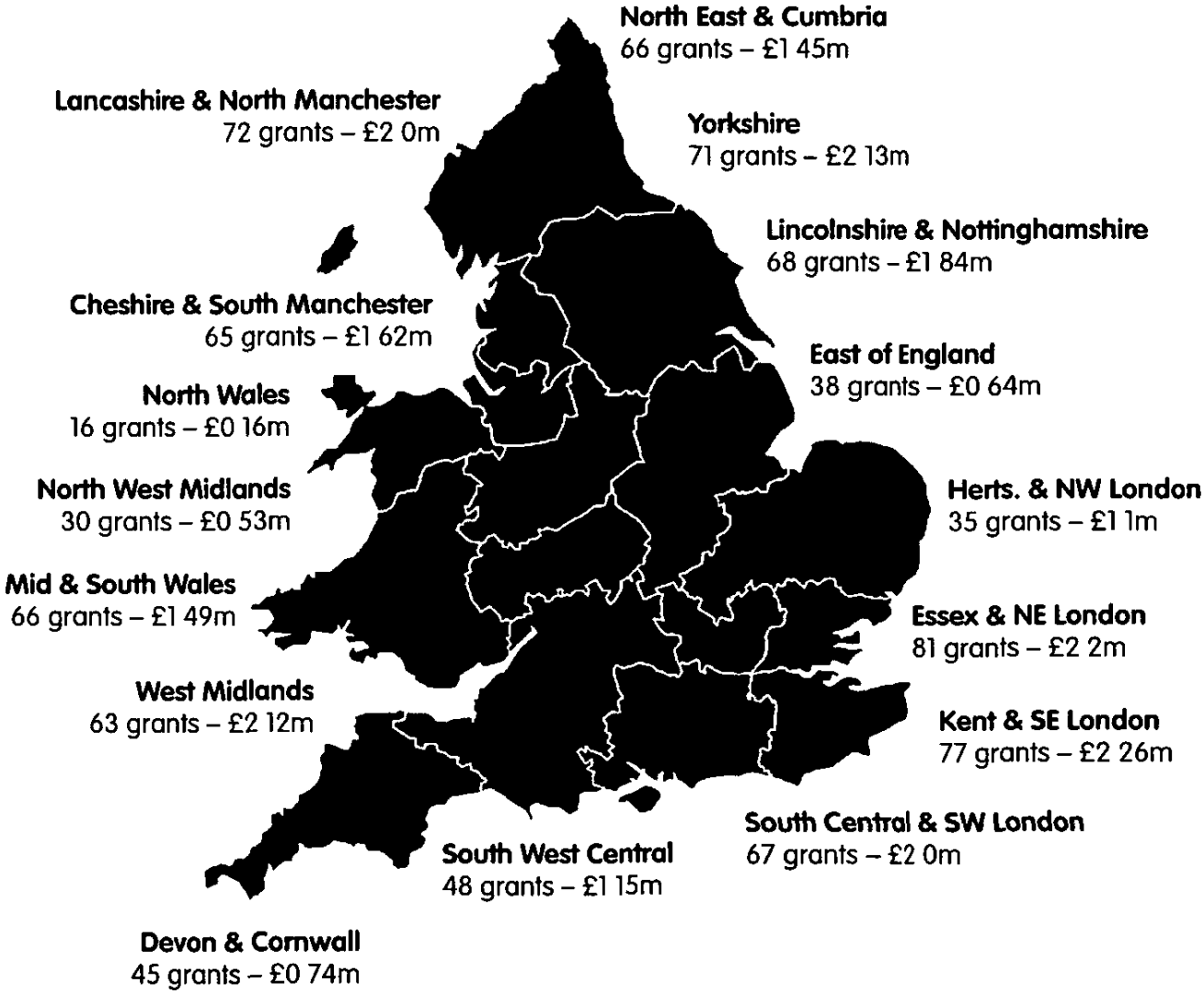
- improved confidence and self esteem
- improved basic skills

particularly with users around times of transition

Tackling disadvantage across England and Wales

Grants made during 2010 by area:

Community programme 890 grants – £19 4m
Criminal Justice programme 18 grants – £4 0m
Total 908 grants – £23 4m



Investing where it counts

We remain committed to tackling disadvantage wherever it exists and our extensive geographical network means that we ensure we target and weight our support to the most deprived areas across England and Wales

In the last three years, over 49% of our funding was targeted towards the top 20% most deprived areas

Funding by ten most deprived areas in England in the last three years

Liverpool	£1 8m
Hackney	£0 65m
Tower Hamlets	£0 95m
Manchester	£1 4m
Knowsley	£0 19m
Newham	£0 9m
Easington	£0 2m
Islington	£0 92m
Middlesborough	£0 25m
Birmingham	£1 62m

Clubmoor Community Support

LIVERPOOL
£24,600 over two years to help fund the salary of the Debt Advisor.

Based in Liverpool the organisation runs a centre that provides support to the local community Activities include work around strengthening families, developing life skills, providing good money management advice, addressing mental health issues and providing a meeting place

The grant helped to fund the debt advice worker who offers free, face to face financial advice

In the same period, over £1 7m has been awarded to 82 charities in Wales, with 14% of this total being spent in the most deprived areas of Merthyr Tydfil, Blaenau Gwent, Rhondda Cynon Taff and Neath Port Talbot

In 2010, our top funded areas across all geographies in the Community programme were

Children and Young People
£3 1m (£2 7m in 2009)

Disability
£2 8m (£2 7m in 2009)

Health, including mental health
£2 6m (£1 4m in 2009)

Advice, advocacy and outreach
£2 1m (£2 5m in 2009)

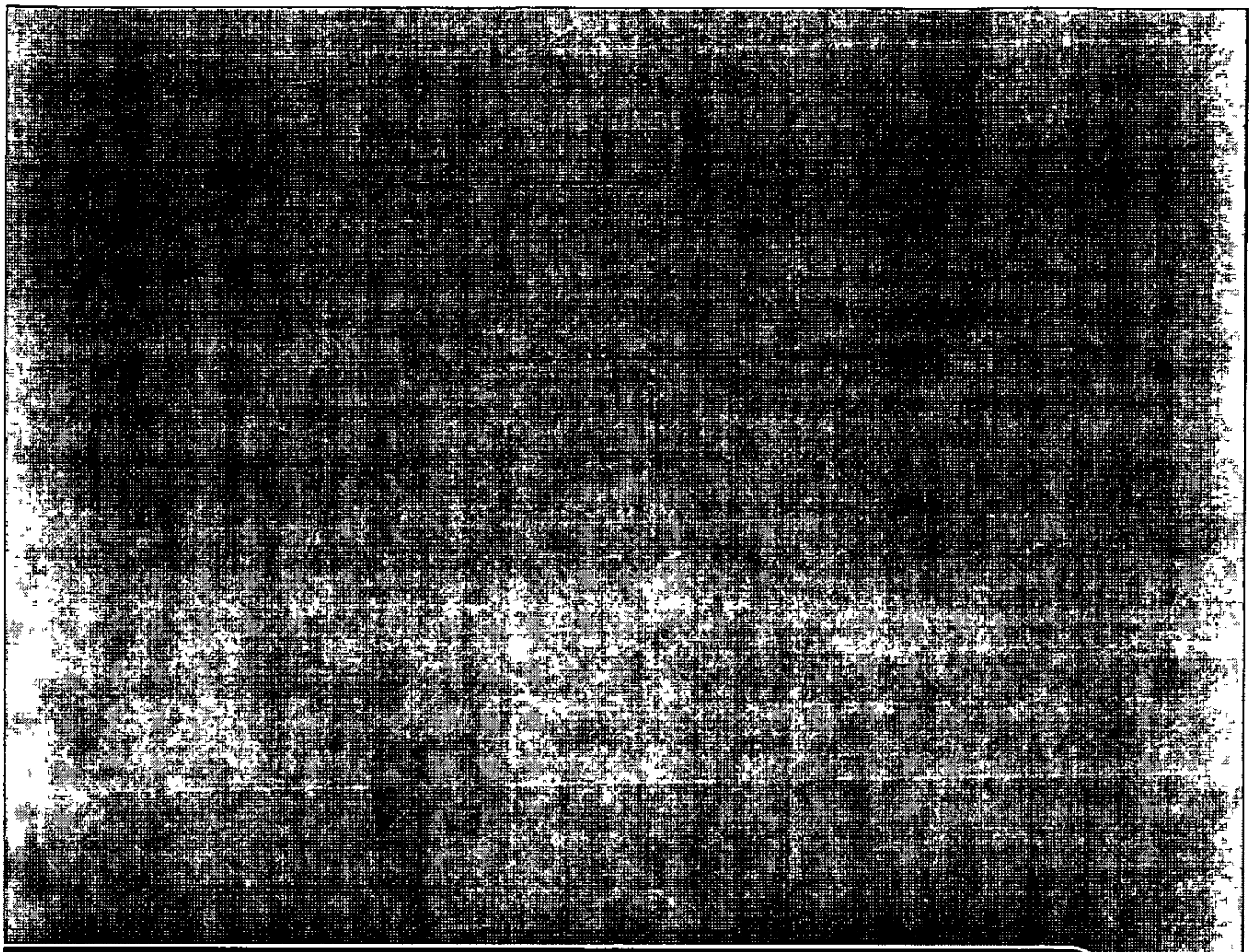
Geographically based support
£1 6m (£1 1m in 2009)

