

**LEGACY TRUST UK**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

Registered Charity Number - 1118809

**LEGACY TRUST UK**

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## LEGACY TRUST UK

### REFERENCE AND ADMINISTRATIVE INFORMATION

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<b>Trustee</b>	The sole trustee is Legacy Trust UK Limited as Corporate Trustee.
<b>Governors</b>	<p>The directors of Legacy Trust UK Limited, who are also the governors of Legacy Trust UK are:</p> <p>Dugald Mackie – Chairperson Dame Jocelyn Barrow Paul Cuttill OBE Howard Dawber Judith Donovan CBE Anupam Ganguli Timothy Hornsby CBE Susan Johnson OBE Clive Jones CBE</p>
<b>Secretary and Trust Administrator</b>	Moira Swinbank OBE
<b>Protector</b>	Patrick Harrington QC
<b>Company Secretary to Legacy Trust UK Limited</b>	Michael Kyriakides
<b>Registered office</b>	Royal London House 22-25 Finsbury Square London EC2A 1DX
<b>Head Office</b>	Royal London House 22-25 Finsbury Square London EC2A 1DX
<b>Auditors</b>	Haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
<b>Bankers</b>	Barclays Bank PLC Level 28, 1 Churchill Place Canary Wharf London E14 5HP
<b>Investment Managers</b>	Barclays Wealth Management Level 15, 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Stone King Sewell LLP 13 Queen Square Bath Somerset BA1 2HJ

## LEGACY TRUST UK

### GOVERNORS' REPORT

#### FOR THE YEAR ENDED 31 MARCH 2011

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The Trustees present their report and the audited financial statements for the year to 31 March 2011.

The information with respect to Trustee, Governors, Officers and Advisors set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, the Accounting Direction issued by the funding bodies and the Charities Act 1993.

#### ORIGINS AND HISTORY

Following the decision of the International Olympic Committee to elect London as the Host City for the Games of the XXX Olympiad in 2012, the Millennium Commission, the Big Lottery Fund, Arts Council of England and the Department for Culture, Media and Sport (DCMS) launched a joint grant competition inviting proposals from organisations or persons wishing to establish a new charitable trust to support a range of cultural and sporting activities throughout the UK associated with the London 2012 Olympic Games and Paralympics Games.

On 10 November 2006 preferred bidder status was awarded to the consortium led by the City of London and included The East London Business Alliance, Business in the Community, Yorkshire Forward and TimeBank.

Legacy Trust UK Limited, a Company Limited by Guarantee, was incorporated on 29 November 2006 and is the sole Trustee of Legacy Trust UK, the charitable trust registered on 14 April 2007, which was granted £40 million of National Lottery and Government funds (Millennium Commission £24 million, Big Lottery Fund £5 million, Arts Council England £5 million and DCMS £6 million). The grant was made to the Trust in December 2007.

On 6 March 2009 the powers in the Trust Deed of Legacy Trust UK were amended by Supplemental Deed, with the consent of the funders and Protector, to allow piloting of delivery of grant programmes.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Structure

Overall strategic direction and decisions lie with the board of governors who are also directors of Legacy Trust UK Limited. The directors were nominated or recruited in accordance with the terms of the bid and automatically became governors on appointment. The governors during the year were as follows:

Dugald Mackie – Chairperson  
Dame Jocelyn Barrow  
Paul Cuttill OBE  
Howard Dawber  
Judith Donovan CBE  
Stuart Fraser (resigned 27 October 2010)  
Anupam Ganguli  
Timothy Hornsby CBE  
Susan Johnson OBE  
Clive Jones CBE  
Bill Morris (resigned 27 October 2010)  
Anna Southall (resigned 27 October 2010)

Three sub committees of the board assist with strategic decision-making and are chaired by board members with support from the executive team. These are:

Finance and Investment	– Chaired by Paul Cuttill OBE
Audit	– Chaired by Anupam Ganguli
Remuneration and Recruitment	– Chaired by Dugald Mackie

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Structure

The trust's staffing is led by Moira Swinbank OBE and assisted by Ulrika Hogberg (Programmes Manager), Julie Morrow (Communications and Information Manager), Gregg Hutchings (Head of Policy) and Michael Kyriakides (Head of Finance).

### Governance

Governance is the responsibility of the governors. In addition, under the terms of the Trust Deed, Patrick Harrington QC has been appointed as Protector to oversee the activities and governance of the charity. The main duties of the Protector, as set out in clause 13 of the Trust Deed, are to:

- Ensure that the Trustee administers the Charity properly and to protect the Charity's property (if necessary, the Protector must report matters of serious concern to the Funders or the Charity Commission.) The Protector therefore has a "watchdog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties. More positively, the Protector must also seek to ensure, as far as possible, that the Charity is administered in accordance with the terms of the Trust Deed; and
- prepare each year a statement explaining the function of the Protector, and how that function has been exercised.

In addition, the Protector is required to give or withhold consent or approval to the exercise of certain powers by the Trustee contained in the Trust Deed.

The Protector will not be in control of the Charity's property, or be responsible for its administration (these roles are reserved to the Trustee). Nevertheless, the Protector does have fiduciary duties in that his or her duties under the Trust Deed are conferred on him or her for the protection of the Charity and the proper interests of the Funders as founders of the Charity.

### Related party interests and other connections with other connected bodies

Because of the nature of the Trust and the organisations that it works with, there can be close relations between the governors and these other organisations. Details of related parties and relevant transactions are disclosed in note 17 to the financial statements.

### Conflicts of interest

The charity has established a conflicts of interest policy which states that neither the trustee nor the governors shall have any personal interest in the charity's money or property and shall not be remunerated. If any conflicts of interest occur, they are to be brought to the attention of the Protector. A Directory of Governors' Interests is maintained by the charity's lawyers, Stone King Sewell LLP at their offices.

## RISK MANAGEMENT

The Trust has adopted the principles of risk management in order to protect its property, assets and other resources, to protect the health and safety of its employees and others with whom it works and to maintain its reputation.

The Trust engages in activities which can give rise to some level of risk. It is fully committed to regularly identifying and assessing these risks and taking appropriate action to prevent, or minimise their impact. This will be achieved through a risk management strategy and in this way the Trust will better achieve its organisational objectives and enhance the value of the outcomes it delivers.

Risk management is the identification, analysis and economic control of those risks which can impact on the Trust's ability to achieve its objectives. In defining levels of risk the Trust has agreed the following definitions which are set out below and are consistent with the Institute of Risk Management's standard.

The objectives of the Trust's risk management strategy are to:

- embed risk management into the culture and operations of the Trust.

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- adopt a systematic approach to risk management as an integral element of strategic, operational and performance management.
- manage risk in accordance with best practice.
- ensure the Trust is clear on respective accountabilities for both the ownership and impact of risk and the deployment of effective mitigation and contingency arrangements.

These objectives are being achieved by:

- establishing clear roles and responsibilities and reporting lines within the Trust for risk management.
- incorporating risk management in the Trust's decision-making, business planning and performance management processes.
- incorporating risk management within all major project proposals.
- monitoring risk management and internal control arrangements on a regular basis.
- reinforcing the importance of effective risk management through training and providing opportunities for shared learning.
- Establishing suitable insurance or other contingency arrangements to manage the impact of unavoidable risks.

### OBJECTIVES AND ACTIVITIES

Legacy Trust UK promotes participation and enthusiasm for the Olympic and Paralympic ideals by awarding grants across the UK to projects that create inspiring national programmes for youth, culture, education, wellbeing, sport and the arts in the years leading up to and including 2012.

The objects, or purposes, of the Charity are set out in clause 5.1 of the Trust Deed ("the objects clause") as follows:  
*"... to make awards of money to individuals or organisations for Charitable Purposes including, without limitation, cultural, educational, healthy sporting and other charitable activities for the benefit of the community in any Approved Territory."*

In addition there are some specific requirements in relation to the objects of the Charity as follows:

- £5 million should be applied only for purposes compatible with the objects of Arts Council England;
- £6 million should be applied towards activities carried out by Youth Sport Trust (or any other body) in promoting the UK School Games;
- The Trustee is required in all cases to make awards of money to individuals and organisations carrying out Charitable Purposes;
- There is no power for the Trustee to carry out activities itself in furtherance of Charitable Purposes;
- The Trustee must, where possible, co-ordinate its award making with work of other bodies whose activities are connected directly or indirectly with the Olympic and Paralympic Games.