Older people
£1 1m (£1 4m in 2009)

Family and relationships
£1 1m (£1 4m in 2009)

Training and education
£1 0m (£0 56m in 2009)

As in 2009, the top two funded issues were Children and Young People and Disability particularly learning disability However, an increase in funding in health including mental health and training and education was seen in 2010



Daybreak

BLACKBIRD LEYS, OXFORD

£25,000 over two years to help fund the salary of the Senior Organiser.

Daybreak Oxford has been providing specialist day care for older people with mental health issues since 1991 The charity runs three centres in Oxfordshire which provide respite care for people with dementia Visitors can take part in a number of activities including music, dance and exercise sessions.

Our two year grant will help fund the salary of the Senior Organiser who is responsible for running the charity's main day centre

"Thanks to the funding, we are able to maintain our services which enables our visitors to enjoy a range of social activities, and help them to manage on their own."

Andy Buckland,
Director, Daybreak

Helping in hard times

Advice support
In 2010, unemployment figures remained high and cost of living expenses continued to rise with food, energy and petrol prices all contributing to rising inflation, adding increased pressure on those people already struggling with their financial situations

Recent research found that, at any given time, up to five million people report arrears on consumer credit, failure to keep up with mortgage payments, or that meeting credit commitments is a heavy burden, and around 30% of over-55s have some form of unsecured debt that they are struggling to clear

This has lead to around 1 4 million people, one in every 33 UK adults, seeking advice from charities such as National Debtline and Citizens Advice Bureau, which alone, dealt with 9,389 new debt problems every working day in England and Wales

Supporting vulnerable groups remains one of our key focuses, including helping people with mental health problems, disabilities and the elderly, to avoid isolation from friends and family due to the financial circumstances they find themselves in

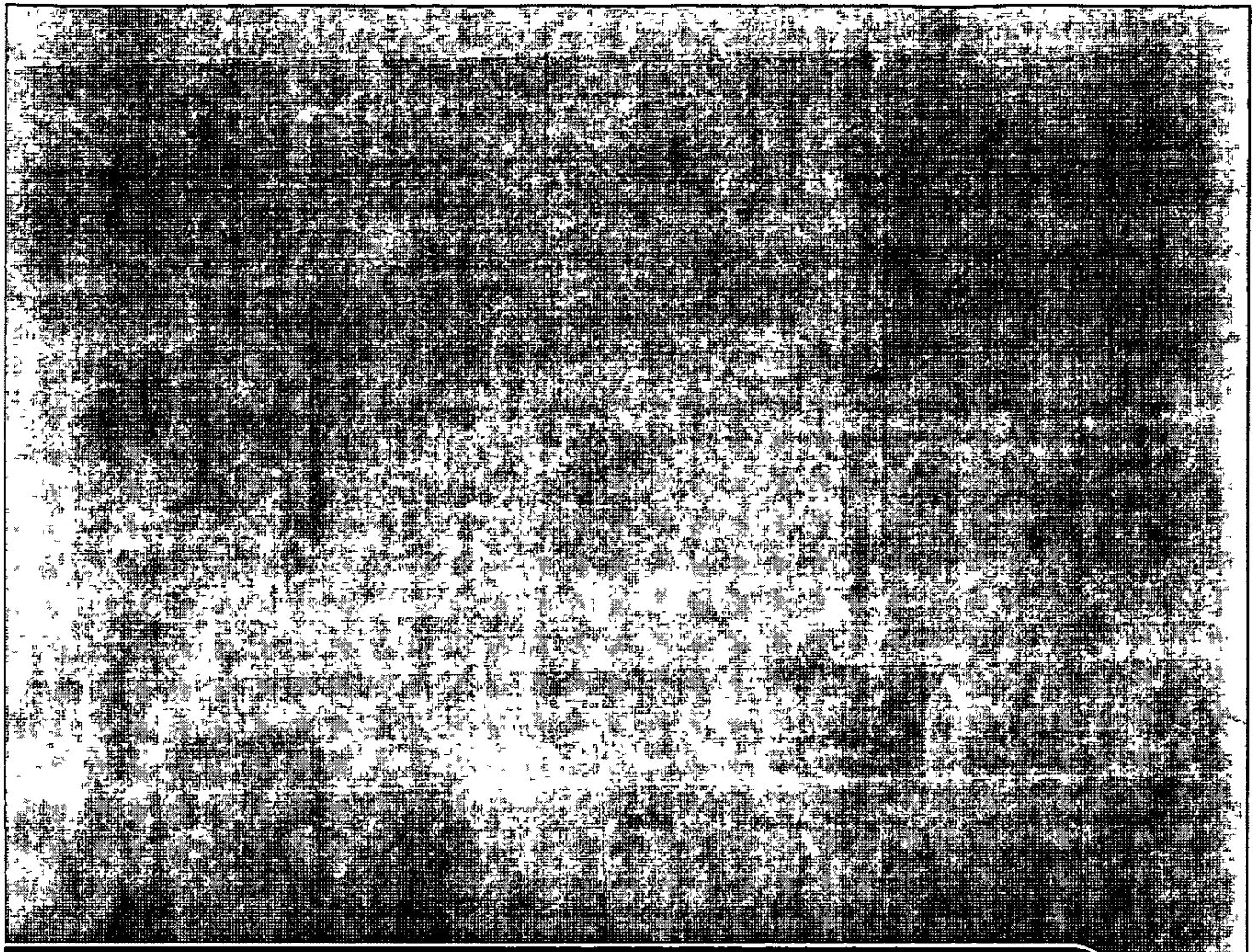
In 2010 we provided £2 1 million support to charities offering advice including

- one to one counselling and advice on debt and benefits
- outreach and information services to the hardest to reach groups
- workshops supporting good financial practice
- self advocacy, for users to speak out to improve their personal situation

This funding has ensured that hundreds of vulnerable people are now receiving the support they need to cope with debt, manage their budgets better and avoid being taken advantage of by inappropriate lenders This support has helped to restore and improve the quality of their lives

Supporting charities
Charities tell us they are spending more time fundraising and submitting applications, which is particularly challenging for smaller charities with limited resources Our process of supporting charities by giving advice at every stage of the application process has a positive impact for them by saving time through early indication of their chances of success when applying for funding Even when we cannot award a grant we provide feedback and signposting to other sources where funding may be available

This year with the use of our online eligibility tool, we have seen 4,757 enquiries, which has resulted in 2,529 eligible charities applying for funding Feedback from these charities has highlighted that the advice from the Foundation's team at every stage of the application has made a significant difference to the application process



Bangladesh Youth League

LUTON

£18,000 over two years to fund the salary of an advice worker, who delivers training and advice to young people.

Bangladesh Youth League runs a range of services for the Luton ethnic community including youth clubs, IT training sessions, weekly lunch clubs, English lessons, a befriending scheme and classes for those excluded from school

"By helping to fund our advice worker we are able to continue providing valued services to those people most in need in our community."

Mir Juma, Director, Bangladesh Youth League

Improving Life Choices and Chances

Many of the charities we support provide a range of services and activities designed to build the confidence and skills of disadvantaged young people The aim being to enable them to improve their opportunities to help them lead positive and active lives and to progress into employment or education

According to recent data, Britain is now classed as the NEET (young people 'not in employment, education or training') capital of Western Europe Around one million (15 6%) young people aged 16-24 have never been in employment, and one in five 18-year-old boys and one in six girls are now categorised as NEETS

In 2010, we invested £3 1m, an increase of £400,000 on 2009, in charities which support children and young people Nearly half of these charities work towards improving the soft skills of their users, for example team working, in addition to basic skills such as literacy and numeracy Many charities also provided access to advice services, including financial advice, particularly in understanding money management and how to avoid debt problems in the future

A further £1 0m was awarded to organisations which provide training and education opportunities to disadvantaged people of all ages, along with £2 6m for charities which support people with health problems, including mental wellbeing This area has seen the biggest increase in funding rising from £1 4m in 2009 This remains one of the biggest areas of assistance provided by the charities we support, with nearly half claiming that the services they provide lead to the improved mental wellbeing of their users

Get Sorted

ROTHERHAM
£30,000 over three years to help fund the salary and project costs of a NEETs worker, and a contribution to core costs.

Get Sorted supports disadvantaged young people by running music and other creative workshops, along with offering support in learning life skills The Foundation's grant funds their project 'Creative Stepping Stones', which helps NEET young people develop life skills such as budgeting, time management, anger management, interview techniques, and nurtures their talents with creative activities

"The funding has enabled us to do more one-on-one work with hard to reach young people as well as enabling us to devote 16 hours a week instead of two hours per week to the programme "
Genya Johnson, Get Sorted Manager

Gainsborough Traveller Initiative

LINCOLNSHIRE

Three year grant of £47,167 for the salary of a Project Manager.

The charity provides learning opportunities for the Traveller community in Lincolnshire, and is working to address issues such as low literacy levels and children not attending secondary school As a result of the funding, it has set up a supplementary school for Traveller children who are not in mainstream education, which has not only made them more attractive to employers but increased their confidence and self-esteem

"The Gainsborough Traveller Initiative has changed my life. We're going places and doing things we would never have done before."

One young graduate, Jane, explains the impact the school has had on her.

Cheadle Royal Industries

CHEADLE, CHESHIRE

£20,000 over two years to help fund the salary of a Supervisory Support Worker.

The organisation provides work experience and employment for adults with severe mental illness Situated in the grounds of Cheadle Royal Hospital, the charity is the only UK manufacturer of party hats and novelties As well as providing beneficiaries with practical experience to help them find employment, the charity provides training in basic literacy and numeracy

"Giving people with severe mental health issues the chance to carry out challenging and fulfilling employment goes a long way to improving their confidence and self-esteem. This funding will enable us to help our beneficiaries live as independently as possible."

Steve Jackson, Cheadle Royal Industries

Supporting Community and Social Involvement

Supporting charities strongly rooted in the communities they serve is at the heart of what we do We ensure this by visiting eligible applicants, seeing at firsthand their work and its impact on local people. We focus our support on organisations that actively involve, listen and respond to their users' needs through strong user representation and have an unrivalled knowledge of the communities they serve

Over the past three years, we have seen the very significant impact small to medium sized charities have had on improving social and community engagement across all geographies, and in particular, in the most deprived areas in England and Wales

All the charities that were supported were able to demonstrate the changes and benefits their work has made, with over half able to show

- Reduced isolation of individuals and an increase in access to social interaction in both rural as well as urban settings
- Improved access to local and often specific support networks

Just under half showed

- Improved relationships including family support
- Prevention of anti-social behaviour
- Access to mentoring/befriending

To enable charities to achieve their objectives and meet the needs of their users or communities, a wide range of approaches was seen including

- Community-led improvement projects
- Activities to include the most socially excluded
- Greater participation in local community decision-making
- Increased community volunteering
- Joined up thinking and approaches in tackling some of the hardest community issues often across public and private sectors

African Women's Welfare Group

NORTH LONDON
£21,000 over two years to contribute to the salary of the Project Manager and volunteering costs.

The charity supports African women and girls in Haringey, London by offering English, IT and sewing classes, dedicated support for older women including yoga classes and leadership, and education for younger women on genital mutilation and promoting positive behaviour and personal development

Redruth North Partnership

CORNWALL
The charity received a two year grant of £20,100 to fund the salary of the Project Co-ordinator who runs projects such as 'Picture of Life' which encourages people in the area to digitally record the issues in the community.

Redruth North Partnership aims to regenerate areas of social and economic deprivation within the Redruth North area It provides a forum for residents to highlight concerns and problems in the area and identify solutions to the issues they face The charity also provides advice, guidance and training to residents and supports them in running trips and activities

"This grant is of great benefit to the people of Redruth North, as it ensures we can provide forums and activities that enable us to improve our community"
Brendan Fitzgerald,
Redruth North Partnership

It is important to us that our funding delivers real and tangible changes for users, and our figures show that 94% of grants awarded were spent on the purpose they were granted for, with smaller charities having the highest delivery levels In addition, the majority were able to articulate clearly the difference they had made however small or individual and how that had made a lasting difference to their local community

Pen yr Enfys

CARDIFF
Two year grant of £23,200 which will help fund the salary costs of a part-time support worker for the Digging for Success project.

The organisation provides accommodation, support and advice to people with alcohol addiction or other substances or who have problems with alcohol Many are homeless The project offers the chance to work on the allotments, grow, cook and eat their own produce as part of the general resettlement programme

"Recovering from addiction can be a very long and isolating experience This funding will enable us to engage our clients in practical activities which contribute tremendously to their recovery"
Larry Beck,
Fundraiser, Pen yr Enfys

Northumbria Daybreak

HEXHAM, NORTHUMBERLAND

£25,000 over one year to help fund the salary of the Volunteer Project Co-ordinator and management costs.

Northumbria Daybreak provides training, work experience and leisure activities for adults with learning disabilities The charity's users can gain work experience in a range of environments including a bakery and garden centre It also provides training in IT, drama and areas of independent living such as money management and domestic tasks

"The funding has enabled our service users to engage in new experiences, helping them to lead more independent and sociable lives and feel part of the community."

Catherine Stonehouse, Fundraising Manager, Northumbria Daybreak

Changing our Lives

SANDWELL, WEST MIDLANDS

Two year grant of £43,000 to help fund the salary of the Development Officer who assists with running a People's Parliament.

Changing Our Lives promotes the rights of people with learning disabilities It facilitates a People's Parliament for its beneficiaries, which has implemented a number of initiatives including a recruitment scheme with Sandwell Council that gives people the chance to demonstrate their abilities practically rather than just through verbal interviews

"This grant has really allowed us to develop the People's Parliament which has resulted in some ground breaking campaigns."

Jayne Leeson,
Chief Executive,
Changing Our Lives

Helping People to be Heard

Supporting charities working with the most vulnerable people in our society by giving them the opportunity and skills to feel and be empowered is vital if they are to play a positive and fuller role in the community One of our key aims is to support the work of charities actively working to change perceptions and remove the stereotyping of certain types of disabilities and/or illnesses

Over the last three years, more than a third of the charities we support have provided access to advocacy and where relevant, appropriate skills training as well as improved opportunities to influence decision making particularly on an individual and local level

As well as helping individuals, one of our strategic objectives is to facilitate the voice of smaller charities working in disadvantage and positively support the funding environment for them by providing an informed, ambassadorial, accessible and customer focussed team

SexYOUality

CAMBRIDGE
Two year grant of £15,000 will go towards the salary of a Project Support Worker who will deliver one-to-one support for young people.

Set up in 2003, the organisation offers support, advice and drop-in groups for young people aged between 14 and 24 years who are gay, bisexual or unsure about their sexuality

Services and activities are county-wide and include one to one support, drop in groups, peer education, volunteering and training.