### Grant Strategy

Legacy Trust UK was established with a £40m endowment from the Big Lottery Fund, the Arts Council England and the Department for Culture, Media and Sport to support a wide range of innovative cultural and sporting activities for all, which celebrate the London 2012 Olympic and Paralympic Games and leave a lasting legacy in communities throughout the United Kingdom. Using the London 2012 Olympic and Paralympic Games as a catalyst, the Trust is funding projects which enable communities from across the UK to take part in cultural and sporting activity in the build up to 2012.

The Trust encourages a joined up approach to celebrate sport, education and culture, and meet the following broad themes:

- i. Sport & Wellbeing
- ii. Knowledge & Learning
- iii. Arts & Culture

### OBJECTIVES AND ACTIVITIES (continued)

These themes are intended to inspire the widest possible range of projects in which the maximum number of people across the UK can get involved. Projects are likely to encompass: community sport, healthy living, wellbeing, education, learning and personal development, heritage, the performing arts, creativity, community events and festivals.

The Governors have had regard to the Charity Commission's general guidance on public benefit in reviewing the charity's objects and in planning activities and grant strategy.

#### Funding criteria

Applicants have had to demonstrate how their projects might be sustained beyond 2012. Applicants were expected to demonstrate a track record of delivering projects on a UK-wide, national or regional scale, geographical and community reach and credibility in their sector as a leader of good practice.

To secure funding, the Trust developed a "legacy standard" which means that projects must demonstrate the following:

- *fit at least one of the three key themes:* we welcome projects which encourage a joined-up approach across sport, education, arts and culture
- *be highly visible and wide-reaching:* we want to offer diverse communities across the UK the chance to take part in cultural, educational, and sporting activities in the build up to 2012 Games
- *be distinctive, new or innovative:* we encourage new ideas, approaches and collaborations and exemplar projects
- *offer a coherent programme of high quality activities with clearly defined outcomes*
- *able to demonstrate a lasting legacy by making a sustained difference to the community*
- *enjoy public support and demonstrate community engagement*
- *maximise the number of beneficiaries or participants by keeping overheads low and making best use of existing community resources and facilities*
- *be accessible to all and foster community inclusion by encouraging active citizenship and greater participation in community life*
- *encourage the development of participants which will help build their personal capacity, thereby helping them to achieve their potential*
- *be able to lever significant resources:* we look to support projects which can expand their reach and impact
- *be not for profit and revenue projects* (although some capital expenditure may be considered for cultural projects at the discretion of the Trustee)

Arts and cultural projects which were able to demonstrate how they meet the core values and themes of the [Cultural Olympiad](#) were also looked upon favourably.

The Trust's grant making consists of 16 grant programmes in total, 12 across the Nations and Regions of the UK and 4 nation-wide programmes.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Nations & Regions

The 2012 Olympic and Paralympic Games will leave a lasting legacy not just for London, but for the whole of the UK. Legacy Trust UK has awarded over half of its funds (£24 million) to each of the Nations and Regions structures for umbrella programmes for Scotland, Wales, Northern Ireland and the nine English regions.

All twelve programmes are delivering activity:

#### Wales: The Power of the Flame

LTUK Board has committed £1.67 million for The Power of the Flame programme in Wales. This programme comprises five projects designed to use the 2012 Games as a catalyst to inspire young people to achieve their very best in their chosen field. It will enable the people of Wales to participate in a series of cultural, sporting and educational activities. It has a number of aims:

- i. to raise awareness throughout Wales of the longer term benefits of the 2012 Games for young people and the nation
- ii. to develop a model of engagement for people with disabilities that can be replicated and built upon across the UK
- iii. to have projects running beyond 2012 that can build upon the memory of the inspiration of 2012 and look to other international events to act as a further catalyst to build communities and partnerships.

Over the 2010/11 financial year all projects have made great progress: Following the Flame's taster exhibition is currently touring community venues across Wales, Cauldrons and Furnaces is developing new and strong local partnerships across its eight CAMW sites, Msanzi Cymru is developing its script and also relationships with South Africa, Whose Flame is it Anyway continues to do work with a real impact with a small number of young disabled people and the Urrd's sport festival is now being enhanced and turned onto a Welsh School Sports festival, a sign of real legacy from the Trust's investment in the project.

The lead organisation for this programme is the Arts Council for Wales, and all five projects are in full delivery.

#### South East: Accentuate

LTUK Board has committed £1.9 million for the Accentuate programme in the South East. This programme aims to change the lives of disabled people by putting them at the heart of a programme that takes its inspiration from the South East region's unique heritage as the birthplace of the Paralympics. The overall goal of the programme is to use the inspiration provided by the International Paralympic Movement to tackle disadvantage, raise aspirations and celebrate excellence. There are five objectives:

- i. That disabled young people have the opportunity to create, explore and share new ways of working with other disabled young people and their peers, locally, nationally and internationally
- ii. That the South East becomes the most welcoming and accessible region for disabled people in the UK
- iii. That the South East region is recognised as a lead region in the UK for disability and deaf cultural activity and as an international centre of excellence
- iv. That the South East's role as the birthplace of the Paralympic movement at Stoke Mandeville is recognised by the world and that its historic archive and the individual histories of Paralympian athletes alongside the impact of the movement itself is explored by artists, and young people in the South East
- v. The world and the region really recognise the Cultural Olympiad and the Cultural Olympiad is as accessible and inclusive as possible.

All 15 projects are up and running, delivering towards the five aims mentioned above in different ways. The Disabled British Open Golf Championship ran for its second year and attracted over 80 participants and created over 100 volunteering opportunities, and many volunteers were from the year before. The event was also shown on Sky and is now a firm fixture in the region's sporting calendar. Destination Zone's access audits of towns in the region have also taken place, to ensure that

### ACHIEVEMENTS AND PERFORMANCE (continued)

they can offer the best welcome possible to disabled people and tourists, and uscreen has developed a groundbreaking web tool for editing and creating films online and is being hailed by established film makers as truly innovative.

The lead organisation for this programme is Screen South, the screen media agency of the South East.

#### South West: RELAYS (Regional Educational Legacy in Arts and Youth Sports)

LTUK Board has committed £1.5 million for the RELAYS programme in the South West. This is a programme of festivals, events and educational activities designed to engage young people and their communities in culture and sport. The programme will generate a positive legacy beyond the 2012 Olympic and Paralympic Games through raising aspirations, developing knowledge and skills, and establishing distinctive new sustainable festivals and events. It has four aims:

- i. to establish new sustainable cultural and sporting *festivals and events*
- ii. to increase *educational engagement* and raise aspirations through participation in sporting, physical, cultural and volunteering activity
- iii. to enhance the impact of Higher Education *business support* for cultural, sporting and health businesses
- iv. to secure effective leadership, financing, management and governance for the project, including robust monitoring and evaluation.

RELAYS has delivered a wide range of sporting, educational and cultural activities across the region and highlights include the Bristol Festival of School Sports and Culture which attracted over 1,300 children to try out new sports and be taught by university students volunteering as sports coaches. Illuminate Bath happened for the first time and is a new arts festival which transformed the city's streets over two weeks in November. More than 50 artists and performers showcased their work in different locations around Bath. RELAYS was shortlisted for the Outstanding Contribution to the Local Community Award in the Times Higher Education Supplement Awards 2010.

The lead organisation for this programme is Universities South West, the Higher Education membership association of the South West.

#### London: Big Dance

LTUK Board has committed £2.89 million for the Big Dance programme in London. This programme will inspire Londoners to participate in the life and culture of the capital in the journey towards the Olympic and Paralympic Games in 2012. It will establish an innovative, inclusive and diverse programme of dance activity that crosses boundaries, unite London's communities and contributes to getting London fit for the Games. The aims of the project are to:

- i. inspire more people to participate in cultural and physical activity
- ii. leave a lasting legacy of increased participation
- iii. strengthen partnerships between cultural, local government, health and physical activity agencies, and between communities and artists
- iv. enhance knowledge about creativity in engaging people in cultural and physical activity
- v. enable a more skilled and diverse cultural and physical activity workforce through training, volunteering, placements, professional development and qualifications
- vi. enhance international links at local and regional levels
- vii. implement plans for sustaining activity beyond 2012

Big Dance Week took place 3-11 July 2010 and was a huge success with 1.2million Londoners participating in dance – from six week countdown with the Big Dance Bus touring the outskirts of the capital, the Big Dance Marathon Dance ending up in Trafalgar Square, to an older people's performance on the South Bank and small performances dotted across the capital. The Big Dance School Pledge has been developed to encourage schools in London to sign up to 20 minutes of dance during the six week countdown and a world record attempt was held for the same dance routine in multiple locations. A partnership with British Council meant that the Schools Pledge could be performed internationally as well.