"These young people are very vulnerable and many will be experiencing mental or emotional distress This one-to-one service, funded by the Lloyds TSB Foundation for England and Wales, will enable us to provide young people with practical help and advice as well as a strong support network"
Lara Jaffey,
Executive Director, SexYOUality

Criminal Justice and Young Offenders

In 2010, we continued our work within the Criminal Justice system In total, we made grants of £4m to 18 organisations which demonstrated specialist expertise with young offenders or in mental health This brought the total value of our investment in this significantly underfunded field to over £12m in the last five years

In January, we made grants of £1.5m to six charities to support further work with young offenders In October, we launched a new funding stream based on the recommendations of the Bradley Report which specifically considered how to improve the outcomes for people with mental health within the Criminal Justice system We particularly considered work in the following areas

- Diversion at entry (court/police stations)
- Diversion at exit
- Young people
- Dual diagnosis (Psychosis with drug/alcohol addiction)
- Multisystem agency approach (looking at families and the long term consequences and specific outcomes from this approach)
- Commissioning/development of services with a purpose (especially joint delivery with an appropriate needs assessment and local leadership which tackles a 'problem' not a service)
- Wider mental health including personality disorders and other mental health issues
- Short sentences

The Foundation received an excellent response to the programme, resulting in grants totalling £2 5m being made to twelve organisations

Throughout the year we worked closely with the Ministry of Justice and supported a workshop on race and the Criminal Justice system and improving equality We also continued to work with other funders to try and improve the funding environment for charities working in this challenging sector with an emphasis on supporting rehabilitation

Prison Radio Association

£20,000 over one year will contribute to the salary of the Radio Producer, who produces the radio programmes and provides training, development and employment opportunities for prisoners to work at the radio station.

"The staff member funded by Lloyds TSB Foundation's grant is vital because they will help equip prisoners with employable skills for their release – crucial to reducing re-offending, and they will ensure the radio station is the voice of the prisoners "
Kieron Tilley,
Prison Radio Association

Futures Unlocked

LEICESTERSHIRE

£101,000 over three years to fund the salary of the Community Chaplain and administrative support.

The charity builds on support for the pastoral and relationship elements needed by individuals leaving HMP Glen Parva YOI and HMP Leicester, using the multiplicity of faith communities in Leicester and Leicestershire, in particular Christian, Muslim, Hindu and other alternative faiths It builds a network of mentors to support those leaving prison, and to reduce the chances of re-offending

"Funding from the Foundation helps us provide the support ex-offenders need to break the cycle of re-offending and lead crime-free lives."

Neil Bullen,
Futures Unlocked

Our commitment to fundraising and volunteering

MATCHED GIVING

We are committed to working in partnership with Lloyds Banking Group to champion fundraising and volunteering efforts through the Matched Giving Scheme
During 2010, there were over 4,153 claims by members of staff from Lloyds Banking Group to the Matched Giving Scheme, resulting in the Foundation giving over £1 4m to charities across England and Wales

Volunteering
- There were 502 claims by staff members who volunteered their time
- 45,477 hours were matched
- £203,230 was given to charities by the Foundation

Fundraising
- There were 3,651 claims by staff members who fundraised for charities
- £1,265,826 was given to charities by the Foundation

Top Five Charities Supported
1 British Heart Foundation
2 Cancer Research UK
3 NSPCC
4 Macmillan Cancer Support
5 Wallace and Gromit's Grand Appeal

For the first time, the Lloyds Banking Group Charity of the year, British Heart Foundation, was included within the scheme Hundreds of staff took up the fundraising challenge and raised money through an array of events from midnight walks to cake bake events In total, an additional £182,354 was raised for much needed specialist nurses

Girlguiding UK

UK WIDE

Girlguiding UK is the country's largest voluntary organisation for girls and young women, with around half a million members including about 100,000 trained volunteer adult leaders and supporters Girlguiding UK supports girls of all backgrounds, abilities and nationalities to be themselves, make friends, learn new skills and have fun

In 2010 Lloyds Banking Group staff volunteered 7,146 hours, resulting in the Foundation donating £33,055 to guiding groups across the UK

"Girlguiding UK is enormously grateful to staff from Lloyds Banking Group who have given their time during 2010 to support grass roots guiding at a local level. This has made a substantial contribution to girls and young women in their local communities."
Jo Hobbs, Girlguiding UK

Black Voluntary Sector Network

WALES

£15,000 for one year to fund the salary of a Volunteer Co-ordinator.

The organisation is a membership body which represents, supports and promotes the interests of black and minority ethnic communities in Wales It provides a number of services directly to individuals, communities and agencies The Volunteer Co-ordinator runs a work experience placement programme partnering volunteers from marginalised groups with major organisations such as BBC Wales and Cardiff University

"Thanks to this funding, many vulnerable beneficiaries now have the experience of working in well-established mainstream organisations and are currently playing an active part in their wider community."

Michael Flynn,
Black Voluntary Sector Network Wales

Our Commitment to Charities

The Foundation's approach to grant making - Total Grant Care - is designed to work with charities from initial enquiry through the lifetime of a grant It is a consistent and transparent approach that ensures we give the best support and advice to charities irrespective of the outcome of their application to us

As a 'needs-driven' funder, we fund based on what charities tell us they need, not what we think they need We recognise that the charities we work with are experts in their field and know where a grant can make a difference, but in return we expect charities to be able to clearly articulate the nature and type of difference their work will make to their beneficiaries/users and be able to measure this impact

Maundy Relief Trust

ACCRINGTON
£33,515 over two years to contribute to the salary of a Project Development and Volunteer Co-ordinator.

Maundy Relief Trust is a provider of social care, and operates as a first port of call or a last resort for people struggling to make ends meet or who are socially excluded It provides people with basic physical needs such as food, clothes and household equipment as well as counselling, advice, information and advocacy

"Thanks to the funding, this has been a time of expansion for the charity, our profile has grown and we have been able to support more people with increasingly complex issues "
Dorothy McGregor, Maundy Relief Trust

Chance UK

NORTH LONDON
Two year grant of £15,000 to help fund the salary of the ParentPlus Programme Manager.

Chance UK is a charity that works across the boroughs of Islington, Hackney and Lambeth to help reduce youth crime and anti-social behaviour It provides one-to-one mentoring for children with behavioural difficulties aged between five and 11 years All mentors are volunteers who spend two to four hours a week with children who are often on the verge of being excluded from school Through activities such as sports, cultural visits or other activities the child may be interested in, mentors work to help raise a child's self esteem

Our commitment to communication and learning

We actively promote the work of the Foundation and the charities we support on a local, regional and national level across a broad range of fora and media, and we are strongly committed to helping the smaller community based charities promote the positive changes they make to the lives of their users and beneficiaries

We are also committed to ensuring that we provide not only funding, but assist charities through these difficult economic times with guidance across a range of areas

This year we

- Supported charities and helped them to be able to evidence the difference they make and identify good practice in communicating this

- Reviewed our approach to assessing finances in difficult times, running training programmes for our grant managers to assist in developing our approach to understanding risk and assessing the financial health of an organisation

- Held Parliamentary Receptions in Westminster and Cardiff where over 160 charities had the opportunity to meet with local MPs and Assembly Members

- Spoke with a range of other Trusts and Foundations and ran a workshop at the Association of Charitable Funders conference on 'funding intelligence and intelligent funding' to help develop an understanding of how others were responding, and to consider some of the key questions we are all facing in the current climate

- Gave presentations across England and Wales to a variety of audiences to ensure the Foundation's work continues to receive a high profile and that the challenges and issues facing the charities we fund are heard

- Attended over fifty funding fairs and gave presentations to charities on a range of subjects designed to help them navigate the current funding environment

- Promoted the Foundation and the charities we support across national, regional and local media which has resulted in over 300 articles and news stories

- Responded to 4,757 requests and personally visited over 1,200 eligible charities in 2010, to give advice and assistance on how to apply for funds from the Foundation and, if we were not right for them, suggesting other appropriate funders

Dwarf Sports Association UK

UK WIDE

Our two-year grant of £16,000 will contribute towards the costs of training the regional volunteers.

Based in Dronfield, the charity organises national and regional sporting events for people of restricted growth and provides facilities and coaching to athletes training for the 2012 Paralympics Games It also supports a network of regional volunteers who offer support on subjects such as how to cope with bullying and health issues, as well as providing information and advice to parents, siblings and carers

"This funding enables Dwarf Sports Association UK to continue providing practical and emotional support and advice to our members and their families."

Tim Shephard, Dwarf Sports Association UK

Project Challenge

CALDERDALE, YORKSHIRE

£40,000 over three years to continue its work with young NEETs – those not in employment, education or training.