### ACHIEVEMENTS AND PERFORMANCE (continued)

The lead organisation for this programme is Arts Council for England (London) in partnership with the Greater London Authority.

#### West Midlands: Moving Together

LTUK Board has committed £2.2 million for the Moving Together programme in the West Midlands. Moving Together is a programme of activity aimed at getting the West Midlands doing just that - moving together. It has been designed to bring people of all ages and abilities together, and the programme uses dance and sport to get as many people as possible taking part and has four aims:

- i. Healthy living and wellbeing: by getting more people moving together, we will help people to lead healthier lifestyles, improving their overall fitness and wellbeing
- ii. Marketing and visitor economy growth: by celebrating and showcasing the region's creative talent, it will raise awareness of what a great place the West Midlands is
- iii. Engaged communities and increased community cohesion: by making the programme fun and open to all, it will bring people together and help foster a sense of community
- iv. Increased participation and access to culture: with more opportunities for people of all abilities right across the region, it will make it easier for more people to join in.

The programme is made up of two strands, Dancing for the Games and Community Games. Dancing for the Games is a grant programme supporting local and regional dance commissions, with 24 projects commissioned so far (of which 6 have finished). Community Games launched officially in May 2010 and has to date organised 21 games with 350 volunteers and over 12,000 participants.

The lead organisation for this programme is Arts Council for England (West Midlands).

#### East Midlands: Igniting Ambition

LTUK Board has committed £1.61 million for the Igniting Ambition programme in the East Midlands. Igniting Ambition is a series of annual showcase events which will take place across the East Midlands between 2008 and 2012, culminating in a region wide festival of cultural events and activities during the Olympic year. The programme's mission is "to ignite ambition in the region and to celebrate the hosting of the Olympics and the Paralympic Games, by building capacity through a series of partnerships delivering a different showcase festival each year, culminating during 2012 in a unique, region wide festival of cultural events"

The 2010 showcase celebrated festival activity across the three counties and cities of Derbyshire, Leicestershire and Nottinghamshire in a diverse programme encompassing visual art, dance, theatre, music, outdoor arts and spoken word. Highlights included 'Let's Celebrate' which toured to National Trust properties and comprising over 250 exquisitely painted sculptures, this participatory artwork invited visitors to consider and record what they want to celebrate; the Shakespearean Workout where the beat of Shakespeare's poetry provided the pulse for a fun, aerobic-based exercise while his language, vibrant characters and fascinating themes were explored; and Derby Festival of Lights brought a lantern procession to the city centre for a music and dance celebration.

The lead organisation for this programme is the Arts Council for England (East Midlands).

#### East of England

LTUK Board has committed £1.51 million to the Eastern Rising programme in the East of England. The programme uses the inspiration of the 2012 London Olympic and Paralympic Games to engage a wide range of people in cultural and sporting activities which will give them skills, confidence and progression routes to new educational and employment opportunities. The aims of the programme include:

- i. maximising opportunities for engagement in culture across the region

**ACHIEVEMENTS AND PERFORMANCE (continued)**

- ii. bringing culture and sport together, celebrating internationalism and enhancing the learning experience and personal development of young people
- iii. increasing participation in sport and raising its profile by expanding the scale and frequency of sports events and activities in the region
- iv. driving cultural tourism by expanding the scale and scope of major cultural events.

Volunteering into Employment has been delivering well against its targets with new and strong partnerships across the region being developed. The Great East Swim took place in the beginning of June and has grown in remit and reach with different swimming distances on offer and over 1,800 participants taking part. The Regional Events Fund also funded the Norfolk and Essex legs of The Tour of Britain and the Cycle Tour Series in Peterborough which all had community activities linked to them. The cultural projects funded through the Regional Events Fund are led by Norwich and Norfolk Festival, Aldeburgh Music, Cambridge Film Festival and UK Centre for Carnival Arts. Their projects will culminate in 2012 with community led activities across the region.

The lead organisation for this programme is the East of England Development Agency; however, this Regional Development Agency will close in the financial year 2011-2012, and a successor body has yet to be established, nevertheless the work is still ongoing and plans are in place to ensure the continuing delivery of the project.

North West: WE PLAY

LTUK Board has committed £3 million for the WE PLAY programme in the North West. WE PLAY is an ambitious and inspiring four year cultural programme for young people and local communities in the North West. It will combine digital, physical and virtual participation opportunities for people from all walks of life – a series of activities spanning new cinema and digital culture, street arts and youth engagement in culture and sport. It will integrate year round public events, community programmes and the development of new work. WE PLAY is intended to have a region wide impact and will leave a lasting legacy in the region, through:

- i. a sustainable step change in the region's creative and cultural sectors that will resonate beyond 2012
- ii. quality, grass root participation and creativity, particularly involving young people
- iii. new creators and volunteers involved in the region's creative and cultural sectors
- iv. the annual programmes going forward post 2012.

Lakes Alive delivered another season of spectacular and astonishing outdoor events and festivals across Cumbria giving local communities the chance to experience world class outdoor events and performances, with the culmination of MintFest in early September. Abandon Normal Devices produced their second festival in Manchester, to great critical acclaim and with some arresting and thought provoking commissions. Blaze had a full year of delivery with the group of young producers delivering a summer of activities across Lancashire and the Fylde Coast. The WE PLAY Expo is under development and a partnership with Preston Guild 2012 is developing with the EXPO taking place at the Preston Guild.

The lead organisation for this programme is the Arts Council for England (North West).

North East: NE Generation

LTUK Board has committed £1.53 million for the Generation 2012 programme in the North East. NE Generation will improve the way that children, young people across the North East and the region's vibrant cultural sector work together. The programme's twin aims are to build a tuned-in, youth focused cultural sector for the future, and at the same time enable children and young people to experience and engage in cultural activity on their own terms

9 innovation projects have been funded to develop new models of engaging children and young people within the cultural sector. The programme will leave a lasting legacy across the region, through:

- i. creating sustainable, long term engagement between the cultural sector and young people
- ii. developing new partnership working and relationships carrying on beyond 2012

**ACHIEVEMENTS AND PERFORMANCE (continued)**

- iii. creating a proactive network of individuals and organisations across an invigorated cultural sector, and
- iv. building a cohort of children and young people with new, transferrable skills, confidence, aspiration and abilities.

The 9 innovation projects are all in delivery and there are already signs that the projects are changing the way that the organisations interact and work with young people – Tyneside Cinema being one example where their project Future Cinema is allowing young people to curate and choose the cinema programme and activities alongside it and young people are now also represented on the Tyneside Cinema Board. During this financial year the Cultural Innovation Fund was developed and an open call for proposals were made with final decision in beginning of financial year 2011/12.

The lead organisation for this programme is Arts Council for England (North East) which has contracted the Regional Youth Work Unit to deliver the programme.

Scotland: The Scottish Project

LTUK Board has committed £2.57 million for The Scottish Project which will bring together thousands of volunteers and artists across Scotland, and create new partnerships among organisations from different sectors across the country. 5 projects make up the programme which not only ties in with the 2012 Olympic and Paralympic Games but reaches out for another for two years to connect with the Commonwealth Games in 2014, to be hosted in Glasgow. The aims of the programme are to:

- i. engage the public, particularly young people, in a celebration of the spirit of the Olympics and Paralympics movement
- ii. reach at least 650,000 people across Scotland by March 2013
- iii. build positive and long lasting public engagement
- iv. develop artistic and professional practice
- v. work with at least 80 partner organisations by March 2013
- vi. build a lasting legacy for the Commonwealth 2014 Games and beyond.

Conflux has had a really successful year with, Surge, a new street arts festival in Glasgow, being the pinnacle of the project's activities in the 2010/11 financial year. CurioUs has struck up a fruitful partnership with colleges teaching English and developing lessons and activities with their foreign students and Human Race, launched in July 2010, has developed well and is now in the final stages of confirming the exhibition objects to go on tour next year. People Making Waves; volunteering exchanges is proving popular and a series of exchanges between Glasgow and London have been made. Giving Back To Sport has had ongoing difficulties in a number of areas but we expect these will be resolved to enable the project to get started in in the 2011/12 financial year.

The lead organisation for this programme is Creative Scotland (formerly known as Scottish Arts Council).

Yorkshire: imove

LTUK Board has committed £2.24 million for the iMove programme in Yorkshire. The programme explores the moving body through culture, sport and physical learning. It centres around six themes and strands: animating public spaces; performance on the move; extraordinary moves; don't just sit there; people move: identity, migration and transport; and the body, landscape and heritage. The strands will be made up of a mix of curated and contracted projects,

There are three core aims to the programme:

- i. To create new physical experiences for people in the region through playful and innovative opportunities, breaking down perceived barriers between culture and sport. This will in turn lead to enhanced physical awareness and learning and increased participation in sports and culture.
- ii. To explore and celebrate the region's identities and communities and how these have been shaped by the movement of people, spaces, landscape and Yorkshire's place in the world. It will encourage people to reflect on who they are and how they relate to their sense of place.

**ACHIEVEMENTS AND PERFORMANCE (continued)**

- iii. To reposition and redefine culture through opening up paths to active participation and placing arts and culture in new and unexpected places.

The contracted projects are all delivering activities and doing well, with some strong and big scale programmes across the region. The curated projects have also been very successful, and the approach of working closely with the project through a Cultural/Creative Producer has shown real benefits. This has resulted in some highly critically acclaimed projects such as the Mill's City of Dreams which tells the story of contemporary Bradford, shaped by its rich history and diverse communities through a site specific and visual theatre production in Drummonds Mill, Manningham and Slung Low's Mapping the City taking place in and around the streets of Hull.

The lead organisation for this programme is the Arts Council England (Yorkshire).

Northern Ireland: Connections

LTUK Board has committed £1.31 million to the Connections programme in Northern Ireland. Connections will engage all communities in Northern Ireland in sport and arts, encourage excellence, and promote closer working between the two sectors. The programme is based on six themes: Dance and Sport; Children's Theatre and Sport; Visual Arts/Film and Sport; Disability Arts and Sport; Physical Theatre/Circus; Gymnastics; and Rhythm – Music Poetry & Sport. The programme's aims are to:

- i. generate a focus on excellence across arts and sport, closing the gap between current and 'excellent' performance levels
- ii. develop the skills of participants and the capacity of delivery organisations
- iii. improve ambition, through using examples of excellent performance to boost people's belief in the potential to succeed and the aspiration of excellence
- iv. make new connections between sport and the arts that will increase participation and audience numbers
- v. extend inter-community contact and cohesiveness by facilitating the growth of understanding and heritage and culture of all communities in Northern Ireland.

All projects are delivering and are engaging with their target groups in different but effective ways. Echo Echo's first performance, the Chess Piece, premiered in Derry and was a fantastic mix of sport and culture with the games of Chess being acted out through dance. ImagineAction had several performances with the young people they are working with and had celebrities such as Louis Walsh and Shane Lynch coming along to performances. Luminous Soul provided workshop sessions and development opportunities for disabled people to develop as dancers producing some fantastic results among the participants in the project. Comment8 delivered their first workshops and had 3 performances with young people taking part.

The lead organisation for this programme is the Arts Council Northern Ireland.

**National Programmes**

LTUK funds 4 UK wide programmes:

The UK School Games

The UK School Games is the premier multi sport event for the UK's elite young athletes of school age. To date the Trust has awarded £5.75 million towards the cost of the UK School Games. Designed to replicate the look, feel and experience of a major international event such as the Olympic, Paralympic or Commonwealth Games, The UK School Games provides our next generation of elite athletes with a unique opportunity to learn about the challenges of competing in this environment. The UK School Games is delivered by the Youth Sport Trust, who identified six key themes to ensure that the Games bring about systematic change in the way competitive opportunities are developed for young people and that a lasting legacy is created:

- i. Ongoing planning and delivery of a UK-level sports event showcasing talented young sports people

**ACHIEVEMENTS AND PERFORMANCE (continued)**

- ii. To bring about a step change in the content, structure and presentation of competitive sporting opportunities for young people
- iii. Use the event itself, and themed branding of local and regional competitions, to raise the profile of school age competitions and the young people taking part, to promote the work undertaken in each nation to improve PE and school sport
- iv. Integrate Olympic and Paralympic themes into the UK School Games by ensuring that the Olympic and Paralympic values are promoted through volunteer training, opening and closing ceremonies and an athlete village
- v. Create opportunities for young people to become engaged in volunteering at major sports events both as technical officials and event volunteers
- vi. Ensure the event advocates and demonstrates the highest level of child protection and welfare systems.

Volunteers play a crucial role in the UK School Games with a total of 424 event volunteers (65% under 25) and 490 officials. The Youth Sport Trust has worked closely with the sports bodies of the UK School Games to develop training and opportunities for young people to take on the role of technical officials and the 2010 event saw around 100 young officials supporting the competitions.

The 2010 event took place in Newcastle/Gateshead and Sunderland from 2-5 September, with opening and closing ceremonies and full medal ceremonies for the competitors who lived in a fully operational athletes' village for the four days. The competition programme included ten sports; track cycling, athletics, badminton, fencing, gymnastics, hockey, judo, swimming, table tennis and volleyball, with athletics, swimming and table tennis including competitions for 100 talented disabled competitors.

Over 11,400 visitors attended the event, with the estimated economic impact in Newcastle, Gateshead and Sunderland collectively being approximately £2.72 million. The lead organisation for this programme is Youth Sport Trust. Sainsbury's became the headline sponsor for over two years, with a contract worth £1m, in 2010.

somewhereto

LTUK Board has committed £4.3m to somewhereto. This programme is opening up spaces for young people (16-25) to do what they are passionate about and brokering space for them to do it in. somewhereto aims to create something enduring that inspires young people to connect with, and own, London 2012. The Trust contracted an interim management team, which consisted of a range of freelance communication, youth and digital experts, who undertook development activity on this programme in its early stages. This development phase helped LTUK understand exactly what somewhereto should be, and following detailed consideration of the evidence gathered, has helped inform the delivery structure for the full roll out of the programme.

LTUK began a recruitment process for a host organisation (or consortium of organisations) on 12 January 2010 following OJEU procedures. 3 organisations were shortlisted to produce a full application form, however, all 3 pulled out of tendering before the deadline. Alternative arrangements were then considered and youth communication agency Livity was invited to put together an application form for running the programme. The Trust worked very closely with Livity over 3 months to develop a final business plan which went to the somewhereto Advisory Board for agreement and was signed off and agreed by the Legacy Trust UK Board on 21 July 2010.

Since then Livity has made great progress in getting the programme up and running. Between August 2010 to March 2011 the programme has been focused on setting up relevant systems and getting necessary contracts in place as well as building up a bank of space holders. In the first step to rolling the programme out nationally, Livity appointed Regional Coordinators in Northern Ireland, Scotland, North East and London in November 2010 after a thorough recruitment process. April 2011 until the end of the year will be young people focused, getting as many young people involved in the programme as possible. Livity did a second call for Regional Coordinators to be in place in May 2011 with a third round completing the national coverage later in 2011.

### ACHIEVEMENTS AND PERFORMANCE (continued)

As part of the space holder focused work, two networking and information events were held in Newcastle and London in March 2011 to attract as many space holders as possible and getting them interested in the programme and signing up to its cause.

#### Creative Legacy for Young People: Tate Movie Project

LTUK Board has committed £3m for Tate Movie Project. This exciting project is led by Tate, in collaboration with award winning animation company Aardman and creative agency Fallon. Together, these organisations will create a 30 minute animated film made by and for children across the UK – the first of its kind ever created. The Tate Movie showcases the vivid imaginations of children, uses great artworks to inspire 5-11 year olds across the UK to contribute their ideas the movie. Children are involved in every aspect of the film and workshops have been running at Tate museums and partner galleries across the UK, and the Tate Movie Truck toured the width and breadth of the country as well stopping at children's festivals, schools and hard to reach areas. In addition to this there is an interactive Tate Movie website where kids can learn more about film making and upload their drawings. So far there have been 60,305 submissions to the film, 530,655 visits to the website and 24,000 account users.