Calderdale based Project Challenge delivers intensive training programmes to young people between the ages of 16-24, combining classroom learning with tough physical challenges Its aim is to unlock young people's potential by developing their confidence, enabling them to achieve qualifications and an increase in their self-esteem

"We are often their last chance of survival from the descent into self-destruction. Thanks to this funding we can continue our work."

Lorna Butterick,
Business Manager,
Project Challenge

Our aims for 2011

Grant making

- To develop, deliver, monitor and evaluate a fully integrated set of grant making programmes that deliver incremental value to beneficiaries/users utilising our national strength and reach and strong local presence

Supporting the funding environment

- To facilitate the 'voice' of smaller charities working in disadvantage and positively support the funding environment for them by providing an informed, 'ambassadorial', accessible, customer focussed team

Communication

- To ensure we develop a consistent and relevant data set for each charity and programme we work with, so that we can actively communicate and promote our programmes and the benefits of our work to relevant stakeholders

Learning and development

- To ensure our organisation adapts, learns and shares best practice both internally and externally and effectively communicates this to our key stakeholders
- To further develop our organisational skills in quality grant making and 'Total Grant Care'

Adapting to the changing environment

- To review and develop our income streams given the changes to the economic and financial sectors
- To continue to build a positive and appropriate relationship with Lloyds Banking Group

Structure, governance & management

Governing document and constitution
The Lloyds TSB Foundation for England and Wales was incorporated under and is regulated by its Memorandum and Articles of Association dated 13 December 1985 as a company limited by guarantee

Objects
The objects of the Foundation, as set out in the Memorandum of Association, are as follows

The Foundation is established to do anything which is a charitable purpose, including in particular (but without prejudice to the generality of the foregoing)

To advance education and training in all aspects of knowledge by means of (but not limited to) the making of grants, including the establishment of scholarships and prizes, and other like awards

To advance scientific or medical research, on the condition that all useful results of such scientific or medical research are published, and education in scientific or medical research by means of (but not limited to) the making of grants, including the establishment of scholarships and prizes, and other like awards

To promote the provision of facilities in the interest of social and community welfare for recreation and leisure time occupation and enjoyment of the arts with the object of improving the conditions of life of people who are disadvantaged by youth, age, infirmity or disablement, poverty or social and economic circumstances

Recruitment and appointment of Trustees
The Trustees, who are also directors of the company, are as listed on page 50 and 51 Their appointments are made by the Board of Lloyds Banking Group plc on the recommendation of the Foundation's Nomination Committee The support of the Foundation's Board of Trustees is normally sought prior to recommendations being put forward

The Nomination Committee operates under terms of reference and has been delegated certain functions by the Trustee Board Trustees' skills and interests are regularly reviewed, and prior to seeking a new Trustee, the Nomination Committee specifically reviews the composition of the Board to identify any specific skills required Applications for trusteeship are sought by public advertisement, normally

in national newspapers, and through personal contacts or discussions with Lloyds Banking Group Interviews are held with all members of the Nomination Committee and the Chief Executive

Trustees serve for a three-year period and may be re-appointed for a further period

Induction and training of Trustees
Newly appointed Trustees are provided with a comprehensive pack of induction materials, including the Foundation's Memorandum and Articles of Association They have an induction session with the Chief Executive and senior team and also meet the grant making staff New Trustees are encouraged to visit beneficiary charities together with a member of staff A mentor is appointed from among the serving Trustees, to support newly appointed Trustees at the beginning of their term of office Guidelines are provided for the mentoring relationship

Trustees are invited to highlight any particular areas of interest in which they would value specific training, and this is a standing item for discussion during their review with the Chair Details of Trustee training events run by external organisations such as NCVO (National Council for Voluntary Organisations) are made available to Trustees

Organisational structure and decision-making
The Lloyds TSB Foundation for England and Wales is one of the UK's largest grant making trusts Our mission is to be a leading grant maker supporting and working in partnership with charitable organisations which help disadvantaged people to play a fuller role in communities throughout England and Wales

There are four independent Lloyds TSB Foundations (for England and Wales, Scotland, Northern Ireland and the Channel Islands), which were established at the time of TSB Group's flotation in 1985

In January 2009, following a period of turmoil in the capital markets, Lloyds TSB Group plc acquired HBOS plc resulting in the enlarged Lloyds Banking Group

Faced with an unprecedented period of economic difficulty and financial uncertainty, the Foundation reached an agreement with Lloyds Banking Group in February 2010 to provide a more stable and sustainable funding arrangement so as to ensure continued support to the disadvantaged communities we serve Fixed funding of £25 2m for each of the years 2010-13 was agreed From 2014 to 2020, the Foundation is to receive 0 3616% of the expanded Group's adjusted pretax profits, averaged over three years This agreement also includes an intention by Lloyds Banking Group to further extend this arrangement beyond 2020 The Foundation currently holds 58,360,263 limited voting shares in Lloyds Banking Group plc

The Foundation has an extensive local, regional and national presence in terms of both Trustees and members of staff This enables the Foundation to respond effectively to local social needs

The Board
The Board of Trustees meets quarterly to agree the Foundation's strategic direction and policies and to monitor implementation and overall progress against objectives Appropriate levels of delegated authority are in place The authority of the full Board is required for grants above £150,000 A separate Grant Panel comprised of Trustees has delegated authority for grants between £25,001 and £150,000 The Board has delegated authority to senior management for all grants of £25,000 and below

Board Committees
There are four permanent sub-committees of the Board, with Terms of Reference approved by the Board, to which they report on their meetings and other activities

The role of the Audit Committee is to satisfy themselves that the financial statements published by the Foundation follow approved accounting principles and give a true and fair account of the Foundation's affairs This includes examination and review of the Foundation's annual accounts with the auditors prior to consideration by the full Board, and examination and review of any reports prepared by the Lloyds Banking Group internal audit function The Committee's remit also covers the Foundation's approach to Risk Management and accounting policies

The role of the Nomination Committee is to make recommendations to Lloyds Banking Group on the appointment of new Trustees, giving due consideration to the balance of skills, interests and experience on the Board of Trustees The support of the Board of Trustees is normally sought prior to recommendations being put forward to the Lloyds Banking Group

The role of the Remuneration Committee is to be aware of and advise on any proposals regarding reward strategy and pay policy within the Foundation and the policy for and scope of pension arrangements It is also kept fully informed on their implications for the future running of the organisation The committee ensures that contractual terms on termination of employment, and any payments made, comply with the approved policies of the Foundation
It also considers the performance of the Chief Executive and determines and agrees, with the Board of Trustees, the broad framework and policy for the remuneration package of the Chief Executive

The role of the grant panel is to review grant applications against each programme's aims and objectives Panels have delegated authority to approve grants and members consider grant managers' recommendations, taking into account grant outcomes, associated risk factors, geographical spread and budgetary considerations At regular intervals during the year, the panel reviews rejected applications to ensure that the team is applying a consistent and equitable approach to applicants Each panel is also responsible for reviewing progress against programme evaluation objectives in order to maximise the impact of the Foundation's grant making

The Board business group comprising the Chair and the Chairs of the non grant making subcommittees meets with the Chief Executive prior to Board meetings to discuss issues and papers to be brought forward

In 2010 the Board set-up a working party to discuss the approach to investment and to recommend an investment strategy and investment manager This working party met in June, October and November 2010 and presented their recommendations to the Board in December The Board decided to permanently include investment responsibility into the remit of the Audit Committee and a revised set of terms will be agreed The implementation of the agreed investment strategy is scheduled for the first quarter of 2011

Related Parties
The Foundation is related to Lloyds Banking Group plc and connected to the Lloyds TSB Foundations for Scotland, for Northern Ireland and for the Channel Islands The Bank of Scotland Foundation was established in 2010 and delivers the Matched Giving Scheme for Lloyds Banking Group employees in Scotland, as well as making grants to community based programmes See Note 14 for details of transactions with these connected charities and related parties

Each Foundation is directed by its own independent Board of Trustees

Risk Management
In respect of operational practices, the risks facing the Foundation were reviewed by the Board during the year The review covered strategic, operational, financial, personnel, IT and reputation risks Risks identified are prioritised in terms of potential impact and likelihood of occurrence, and the Trustees confirm that systems or procedures are in place to mitigate the significant risks identified The review incorporated examination of the adequacy of the Foundation's internal controls It is recognised that risk management is an ongoing activity involving all Trustees and staff, and is established as an annual agenda item for the Board and Audit Committee