#### Community Celebrations

The Trust launched its Community Celebrations programme in January 2010, providing an opportunity to create a number of high profile outdoor celebrations across a handful of locations in the UK, with successful projects allowing communities to come together to host large scale outdoor celebrations at moments of local significance. The Expression of Interest phase closed in early March with 94 applications received. 14 were shortlisted to complete a full stage 2 application form to be submitted in late May. Given there was a clear quality threshold and coupled with some ambitious fundraising targets listed in the shortlisted bids, the LTUK Board decided to take 4 applications into 6 months of further development. This would allow the 4 projects to secure proposed match funding and also further develop the activities proposed. Given there was a clear quality threshold

On 19 January 2011 the LTUK Board committed a total of £3.5m, £750k to each of the four projects. They are:

*Games Time:* a series of imaginative and spectacular events in East Midlands celebrating the countdown to the Olympic and Paralympic Games. The events will be based on different notions of play and engage the local communities in the run-up to the event. The performance will be large scale and multi faceted pushing the boundaries of outdoor work and will include street art performance, fire and pyrotechnic animation and digital projections. There will be performances in Skegness, Northampton, Loughborough, London and Derby.

*Tree of Light:* will deliver a series of events along the trajectory of the Thames from its origins in Oxfordshire through Oxford, Reading, Henley, Windsor/Slough and London. Starting with community based workshops with arts and science professionals for 40 diverse community groups across the Thames Valley, the project will culminate in large scale public outdoor events that will serve as an affirmation of man's creative spirit. The celebrations will include dance, music, movement and 'created' trees that employ cutting edge digital technology to create a blaze of light – a visually stunning public art spectacle, powered by green energy, and a ceremonial performance that involves more than a thousand people.

*Land of Giants:* is built upon the four iconic giants who have loomed large in Northern Ireland's history; Finn McCool, whose Giant's Causeway is a World Heritage Site; Jonathan Swift's Gulliver, inspired by the hills around Belfast, in particular the Cave Hill a silhouette of a sleeping giant; Samson and Goliath, the iconic yellow cranes in Harland and Wolff's shipyard, which have dominated the Belfast skyline for the past 40 years; and, the White Star liners Olympic and her sister ship the Titanic, launched in Belfast in May 1911. Following on from months of community engagement work across the country, the finale will take place on Saturday 30 June 2012, and this culmination of the project will be the single largest outdoor event ever seen in Northern Ireland. It will offer an opportunity to participate in the cultural programme leading up to the 2012 London Olympics, and bring what Northern Ireland has to offer to the UK and beyond.

*Speed of Light:* is a hugely imaginative project, an interaction between innovative public art and sport. Thousands of

### ACHIEVEMENTS AND PERFORMANCE (continued)

*individuals*, from walkers to professional athletes, will all wear a specifically designed energy-harvesting light kit that will generate light and change colour depending on movement and pace. The varied live flow of both the viewers and physical participants on different routes across, up and around the hill will create a visually stunning 'performance'. The main night time performing event will be staged on Arthur's Seat during the Edinburgh International Festival from 10 August to 1 September 2012 (coinciding with the end of the Olympics and the start of the Paralympics).

#### Grant Management & Reporting Framework

Legacy Trust UK issued guidance notes to all grant recipients to help explain how the Trust will work with the successful applicant during the period of the grant agreement. This framework also informs grant recipients of the Trust's requirements for:

- i. Annual Delivery Plan
- ii. How you claim grant and report progress
- iii. Our requirements for an Annual Monitoring Report
- iv. Legal requirements
- v. Annual accounts
- vi. Changes affecting your grant
- vii. Timing and clawback of grant

This information has been well received across the portfolio of programmes, and all grant recipients are completing the information as required.

#### Communications

##### Communications Strategy and Framework

Legacy Trust UK's communications strategy and framework was put in place in July 2009 and is reviewed annually.

##### Website

Developments in the last year include the addition of a case studies section on the site, where projects can demonstrate their impacts by profiling beneficiaries and participants. Engagement with social networking sites was increased, and the Trust now has a much improved number of people engaging with its work on these sites.

##### Newsletter

The quarterly newsletter continues to be distributed to a wide variety of stakeholders and the general public. Seven newsletters have now been produced and are distributed to approximately 900 people.

##### Annual Review

The Trust's second annual review was produced in September 2010 and was met with a very positive response. The Trust has a large bank of images from projects and this contributes significantly to the success of the publication. Five hundred copies were printed, with a digital pdf also being produced and added to the website.

##### Lead Officer Event

In November 2010 the Trust held its second lead officer day for programme managers and Creative Programmers, in Nottingham at the Nottingham Contemporary Gallery. Presentations were given by Livity and Channel 4, who updated on somewhereto; the London Creative Programmer who updated on London's plans for cultural activities in 2012; the Accentuate team and Jo O'Driscoll from Rhoden Green Communications, who led a session on stakeholder engagement.

##### Stakeholder Engagement Strategy

In September 2010 the Trust commissioned freelance Communications Consultant Jo O'Driscoll to research and produce a Stakeholder Engagement Strategy which would help the Trust focus on key areas of communications and policy work in the run up to the Games. An action plan was created from the strategy and is focused primarily but not

### ACHIEVEMENTS AND PERFORMANCE (continued)

exclusively on briefing Members of Parliament and politicians which is in the process of implementation by the Communications Manager and the Policy and Partnership Manager.

#### Other

The Trust was also involved in a wide range of other communications activity, including: co-production of Cultural Olympiad book; design and production of artwork advertisements for free inclusion in event programmes and conference brochures; press briefing lunch event for key national arts and Olympics journalists at the Southbank Centre in London in January; ongoing brand guardianship of LTUK visual identity and key messaging used by funded projects.

#### **Leadership in Legacy**

Throughout the reporting period, the Legacy Trust UK Board has further debated a range of issues under the heading – Leadership in Legacy.

The Board have agreed that as the Trust will be the main focus for public money aimed at promoting the cultural and community regeneration aspects of the London 2012 Games, and creating a legacy in those areas, the Trust needs to determine their position within this. The Leadership in Legacy work aims to reflect the aspiration that the Games should be a celebration of both sporting and cultural excellence with communities across the UK having a chance to take part in sporting and cultural activities in the build up to 2012. It has helped the Board explore how the Trust will play a vital role in supporting the aim of ensuring that everyone in the UK, wherever they live, is able to get the most out of this once in a lifetime opportunity.

At the heart of any of these discussions is the expectation that any 'legacy' of the London 2012 Games refers to the imprint they will leave. It is therefore not just what happens after the Games, but what is done before and during them to inspire individuals and organisations to strive for their best, to try new activities, forge new links or develop new skills. The Olympic Games and Paralympic Games have a unique power to inspire all of us as individuals, to motivate everyone to set themselves a personal London 2012 challenge.

This work has been closely aligned with the communications strategy development, and the Board has engaged in key discussions on the following issues:

- i. Positioning the Trust as a "supportive funder"
- ii. "Champion for legacy" role of the Trust
- iii. Landscape and relationship with LOCOG/Cultural Olympiad
- iv. Impact of funding
- v. Sustainability / Post Awards work.

#### **Future Role of Trust**

Now that all of the funded programmes are established, The Trust has been examining its future role over its lifetime. The discussions centred on four key areas:

- i. Helping others to replicate successful work from the Trust's programmes
- ii. Sharing learning about the programmes
- iii. Working more closely with other organisations who are operating in similar areas to the Trust
- iv. Scoping and preparing to handover learning to other international audiences, many of whom may also be holding a mega-event such as an Olympic and Paralympic Games.

#### **Evaluation**

An evaluation framework has been developed to guide work to evaluate the work of the Trust and establish if it has been successful in its mission. The framework was developed with external expertise and will provide an independent evaluator with the mechanism and key questions to review at a later date. This evaluation work will assist the Trust in developing its end of life report.

**LEGACY TRUST UK**

**GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**ACHIEVEMENTS AND PERFORMANCE (continued)**

## FINANCIAL REVIEW AND REMUNERATION REPORT

### Income generation

During the year the Trust received grants of £475,000 (2010 - £nil). Deposit interest of £557,755 (2010 - £1,064,450) was received together with £nil (2010 - £11,043) in the form of Gifts in Kind for donated services, and £1,106 with respect to other income (2010 - £nil). Total incoming resources are shown in the Statement of Financial Activities at £1,033,861 (2010 - £1,075,493).