The Trustees recognise that there is a significant risk associated with the income arising substantially from a single source, namely the Lloyds Banking Group The current economic environment directly impacts on the profitability of the Group Although, the Deed of covenant reduces the short-term risk as income is fixed until 2013 and thereafter based upon average profitability over three years, it cannot completely mitigate against this risk in times of exceptional market place changes

To reduce risk, the Foundation also has a policy of grant recognition which recognises the total grant in the year it was made This means that should the income be reduced in any one year, then the charitable expenditure can also be reduced In the medium term, if profitability was significantly reduced over a number of years or there was a significant one-off loss of profitability, then consideration has been given to the possible approaches available and changes in reserves policy required

The Trustees consider that the Foundation is not exposed to any significant financial risks specifically relating to the use of financial instruments as its financial assets are held as cash in bank (Lloyds Banking Group) and it has no debt The Foundation is not exposed to credit risk as debtors are insignificant or to foreign exchange risk as all the transactions are denominated in sterling and price risk is not relevant given the nature of the Foundation's activities

Financial Activities
The Statement of Financial Activities on page 38 shows the income received under the Deed of Covenant with Lloyds Banking Group plc, together with the expenditure on the grant-making Programmes to pursue the Foundation's charitable objects At 31st December 2010 the Foundation held reserves totalling £33,741,000 (2009 £34,691,000)

Reserves
The Trustees have maintained the policy of retaining sufficient reserves at the year end to cover six months' non-grant expenditure for contingency purposes

Currently the balance of reserves stand at £33,741,000 The reserves were enhanced during 2009 with a net gain on share investment These gains together with the balance of reserve brought forward from the previous year will provide medium to long term funding for the Foundation This will be invested in early 2011 in accordance with the agreed investment strategy With the economic uncertainties, these funds will be used to ensure stability and sustainability of the Foundation grant making and so provide a more sustainable funding strategy for the benefit of the disadvantaged communities we serve

Trustees' Responsibilities
Company and charity 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 its financial position at the end of the year In preparing those financial statements, the Trustees have

- selected suitable accounting policies and then applied them consistently
- observed the methods and principles in the Charities SORP
- made judgments and estimates that are reasonable and prudent
- stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepared the financial statements on the going concern basis where it is appropriate to do so

The Trustees have also referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps to ensure the prevention and detection of fraud and other irregularities

The Trustees are responsible for the maintenance and integrity of the website and for electronically distributing the annual report and other financial information The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions

Trustees' remuneration
All trustees give their time voluntarily and received no benefits from the charity Expenses reclaimed from the charity are set out in note 13 to the accounts

Company secretary
The Chief Executive undertook responsibility for the duties of the Company Secretary in 2010

Disclosure of information to auditors
The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Foundation's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information

Auditors
A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Foundation will be proposed at the annual general meeting

This report was approved by the Board of Trustees 13 April 2011 and signed on their behalf by

Professor Ian Diamond
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLOYDS TSB FOUNDATION FOR ENGLAND AND WALES

We have audited the financial statements of Lloyds TSB Foundation for England and Wales for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes The financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of trustees and auditors
The Trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements This other information comprises only the Trustees' Report and all of the other information listed on the contents page We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to other information

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 of the state of the company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,

- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,

- The financial statements have been prepared in accordance with the Companies Act 2006, and

- The information given in the Trustees' Annual Report is consistent with the financial statements

Kevin Williams (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London 13th April 2011

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 December 2010

	Note	Unrestricted £'000	Restricted £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources					
Income resources from generated funds					
Covenanted income	14	25,242	-	**25,242**	20,912
Investment income	14	394	-	**394**	215
Transfers in	2b	2	392	**394**	1,076
Other incoming resources					
Non-covenanted income	2a	33	-	**33**	331
Total incoming resource		25,671	392	**26,063**	22,534
Resources expended					
Charitable Activities	4a	26,220	604	**26,824**	23,770
Governance costs	4c	189	-	**189**	303
Total resources expended		26,409	604	**27,013**	24,073
Net expenditure for the year		(738)	(212)	**(950)**	(1,539)
Net gain on share investment	5	-	-	**-**	26,987
Net movement in funds		(738)	(212)	**(950)**	25,448
Reconciliation of funds					
Funds brought forward at 1 Jan		34,479	212	**34,691**	9,243
Funds carried forward at 31 Dec		33,741	-	**33,741**	34,691

The statement incorporates the Income and Expenditure account

All recognised gains and losses have been included in the Statement of Financial Activities and the amounts included are derived from the continuing activities of the Foundation

The notes on pages 41 to 49 form part of these accounts

COMPANY NUMBER 01971242

BALANCE SHEET
At 31 December 2010

	Note	Total 2010 £'000	Total 2009 £'000
Fixed assets			
Tangible assets	6	**56**	35
Investments	7	**-**	-
		56	35
Current assets			
Debtors	8	**135**	185
Short-term deposit		**35,000**	-
Cash at bank and in hand		**17,011**	52,947
		52,146	53,132
Creditors amounts falling due within one year	9	**(16,735)**	(17,298)
Net current assets		**35,411**	35,834
Total assets less current liabilities		**35,467**	35,869
Creditors amount falling due after one year	10	**(1,726)**	(1,178)
Net assets		**33,741**	34,691
Total funds			
Unrestricted funds	11	**33,741**	34,479
Restricted funds	11	-	212
Total funds		**33,741**	34,691

The financial statements on pages 38 to 49 were approved by the Trustees on 13 April 2011 and signed on their behalf by

Professor Ian Diamond
Chair of Trustees
Lloyds TSB Foundation for England and Wales Registered Number 1971242

The notes on pages 41 to 49 form part of these accounts

CASH FLOW STATEMENT
Year ended 31 December 2010

	Total 2010 £'000	Total 2009 £'000
Net cash outflow from operating activities	**(1,296)**	(495)
Returns on investments and servicing of finance		
Bank interest receivable	**394**	215
Net gain on share investment	**-**	26,987
Capital expenditure		
Payments to acquire tangible fixed assets	**(34)**	(6)
Management of liquid resources		
Payments into short-term deposits	**(35,000)**	-
Decrease/Increase in cash at bank and in hand	**(35,936)**	26,701

Reconciliation of net income to net cash
Inflow from operating activities

	Total 2010 £'000	Total 2009 £'000
Net Expenditure for the year	**(950)**	(1,539)
Bank interest receivable	**(394)**	(215)
Decrease/(increase) in debtors and prepayments	**50**	(92)
Depreciation charge	**13**	13
(Decrease)/increase in creditors	**(15)**	1,338
Net cash outflow from operating activities	**(1,296)**	(495)

Analysis of movement in net funds

	2009 £'000	Change in year £'000	2010 £'000
Cash at bank and in hand	52,947	(35,936)	17,011
Short-term deposits	-	35,000	35,000
Total movement in cash and cash equivalents	52,947	(936)	52,011

The notes on pages 41 to 49 form part of these accounts

1 Accounting policies

Basis of preparation
The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, including the Statement of Recommended Practice – Accounting and Reporting by Charities 2005 (SORP 2005), and in accordance with the Companies Act 2006

Fund accounting
The Foundation's funds are substantially unrestricted and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity Certain monies received from the HBOS Foundation during 2009 and 2010 (see Note 2) were restricted primarily in respect of the HBOS Large Grants Programme and the Matched Giving programme for HBOS plc heritage staff

Income policy
All income is recognised in the SOFA when the Foundation is legally entitled to the income, receipt is certain and the amount can be quantified with reasonable accuracy

Grants payable
Grants, both single and multi-year, are recognised in the accounts as liabilities after they have been approved, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Foundation In these circumstances there is a valid expectation by the recipients that they will receive the grant

Valuation of assets
Tangible assets are included at historic cost less depreciation Investment assets are valued at market value, as determined by the Trustees after appropriate advice (see Note 7)

Capitalisation and Depreciation
The minimum value for the capitalisation of tangible fixed assets is £750 Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful lives of the assets concerned The principal rates used which are consistent with last year are