### Grant expenditure

Grants totalling £10,658,603 (2010 - £3,107,948) were awarded in the year, £6,107,104 (2010 - £3,058,948) in respect of the Nations and Regions Grant Scheme and £3,701,499 (2010 - £49,000) for UK Wide Strategic Programmes, £750,000 (2010 - £nil) expenditure was incurred in respect of the UK School Games and £100,000 (2010 - Nil) for the Cultural Olympiad Board (see note 6 to the accounts).

### Other Costs

Other costs in the year amounted to £517,768 (2010 - £768,480) and are analysed in note 5 to the accounts.

### Fixed assets

During the year the Trust purchased fixed assets with a cost of £4,637 (2010 - £3,403), and the net book value at 31 March 2011 was £7,541 (2010 - £5,726).

### Remuneration and Recruitment Committee

The Remuneration and Recruitment Committee is chaired by Dugald Mackie and includes Clive Jones, Dame Jocelyn Barrow and Susan Johnson. The Committee reviews salaries of all senior managers employed by the Trust.

At the beginning of the year, senior managers are set objectives based on the Trust's strategic plan. At the end of the year, their performance is assessed against objectives by the Chief Executive. The Chair of the Board undertakes the performance assessment for the Chief Executive. The annual performance assessments are then reviewed by the Remuneration Committee and used to set pay levels and any performance bonuses.

### Investment policy and performance

The Trust's investment policy was determined by the Finance and Investment Committee, which is chaired by Paul Cuttill OBE. They also monitor performance of the investments. The decision has been taken, because of the volatility in the stock markets and also because of the short term nature of investment yields, to keep all funds on term deposit with a variety of financial institutions managed by Barclays Wealth Management, who were selected through a tender process.

At the start of 2008, £40 million was put on deposit, and by the end of this year this balance decreased to approximately £25 million. During the year the deposits generated £557,755 of interest receivable. This represents approximately 2.7% rate of return (based on the average interest bearing deposit balances), and which is in line with expectations.

In addition to short-term deposits, the Trust invested £8,799,018 in investment products that were offered by Barclays Wealth Management. These investment products, which have a total year-end market value of £9,651,879 are capital protected with the potential to earn a higher than expected rate of return dependant on the market at maturity. The details of each investment are shown in note 11 to the financial statements.

### Reserves policy

Reserves at 31 March 2011 totalled £23,402,926 (2010 - £33,292,140), split between £40,254 (2010 - £328,118) of restricted funds which will contribute towards the cost of managing the UK School Games grant and £23,362,672 (2010 - £32,964,022) of general funds. Most of general funds are designated funds with the balance available to fund core costs. All of the reserves are due to be expended by 2013 in accordance with the Trust's plans and budgets, which formed part of the bidding process.

**LEGACY TRUST UK**

**GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**FINANCIAL REVIEW AND REMUNERATION REPORT**

## PLANS FOR THE FUTURE

All future planning is based on the Return on Investment forecast by Barclays Wealth Management. The Trust will utilise remaining reserves and will monitor and evaluate the programme annually to ensure that its aims and objectives are being achieved.

### **Nations & Regions**

All twelve Nations and Regions programmes are at different stages of delivery, but they will all be submitting claims over the next twelve months for programme activity. Draw down of funding will be on a quarterly basis (following submission – and agreement – of individual Annual Delivery Plans) subject to satisfactory reporting.

### **National Programmes**

#### UK School Games

The UK Schools Games is a multi sport event for the UK's elite young athletes of school age designed to replicate the feel of major event such as the Olympic & Paralympic Games and delivered by the Youth Sport Trust. The 2011 UK School Games will take place in Sheffield over the weekend on 2-4 September 2011. This will be the last year of funding from the Trust towards the UK School Games which will cease to exist in its current format after 2011.

For 2012 there will be a new format based on based on four levels: intra-school competition, regular inter-school competition between schools at a local level, annual county/sub-regional culmination of inter-school competition and finally a national multi sport residential event. Youth Sport Trust has received £755k of funding from different sources to roll out this new set-up and will also apply for a further £750k of national lottery funding to ease the transition from UK School Games to National School Games. There are indications that the 2012 event will be able to take place in the Olympic Stadium though this is still to be confirmed.

#### somewhereto

somewhereto will be in full delivery with a national reach and moving towards a crescendo in 2012 to celebrate the success of the programme. It will be submitting claims over the next twelve months for programme delivery. Draw down of funding will be on a quarterly basis (following submission – and agreement – of individual Annual Delivery Plans) subject to satisfactory reporting.

#### Tate Movie

The finished film will premiere in Leicester Square in late June and will be broadcast on the BBC a few weeks later. It will then tour the galleries and museums that ran workshops and also be shown at VUE cinemas over August bank holiday 2011. Plans for screenings in 2012 are currently being drawn up and possibilities on how to connect as much as possible to relevant LOCOG activities are ongoing. The programme will have its last draw down of LTUK funding in late 2011 however the relationship between LTUK and lead partner Tate will continue until the end of 2012.

#### Community Celebrations

Community Celebrations projects are for the most part in development, setting up the necessary structures and getting resources in place to roll the projects out to the local communities that will take part, which will happen in autumn of 2012. The exception is Games Time in East Midlands, which will have its first event in Skegness on 23 July 2011 to celebrate one year to go to the opening ceremony of the Olympic Games.

#### Communications

The Trust will continue to implement its Stakeholder Engagement Strategy, with a poll to MPs to ascertain the base line awareness of the Trust amongst politicians; presence at the Conservative and Labour autumn party conferences; production of regional briefing papers with specific information relating to MP's constituencies and surrounding areas, and materials for the part conferences to promote the Trust's work.

Ongoing activities include the production of the annual review, which will be focused on the Trust's impact so far; continuing brand guardianship; increased PR work through the recruitment of a paid Marketing intern and ad hoc PR

**LEGACY TRUST UK**

**GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**PLANS FOR THE FUTURE**

consultancy; development of featured project area on the Trust's website so that individual projects can be showcased; and the production of a LTUK film which can be used both by the Trust and our projects for promotional and advocacy purposes.

## LEGACY TRUST UK

### GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2011

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#### TRUSTEES' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Trust's Deed and laws applicable to charities in England and Wales require the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that year. In preparing those financial statements, Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS AND SOLICITORS

haysmacintyre, auditors to the Trust, have expressed their willingness to be re-appointed at the AGM. Stone King LLP, solicitors to the Trust, have expressed their willingness to be re-appointed at the AGM.

Approved by the Governors and signed on their behalf by:

Chairman  
Dugald Mackie

6 July 2011

STATEMENT ON THE SYSTEM OF INTERNAL CONTROLS

FOR THE YEARS ENDED 31 MARCH 2011

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We acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated by Legacy Trust UK which supports the achievement of The Trust's objectives whilst ensuring compliance with the requirements of Legacy Trust UK's governing documents.

The systems can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely year.

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Corporate Trustee;
- Regular reviews by a committee of the Board of periodic and annual financial reports which indicate financial performance against targets;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- As appropriate, formal project management disciplines;
- Procedures for the assessment of applications and the management of grants, ensuring that all applications and grants receive sufficient, consistent processing; and
- Procedures for monitoring grants to ensure use for proper purpose.

The major risks to which the Trust is exposed, as identified by the Corporate Trustee, have been reviewed and systems have been established to mitigate those risks. Our risk management strategy:

- Covers all risks – governance, management, quality, reputational and financial. However it is focussed on the most important key risks;
- Produces a balance portfolio of risk exposure;
- Is based on a clearly articulated policy and approach;
- Requires regular monitoring and review, giving rise to action where appropriate;
- Needs to be managed by an identified individual and involve the demonstrable commitment of members and officers; and
- Is integrated into normal business processes and aligned to strategic objectives of the Trust.

The Trust's initial systems and procedures have been developed in conjunction with our external auditors, and have developed subsequent. We confirm that plans and procedures are in place for ensuring the continued effectiveness of control arrangements and managing risks in the coming year.