Computer equipment	33% per annum
Furniture and office equipment	10% per annum

Allocation of costs
Charitable activities include the direct costs of the grant awards and the indirect support costs of delivering the grant programmes Support costs are allocated between charitable programmes and governance, on the basis of estimated time spent by staff Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice

Pension costs
The Foundation participates in two separate independently managed, defined benefit, occupational pension schemes, the Lloyds TSB Group Pension schemes No 1 and No 2 Each is valued by professionally qualified and independent actuaries on an annual basis It is not possible to identify the Foundation's share of the underlying assets and liabilities of these schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes, the cost recognised within the Statement of Financial Activities for the year being equal to the contributions payable to the schemes for the year as permitted by Financial Reporting Standard 17 *Retirement Benefits*

The Foundation also participates in a defined contribution schemes Contributions in respect of the year are charged to the Statement of Financial Activities in the year to which they relate

Hire purchase
Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Irrecoverable VAT
Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate

2 Income
2a Other incoming resources

	Total 2010 £'000	**Total 2009 £'000**
Non-covenanted income from		
Company Secretarial fees from Lloyds TSB Foundation for Channel Islands	**10**	10
Cross charge to LTSB Group plc, Foundation for Northern Ireland & Foundation for Channel Islands	**-**	116
Reversal of previously accrued rent	**-**	182
Donated Services – Audit	**23**	23
	33	331

2b Transfers In

	Unrestricted £'000	Restricted £'000	**Total 2010 £'000**	**Total 2009 £'000**
Grant Award	-	392	**392**	548
Funding for Matched Giving	-	-	**-**	392
Residual monies	2	-	2	136
	2	392	**394**	1,076

Following the acquisition of HBOS plc by Lloyds TSB Group plc in January 2009 the enlarged Lloyds Banking Group decided that the HBOS Foundation should be wound up During this winding up process it was agreed that the Foundation would support some of the charitable activities of the HBOS Foundation and as a result the Foundation received a transfer of £394,000 (2009 £1,076,000) from the HBOS Foundation Of this amount £nil (2009 £212,000) remains outstanding at 31 December 2010

3 Grants payable

The table below shows a reconciliation between amounts approved during the year and amounts paid during the year

	Total 2010 £'000	**Total 2009 £'000**
Reconciliation of grants payable		
Amounts outstanding at 1 Jan	**18,143**	16,673
Grants approved *	**23,819**	21,183
Grants cancelled or recovered	**(824)**	(687)
Grants payable for the year	**22,995**	20,496
Grants paid during the year	**(23,179)**	(19,026)
Amounts outstanding at 31 Dec (Note 9,10)	**17,959**	18,143

* Does not include Matched Giving

4 Analysis of expenditure

4a Charitable activities

	Grants £'000	Grant making Support costs £'000	Total 2010 £'000	Total 2009 £'000
Unrestricted				
Community programmes	18,605	1,841	**20,446**	21,008
Matched Giving	1,256	124	**1,380**	929
Criminal Justice	3,998	396	**4,394**	1,105
	23,859	2,361	**26,220**	23,042
Restricted				
Grants	392	-	**392**	548
Matched Giving	212	-	**212**	180
	604	-	**604**	728
	24,463	2,361	**26,824**	23,770

Support costs have been allocated on the basis of time spent by staff on each of the programmes

4b Grant making support costs

	2010 £'000	2009 £'000
Staff costs	**2,005**	1,826
Other costs	**356**	430
	2,361	2,256

4c Governance costs

	2010 £'000	2009 £'000
Legal fees	**28**	138
Professional costs	**38**	52
Auditors' remuneration	**23**	23
Staff costs	**28**	37
Trustee recruitment costs	**61**	37
Trustee costs *	**11**	16
	189	303

* Note this includes all expenses

The Auditors are appointed on a honorary basis The value of the audit has been included as a donated receipt within other incoming resources and as a donated service within Governance costs

4d Staff costs

The average number of persons employed by the Foundation during the year was 27 (2009 29)

	2010 £'000	2009 £'000
Wages and Salaries *	**1,235**	1,106
National Insurance contributions	**100**	95
Pension contributions	**285**	325
Other staff costs	**413**	337
	2,033	1,863

* including redundancy payments

Numbers of employees receiving emoluments (salary and benefits in kind, excluding pension contributions & redundancy) greater than £60,000 are as follows

	2010	2009
£60,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-

Pension costs

	2010 £'000	2009 £'000
Defined benefit schemes	224	254
Defined contribution scheme	61	71
	285	325

Lloyds TSB defined benefit schemes

The contribution due to the schemes was £224,000 (2009 £254,000) of which £140,000 (2009 £89,000) was accrued (see Note 1) The contribution rate in 2010 and the additional payments made were as follows

	Scheme 1	Scheme 2
Contribution Rate	29 4%	28.2%

For both the No 1 and No 2 Schemes, the independent actuary carried out full triennial valuations as at 30 June 2008 These disclosed a combined deficit of £3 7bn and as a result the pension fund Trustees agreed with Lloyds Banking Group a recovery plan to address the deficit Interim valuation updates as at June 2009 have been carried-out and the results communicated to members The interim valuations revealed that the combined deficit had increased to £6 4bn More information on the funding of the Group's pensions schemes can be found in the latest Report and Accounts of Lloyds Banking Group plc

Lloyds TSB defined contribution schemes

The Foundation has 2 defined contribution schemes

1 Employees of the Foundation from January 1996 to June 2010 were entitled to join the defined contribution scheme The contribution made to the scheme was £57,000 (2009 £71,000) The employer rate is determined by the member's age and the election by employees to make additional contributions The maximum rate of contribution payable by the Foundation is 14 5%

2 New employees joining the Foundation from July 2010 are automatically enrolled in the 'Your Tomorrow' defined contribution scheme The contributions made to the scheme were £4,000 (2009 n/a) The employer rate is determined by the member's contributions and the maximum rate of contribution payable by the Foundation is 13%

5 Net gain on share investments

The Foundation has an investment in the limited voting share of the Lloyds Banking Group During the 2009, the Lloyds Banking Group entered into various capital related transactions in order to address certain funding issues associated with the liquidity crisis in the worldwide financial markets As a result of the arrangements between Lloyds Banking Group and the Foundation, the Foundation acquired 84,850,000 ordinary shares which were sold at a profit of £13,517,000, and disposed of its rights to acquire 78,200,000 shares for £13,470,000 resulting in an aggregated profit of £26,987,000 This will be invested as per the agreed investment strategy in early 2011

6 Tangible assets

	Furniture and Office Equipment £'000	**Computer Equipment £'000**	**Total £'000**
Cost			
At 1 January 2010	41	72	113
Additions	-	34	34
Disposals	-	(37)	(37)
At 31 December 2010	41	69	110
Depreciation			
At 1 January 2010	19	59	78
Change for the year	4	9	13
Disposals	-	(37)	(37)
At 31 December 2010	23	31	54
Net book value			
At 1 January 2010	22	13	35
At 31 December 2010	18	38	56

7 Investments

At 31 December 2010 and throughout the year ended on that date, the Foundation held 58,360,263 limited voting ordinary shares of 25p each of Lloyds TSB Group plc, representing 72 12% of such shares in issue The Foundation's limited voting ordinary shares represent 0 1% of the issued ordinary share capital of Lloyds TSB Group plc at 31 December 2010 The Foundation cannot sell these shares in the open market The shares have no rights to dividend, have voting rights only in limited circumstances, and shall be converted into ordinary shares of Lloyds TSB Group plc in either of the following circumstances

a) Where a Deed of Covenant is in force in favour of a holder of limited voting shares, on the day following the termination of that Deed of Covenant in consequence of the expiry of notice of termination given by Lloyds TSB Group plc ('the Company') or the commencement of the winding-up of the Company

   For this purpose, 'Deed of Covenant' includes each of the three Deeds of Covenant* and, in relation to each, extends to include any agreement or agreements substituted for that Deed of Covenant, in favour of the holder of limited voting shares benefited thereby or any transferee of that holder's limited voting shares, in terms considered by the directors of the Company to be no less favourable (taking such agreements together if more than one) to the payee or payees under the new agreement or agreements Lloyds TSB Foundation for Scotland also has a Deed of Covenant