Dugald Mackie  
Chairperson  
6 July 2011

Moira Swinbank  
Chief Executive  
6 July 2011

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE AND GOVERNORS OF**

### **LEGACY TRUST UK**

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We have audited the financial statements of Legacy Trust UK for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2011, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

**haysmacintyre**  
**Chartered Accountants**  
**Registered Auditors**

**Fairfax House**  
**15 Fulwood Place**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE AND GOVERNORS OF  
LEGACY TRUST UK**

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**London WC1V 6AY**

LEGACY TRUST UK

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2011

Incoming resources	Notes	Unrestricted Funds		Restricted Funds	Total funds 2011	Total funds 2010
		Core Costs Funds	Grants Funds			
		£	£	£	£	£
<b>Incoming resources from generated funds:</b>						
<i>Voluntary Income</i>						
Gifts in Kind	2	-	-	-	-	11,043
<i>Investment Income</i>						
Interest receivable	3	26,256	489,306	42,193	557,755	1,064,450
<b>Incoming resources from charitable activities:</b>						
Grants	4	-	-	475,000	475,000	-
<b>Other income</b>		1,106	-	-	1,106	-
<b>Total incoming resources</b>		<u>27,362</u>	<u>489,306</u>	<u>517,193</u>	<u>1,033,861</u>	<u>1,075,493</u>
<b>Resources expended</b>						
<b>Charitable activities:</b>						
UK School Games		-	-	824,218	824,218	81,564
Nations and Regions		237,496	6,107,104	-	6,344,600	3,282,667
UK Wide Strategic Programmes		108,852	3,730,772	-	3,839,624	448,467
Cultural Olympiad Board		-	100,000	-	100,000	-
<b>Governance costs</b>		<u>67,929</u>	<u>-</u>	<u>-</u>	<u>67,929</u>	<u>63,730</u>
<b>Total resources expended</b>	5	<u>414,277</u>	<u>9,937,876</u>	<u>824,218</u>	<u>11,176,371</u>	<u>3,876,428</u>
Net outgoing resources for the year		(386,915)	(9,448,570)	(307,025)	(10,142,510)	(2,800,935)
Gains on investment assets		<u>11,924</u>	<u>222,211</u>	<u>19,161</u>	<u>253,296</u>	<u>747,965</u>
<b>Net movement in funds</b>		<u>(374,991)</u>	<u>(9,226,359)</u>	<u>(287,864)</u>	<u>(9,889,214)</u>	<u>(2,052,970)</u>
Balances brought forward at 1 April 2010	16	<u>£1,205,570</u>	<u>£31,758,452</u>	<u>£328,118</u>	<u>£33,292,140</u>	<u>£35,345,110</u>
Balances carried forward at 31 March 2011		<u>£830,579</u>	<u>£22,532,093</u>	<u>£40,254</u>	<u>£23,402,926</u>	<u>£33,292,140</u>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

**LEGACY TRUST UK**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2011**

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The notes on pages 24 to 29 form part of these financial statements.

LEGACY TRUST UK

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011		2010	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10	7,541		5,726	
Investments	11	9,651,879		9,398,583	
			9,659,420		9,404,309
<b>CURRENT ASSETS</b>					
Debtors and prepayments	12	259,515		934,517	
Short term deposits		15,306,884		25,512,089	
Cash at bank and in hand		24,531		92,323	
		15,590,930		26,538,929	
<b>CREDITORS:</b> Amounts falling due within one year	13	(1,847,424)		(1,051,098)	
<b>NET CURRENT ASSETS</b>			13,743,506		25,487,831
<b>CREDITORS:</b> Amounts falling due after more than one year	14		-		(1,600,000)
<b>NET ASSETS</b>			£23,402,926		£33,292,140
<b>REPRESENTED BY</b>					
General Funds					
Core Costs Fund	15		830,579		1,205,570
Grants Funds	15		22,532,093		31,758,452
Restricted Funds	15		40,254		328,118
	16		£23,402,926		£33,292,140

The financial statements were approved by the Board of Governors and authorised for issue on 6 July 2011 and signed on their behalf by:

.....  
 Dugald Mackie  
 Chairman

The notes on pages 24 to 29 form part of these financial statements.

**LEGACY TRUST UK****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2011**

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	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Net outgoing resources</b>	(10,142,510)	(2,800,935)
Less: investment income	(557,755)	(1,064,450)
Add: depreciation	2,822	1,988
Decrease in debtors	675,002	856,004
Decrease in creditors	(803,674)	(2,124,167)
	<hr/>	<hr/>
<b>Net cash outflow from operating Activities</b>	(10,826,115)	(5,131,560)
<b>Returns on investments and servicing of finance</b>		
Interest received	557,755	1,064,450
	<hr/>	<hr/>
	(10,268,360)	(4,067,110)
<b>Capital expenditure and Financial Investment</b>		
Purchase of tangible fixed assets	(4,637)	(3,403)
Acquisition of investments	-	(5,799,018)
Disposal of investments	-	2,148,400
	<hr/>	<hr/>
	(10,272,997)	(7,721,131)
<b>Management of Liquid Resources</b>		
Net decrease in funds on deposit	10,205,205	7,711,600
	<hr/>	<hr/>
<b>Decrease in cash</b>	(67,792)	(9,531)
Cash balance brought forward	92,323	101,854
	<hr/>	<hr/>
<b>Cash balance carried forward</b>	£24,531	£92,323
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 29 form part of these financial statements

**LEGACY TRUST UK**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2011**

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**1. PRINCIPAL ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom under the historical cost convention and in compliance with the accounting direction issued by the funding bodies, a copy of which can be obtained from the Trust's head office. They follow the recommendations of the Statement of Recognised Practice *Accounting and Reporting by Charities* ("SORP 2005") issued in March 2005.

**Grants receivable**

Grants receivable are credited to the statement of financial activities in the year in which they are receivable.

**Investment income**

Investment income is recognised on an accruals basis where certainty of receipt can be established at the year end and is apportioned across the funds on the basis of individual fund values.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

**Grants payable**

Grants payable are recognised when a constructive obligation arises or where the recipient has been informed of the decision to make the award. Grants awarded are all conditional on satisfactory compliance with the terms and conditions of the award and are monitored annually. Future grant payments which are subject to annual monitoring procedures are deferred.

**Allocation of overhead and support costs**

Overhead and support costs have been allocated first between charitable activity and governance. Other than consultancy fees and expenses, overhead and support costs relating to charitable activities have been apportioned based on the value of individual grants. Consultancy fees and expenses have been allocated to the charitable activity to which the consultants work related. The analysis of overhead and support costs is shown in note 5.

**Governance costs**

Governance costs include audit and accounting fees, board costs and other costs directly attributable to the governance of the Trust.

**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.

**Other liabilities**

Other liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

**Fixed assets**

Fixed assets consist of furniture, fittings and office equipment which are shown at cost and depreciated on a straight line basis over their estimated useful life of four years.

**Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes. Within the unrestricted fund is an amount specified in the original bid documents for the administration of the charity. This element of the funding has been reported separately as the core costs fund on the face of the SOFA for transparency. The

**LEGACY TRUST UK**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

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remainder of the monies received are to be applied towards grant making within the aims and objectives of the Trust.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2011

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

The restricted fund comprises monies received with donor imposed conditions.

**2. GIFTS IN KIND**

Gifts in kind consist of an estimated of the costs of accommodation, IT and related services provided free of charge to the Trust during the year.

**3. INVESTMENT INCOME**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank interest	£557,755	£1,064,450
	<u>£557,755</u>	<u>£1,064,450</u>

**4. GRANTS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
During the year, the following grants were receivable:		
<b>Restricted</b>		
DCMS – grant for the UK School Games	475,000	-
	<u>475,000</u>	<u>-</u>

**5. ANALYSIS OF EXPENDITURE**

The charity undertook no direct charitable activities but awarded grants to a number of institutions in the furtherance of its charitable activities.

	<b>UK School Games</b>	<b>Nations &amp; Regions</b>	<b>UK Wide Strategic Programme</b>	<b>Cultural Olympiad Board</b>	<b>Governance</b>	<b>Total</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2011</b>	<b>2010</b>
						<b>£</b>	<b>£</b>
Grant awards (note 6)	750,000	-	3,701,499	100,000	-	10,658,603	3,107,948
Programme development	-	-	29,273	-	-	29,273	296,929
Operational costs	14,139	-	20,738	-	14,904	95,027	90,997
Premises costs	3,048	-	4,468	-	1,918	19,185	20,218
Recruitment costs	370	-	543	-	233	2,330	401
Staff costs	54,558	-	80,019	-	34,352	343,516	342,015
Legal & professional	-	-	-	-	15,198	15,198	12,846
Consultancy costs	2,103	-	3,084	-	1,324	13,239	5,074
	<u>£824,218</u>	<u>-</u>	<u>£3,839,624</u>	<u>£100,000</u>	<u>£67,929</u>	<u>£11,176,371</u>	<u>£3,876,428</u>

**6. GRANTS PAYABLE**

	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>	<b>£</b>	<b>£</b>
UK School Games	1	-	750,000	-
Nations & Regions – Grants Schemes	46	32	6,107,104	3,058,948
UK Wide Strategic Programmes	15	1	3,701,499	49,000
Cultural Olympiad Board	1	-	100,000	-
	<u>63</u>	<u>33</u>	<u>£10,658,603</u>	<u>£3,107,948</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2011

7. STAFF AND CONSULTANCY COSTS	2011 £	2010 £
Wages and salaries	212,136	177,568
Social security costs	22,756	19,900
Pension contributions	29,447	25,440
<b>Total staff costs</b>	<b>264,339</b>	<b>222,908</b>
Consultancy fees – Director of Strategy and External Relations & Head of Finance	79,177	119,107
Consultancy fees – others	13,239	5,074
	<u>£356,755</u>	<u>£347,089</u>

During the year employees earning in excess of £60,000 per annum, including taxable benefits are as follows;

	No.	No.
£90,000 - £99,999	1	-
£80,000 - £89,999	-	1
	<u>1</u>	<u>1</u>

The total amount of pension benefits for this employee is as follows;

	£	£
Pension Contributions	13,555	12,216
	<u>13,555</u>	<u>12,216</u>

No Trustee received any remuneration from the Trust during the year. Two trustees received £5,272 (2010: £3,545) for the reimbursement of expenses incurred relating to the Trust. The average number of employees, including consultants, analysed by function was:

	No.	No.
Management and administration	5.00	5.25
	<u>5.00</u>	<u>5.25</u>

8. NET OUTGOING RESOURCES	2011 £	2010 £
<b>Net outgoing resources is stated after charging:</b>		
Rent and service charges – operating leases	19,151	14,403
Auditors' remuneration for audit services (incl. VAT)	6,580	6,750
Travel, subsistence and hospitality costs	19,204	17,135
Trustees' indemnity insurance	2,048	2,048
Fees and expenses of the Protector	5,000	5,000
	<u>50,983</u>	<u>45,336</u>

## 9. TAXATION

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

**LEGACY TRUST UK**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2011**

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The Trust is not registered for VAT and accordingly, all of its expenditure is recorded inclusive of any VAT incurred.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2011

**10. TANGIBLE FIXED ASSETS**

	Office Equipment £	Furniture & Fittings £	Total £
<b>Cost</b>			
At 1 April 2010	1,810	7,341	9,151
Additions	-	4,637	4,637
	—	—	—
At 31 March 2011	1,810	11,978	13,788
	—	—	—
<b>Depreciation</b>			
At 1 April 2010	539	2,886	3,425
Charge for the year	452	2,370	2,822
	—	—	—
At 31 March 2011	991	5,256	6,247
	—	—	—
<b>Net book value</b>			
At 31 March 2011	£819	£6,722	£7,541
	=	=	=
At 31 March 2010	£1,271	£4,455	£5,726
	=	=	=

**11. INVESTMENTS**

	2011		2010	
	Cost £	Market value £	Cost £	Market value £
UK Equities	6,999,063	7,832,929	6,999,063	7,598,628
Alternative investments	1,799,955	1,818,950	1,799,955	1,799,955
	—	—	—	—
	£8,799,018	£9,651,879	£8,799,018	£9,398,583
	=	=	=	=

	2011 £	2010 £
At 1 April 2010		9,398,583
Additions in the year		-
Disposals in the year		-
Gains in the year		253,296
		—
Market Value at 31 March 2011		£9,651,879
		=
		£9,398,583
		=

At 31 March 2011, the investment portfolio consisted of:

	Maturity Date	£	£
Barclays Bank 4 Year World Basket Note	July 2012	3,259,800	3,181,500
Barclays Bank 3 Year FTSE Digital Investment	February 2012	4,573,129	4,417,128
Barclays Bank 3 Year Minimum Return Emerging Market	September 2012	1,818,950	1,799,955
		=	=

The Trust's original capital investment is fully protected if the products are held to maturity. As all investments currently have a market value in excess of cost, no provision has been made for any reduction in the value of these investments at 31 March 2011.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2011

12. DEBTORS	2011 £	2010 £
Other debtors	1,794	252,308
Prepayments	7,074	6,947
Accrued income	250,647	675,262
	<u>£259,515</u>	<u>£934,517</u>
	<u><u>£259,515</u></u>	<u><u>£934,517</u></u>
13. CREDITORS: amounts falling due within one year	2011 £	2011 £
Trade creditors	8,292	37,099
Grants payable	1,825,000	1,000,000
Taxation and social security costs	-	6,428
Accruals	14,132	7,571
	<u>£1,847,424</u>	<u>£1,051,098</u>
	<u><u>£1,847,424</u></u>	<u><u>£1,051,098</u></u>

Grants payable consist of £1,725,000 (2010: £1,000,000) in respect of the UK School Games, and £100,000 with respect to the Cultural Olympiad Board (2010: Nil).

14. CREDITORS: amounts falling due after one year	2011 £	2010 £
Grants payable	£-	£1,600,000
	<u>£-</u>	<u>£1,600,000</u>
	<u><u>£-</u></u>	<u><u>£1,600,000</u></u>

Grants payable of £nil (2010: £1,600,000) have been authorised by the Trust in respect of the UK School Games.

15. FUNDS	At 1 April 2010 £	Incoming Resources £	Outgoing Resources £	Gains on Investments £	At 31 March 2011 £
<b>Unrestricted funds</b>					
Core Costs fund	1,205,570	27,362	(414,277)	11,924	830,579
Designated Grants funds	31,758,452	489,306	(9,937,876)	222,211	22,532,093
<b>Restricted funds</b>					
UK School Games	328,118	517,193	(824,218)	19,161	40,254
<b>Total funds</b>	<u>£33,292,140</u>	<u>£1,033,861</u>	<u>£(11,176,371)</u>	<u>£253,296</u>	<u>£23,402,926</u>
	<u><u>£33,292,140</u></u>	<u><u>£1,033,861</u></u>	<u><u>£(11,176,371)</u></u>	<u><u>£253,296</u></u>	<u><u>£23,402,926</u></u>

The Trust has one restricted fund at 31 March 2011 representing the monies received and committed in respect of the UK School Games.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2011

16. NET ASSETS BY FUND	Fixed Assets £	Net current assets £	Long term liabilities £	Net assets £
<b>Unrestricted funds</b>				
Core costs fund	7,541	823,038	-	830,579
Designated Grants funds	9,651,879	12,880,214	-	22,532,093
<b>Restricted funds</b>				
UK School Games	-	40,254	-	40,254
<b>Total funds</b>	<u>£9,659,420</u>	<u>£13,743,506</u>	<u>£-</u>	<u>£23,402,926</u>

## 17. RELATED PARTY TRANSACTIONS

The Trust, because of its nature, has close working relationships with a number of organisations which the governors are involved with. These include the Arts Council for England, the London Organising Committee for the Olympic and Paralympic Games (LOCOG), Big Lottery Fund, and Department of Culture, Media and Sport.

During the year Legacy Trust awarded £3,505,908 to Arts Council England in support of Nations & Regions programmes. The Legacy Trust trustee employed by the Arts Council was not involved in the decision making process and is not involved in the delivery of the programmes. The Trust also awarded £100,000 to LOCOG with respect to the Cultural Olympiad Board, and the decision made on this award was made without the participation of the interested trustees at the meeting.

During the year the Trust purchased services from the Big Lottery Fund which amounted to £31,232.

## 18. CORPORATE TRUSTEE

The Trust has only one Trustee, being Legacy Trust UK Limited. The Governors of Legacy Trust are also the directors of the Corporate Trustee body.

## 19. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2011 the Trust had annual commitments under non-cancellable operating leases as set out below:

	Land & Buildings 2011 £	Land & Buildings 2010 £
Between 2 and 5 years	<u>19,450</u>	<u>19,450</u>