   * Lloyds TSB Foundation for England & Wales
     Lloyds TSB Foundation for the Channel Islands
     Lloyds TSB Foundation for Northern Ireland

b) If an offer is made to ordinary shareholders of the Company to acquire the whole or any part of the issued share capital of the Company and the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting becomes or is certain to become vested in the offeror and/or persons controlled by and/or acting in concert with the offeror

The shares so converted will carry the right to receive dividends and other distributions declared, made or paid on the ordinary share capital of the Company by reference to a record date on or after the conversion date, and will rank pari passu in all other respects with the then existing fully paid ordinary shares

8 Debtors

	2010 £'000	2009 £'000
Prepayments	69	62
Debtors	18	116
Accrued interest	48	7
	135	185

9 Creditors amounts falling due within one year

	2010 £'000	2009 £'000
Grants payable (Note 3)	16,233	16,965
Other creditors	502	333
	16,735	17,298

10 Creditors amounts falling due after on year

	2010 £'000	2009 £'000
Grants payable (Note 3)	1,726	1,178

11 Movement in funds

	Balance at 1 Jan 2010 £'000	Movement in Funds Incoming £'000	Outgoing £'000	Balance at 31 Jan 2010 £'000
Unrestricted funds	34,479	25,671	(26,409)	33,741
Restricted funds	212	392	(604)	-
Total	**34,691**	**26,063**	**(27,013)**	**33,741**

In accordance with the Trustee reserve policy as described on page 34, the Trustees have maintained the policy of retaining sufficient reserves at the year end to cover six months' non-grant expenditure for contingency purposes

12 Guarantee Company

The Foundation is a company limited by guarantee not having a share capital The liability of the members is limited by the Memorandum of Association to £1 each The number of Trustees (including the Chairman) who are also members at 31 December 2010 was 11 (2009 ten)

13 Trustees' remuneration and reimbursed expenses

The Trustees, who are also the directors of the Foundation, received no remuneration during the year The Trustees received reimbursed expenses relating to travel and subsistence totalling £5,000 (2009 £9,000)

14 Related party transactions

14a Connected Foundations
The following Foundations are connected, having common and related objects

Lloyds TSB Foundation for Scotland
Riverside House, 502 Gorgie Road, Edinburgh EH11 3AF

Lloyds TSB Foundation for Northern Ireland
2nd Floor, 14 Cromac Place, The Gasworks, Belfast BT7 2JB

Lloyds TSB Foundation for the Channel Islands
Pentagon House, 52 – 54 Southwark Street, London SE1 1UN

Bank of Scotland Foundation
The Mound, Edinburgh EH1 1YZ

The Foundation received £10,000 (2009 £10,000) from the Lloyds TSB Foundation for the Channel Islands in respect of time spent by the Chief Executive and her staff on Channel Islands Foundation business

14b Related company
The Foundation is related to Lloyds TSB Group plc as it derives its revenue primarily from Lloyds Banking Group In February 2010 the Foundation reached an agreement with Lloyds Banking Group to provide a more stable and sustainable funding arrangement Fixed funding of £25.2m for the years 2010-13 was agreed From 2014 to 2020, the agreement is to receive 0 3616% of the expanded Group's adjusted pretax profits, averaged over three years

The following transactions took place with Lloyds TSB Group plc during the year, and with which there were the following balances at the year end

The Foundation received £25,242,000 (2009 £20,912,000) under deed of covenant, and £394,000 (2009 £215,000) bank interest was receivable by the Foundation using Lloyds TSB Bank plc as its bankers

At 31 December 2010 a balance of £52,011,000 was held at Lloyds TSB Bank plc (2009 £52,947,000) of which £35,000,000 (2009 nil) was held on short-term deposit

15 Office Lease commitment
Lloyds TSB Foundation had an annual commitment under non-cancellable operating lease (building only) at 31 December 2010 which expires as follows

	2010 £'000	**2009 £'000**
Over five years	88	88

Trustees

Professor Ian Diamond	Foundation Chair and Trustee since July 2009, Professor Ian Diamond is also Vice-Chancellor at the University of Aberdeen and was previously Chief Executive of the Economic and Social Research Council (ESRC) Professor Diamond brings a wealth of experience in the educational, funding and voluntary sectors
Janet Bibby	Trustee since January 2008 Janet is currently Regional Director of the National Trust
Sir Clive Booth	Trustee since January 2011, Clive was Vice Chancellor of Oxford Brookes University until 1997 Since then he has pursued a portfolio career spanning a number of interests in education and the public sector His most recent role has been as Chair of the Big Lottery Fund
Professor Clair Chilvers DSc DL	Trustee until 31 December 2010 Clair is Chair of Gloucestershire Hospitals NHS Foundation Trust and is a Deputy Lieutenant of Nottinghamshire
Pavita Cooper	Trustee since April 2009, Pavita joined Lloyds TSB in January 2008 In January 2009 she was appointed HR Director Organisation Effectiveness for Lloyds Banking Group
Rob Devey	Trustee since July 2009, Rob is the Chief Executive of Prudential UK & Europe
Philip Grant	Trustee since July 2010, Philip is Managing Director of UK Private Banking at Lloyds Banking Group Philip is President of the Chartered Institute of Bankers in Scotland
John Hughes	Trustee until 31 December 2010 John is the former Director of Finance for London Transport and London Underground
Alan Leaman OBE	Trustee since January 2008, Alan is currently Chief Executive of the Management Consultancies Association
Lord Sandy Leitch	Trustee since January 2011, Sandy is currently Deputy Chairman of Lloyds Banking Group Sandy is currently Vice President of the National Star College and Chairman of Medical Aid Films

Mohammad Naeem	Trustee since July 2010, Naeem is a diversity and race relations specialist with extensive experience at executive and consultative level in policy development and implementation across public, private and voluntary sector organisations
Anne Parker CBE	Trustee until 31 December 2010 Anne is the former Director of Social Services, Berkshire and currently Vice-Chair of the Wirral University Teaching Hospitals NHS Foundation Trust
Dame Denise Platt	Trustee since January 2011, Denise was formerly the Chair of the Commission for Social Care Inspection (CSCI) having previously been Chief Inspector of the Social Services Inspectorate and Head of Social Care Policy at the Department of Health
Rosemary Stevenson	Trustee since July 2008, Rosemary is an independent consultant who has extensive international development experience

Subcommittees of the Board

Nomination Committee	Professor Ian Diamond (Chair), Anne Parker CBE (until December 31 2010), Professor Clair Chilvers (until December 31 2010) and Rosemary Stevenson
Audit Committee	John Hughes (Chair), Rob Devey (Chair from January 1 2011), Janet Bibby and Rosemary Stevenson, Philip Grant (from January 1 2011)
Investment Committee	John Hughes (Chair), Rob Devey and Philip Grant (until December 2010 and now incorporated into Audit Committee)
Remuneration Committee	Professor Clair Chilvers (Chair until December 31 2010), Pavita Cooper (Chair from January 1 2011), Professor Ian Diamond and Alan Leaman

Foundation Staff

At 13 April 2011

Linda Kelly	Chief Executive
Chris Anderson	Head of Grant Making (South)
Claire Beaver	Communication Officer
Gary Beharrell	Grant Manager
Jennifer Bollington	Programme Administrator
Tina Claeys	Grant Administration Manager
Sara Cooney	Grant Manager
Peter Cunnison	Grant Manager
Anne Dawson	Head of Grant Making (North)
Nicola Elliott	Grant Administration Assistant
Peter Ellis	Grant Manager
Pat Greenwood	Grant Manager
Paula Harris	Head of Operations
David Harrison	IT Manager
Helen Hawney	Programme Administrator
Fouzia Iqbal	Grant Administration Assistant
Rhodri James	Finance Controller
Angela Johnson	Grant Administration Assistant
Michele Lester	Grant Manager
Mike Lewis	Grant Manager
Nikki Morgan	Communication Officer
Rebecca Samouilhan	Executive Assistant
Lisa Shackleton	Head of Information & Communication
Trevor Smale	Grant Manager
Jude Stevens	Grant Manager
Yvonne Taylor	Grant Manager

Gainsborough Traveller Initiative

LINCOLNSHIRE

Registered Charity
Number 327114

Company Limited by Guarantee
Registered Number 1971242

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Moorcrofts LLP, James House, Mere Park, Dedmere Road, Marlow, Bucks SL7 1FJ

Auditors
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