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Form **990-PF**

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2009

For calendar year 2009, or tax year beginning **1 January**, 2009, and ending **31 December**, 20 **09**

G Check all that apply: ☒ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation The Nuffield Foundation		A Employer identification number 98 6001638
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 28 Bedford Square		B Telephone number (see page 10 of the instructions) (207)631056
	City or town, state, and ZIP code London WC1B 3JS, United Kingdom		C If exemption application is pending, check here ☐
			D 1. Foreign organizations, check here ☒ 2. Foreign organizations meeting the 85% test, check here and attach computation ☒
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$		J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	1,102,825			
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	4,031			
	4 Dividends and interest from securities	6,701,783	931,432		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	357,086			
	12 Total. Add lines 1 through 11	8,165,725	931,432		
	13 Compensation of officers, directors, trustees, etc.	97,223			
	14 Other employee salaries and wages	2,967,619			
	15 Pension plans, employee benefits	220,989			
	16a Legal fees (attach schedule)	5,787			
	b Accounting fees (attach schedule)	28,534			
	c Other professional fees (attach schedule)	2,147,277			
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion	163,851			
	20 Occupancy	1,595,460			
	21 Travel, conferences, and meetings	163,349			
	22 Printing and publications	253,511			
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	7,643,600			
	25 Contributions, gifts, grants paid	9,848,435			
	26 Total expenses and disbursements. Add lines 24 and 25	17,492,035			
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-9,326,310			
	b Net investment income (if negative, enter -0-)		931,432		
	c Adjusted net income (if negative, enter -0-)				

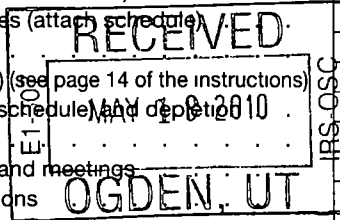
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Cat No 11289X

Form **990-PF** (2009)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash—non-interest-bearing					
	2 Savings and temporary cash investments			240,431	1,448,713	1,448,713
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶			658,791	1,498,559	1,498,559
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)					
	7 Other notes and loans receivable (attach schedule) ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments—U.S. and state government obligations (attach schedule)					
	b Investments—corporate stock (attach schedule)			288,566,619	344,485,958	344,485,958
	c Investments—corporate bonds (attach schedule)					
	11 Investments—land, buildings, and equipment basis ▶					
Liabilities	Less: accumulated depreciation (attach schedule) ▶					
	12 Investments—mortgage loans					
	13 Investments—other (attach schedule)					
	14 Land, buildings, and equipment basis ▶					
	Less: accumulated depreciation (attach schedule) ▶			4,589,502	5,102,110	5,102,110
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)			294,055,343	352,535,340	352,535,340
	17 Accounts payable and accrued expenses			843,246	771,162	
	18 Grants payable			17,384,333	19,226,213	
	19 Deferred revenue					
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable (attach schedule)					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)			18,227,580	19,997,375	
	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☐					
	and complete lines 27 through 31.					
Net Assets or Fund Balances	27 Capital stock, trust principal, or current funds					
	28 Paid-in or capital surplus, or land, bldg., and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds			275,827,763	332,537,965	
	30 Total net assets or fund balances (see page 17 of the instructions)			275,827,763	332,537,965	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)			294,055,343	352,535,340	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	275,827,763
2 Enter amount from Part I, line 27a	2	-9,326,310
3 Other increases not included in line 2 (itemize) ▶ Net appreciation of assts	3	32,085,525
4 Add lines 1, 2, and 3	4	298,586,978
5 Decreases not included in line 2 (itemize) ▶ Currency Movement	5	33,950,987
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	332,537,965

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008			
2007			
2006			
2005			
2004			

2 Total of line 1, column (d)	2
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4
5 Multiply line 4 by line 3	5
6 Enter 1% of net investment income (1% of Part I, line 27b)	6
7 Add lines 5 and 6	7
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1		\$37,257
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3		\$37,257
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
b	Exempt foreign organizations—tax withheld at source	6b		\$37,257
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax Refunded	11		

Part VII-A Statements Regarding Activities NOT APPLICABLE TO FOREIGN ORGANISATIONS

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		
c Did the foundation file Form 1120-POL for this year?		
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>		
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>		
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		

N/A

Part VII-A **Statements Regarding Activities** (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13		
Website address ▶ _____				
14	The books are in care of ▶ _____ Telephone no. ▶ _____			
Located at ▶ _____ ZIP+4 ▶ _____				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here. ▶ ☐			
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15				

Part VII-B **Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☐ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☐ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☐ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☐ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☐ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☐ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? ☐ Yes ☐ No	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? ☐ Yes ☐ No	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☐ No		
If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.) ☐ Yes ☐ No	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☐ No		
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009) ☐ Yes ☐ No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☐ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☐ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☐ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☐ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☐ No
- b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b** ☐ Yes ☐ No
- Organizations relying on a current notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
- If "Yes," attach the statement required by Regulations section 53.4945–5(d).
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☐ No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☐ Yes ☐ No
- If "Yes" to 6b, file Form 8870.
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No
- b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** ☐ Yes ☐ No

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Sir AB Atkinson, 28 Bedford Square, London WC1B 3J	Trustees	\$3513		\$284
Baroness O'Neill, 28 Bedford Square, London WC1B 3		14051		173
Dr Peter Doyle, 28 Bedford Square, London WC1B 3JS	2 hours	14051		23
Prof. Geneva Richardson, 28 Bedford Square, London		14051		27
Prof. David Watson, 28 Bedford Square, London WC1B	per	14051		-
Lord Krebs, 28 Bedford Square, London WC1B 3JS		14051		674
Prof. D Rhind, 28 Bedford Square, London WC1B 3JS	week	14051		868
Andrew Dilnot, 28 Bedford Square, London WC1B 3JS		4684		-

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
A Tomei, 28 Bedford Square, London WC1B 3JS	Director	\$155,310	\$15,531	
S Witherspoon, 28 Bedford Square, London WC1B 3JS	Deputy Director	\$127,675	\$12,768	
J Brooke Turner, 28 Bedford Square, London WC1B 3JS	Finance Director	\$127,675	\$12,768	
H Whittall, 28 Bedford Square, London WC1B 3JS	Projector Director	\$123,664	\$12,366	
J Hillman, 28 Bedford Square, London WC1B 3JS	Education Director	\$108,003	\$10,800	

Total number of other employees paid over \$50,000 **19**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1		
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1	
2	
3	
Total. Add lines 1 through 3	

N/A

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a	Average monthly fair market value of securities	1a
b	Average of monthly cash balances	1b
c	Fair market value of all other assets (see page 24 of the instructions)	1c
d	Total (add lines 1a, b, and c)	1d
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
2	Acquisition indebtedness applicable to line 1 assets	2
3	Subtract line 2 from line 1d	3
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5
6	Minimum investment return. Enter 5% of line 5	6

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1
2a	Tax on investment income for 2009 from Part VI, line 5	2a
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c
3	Distributable amount before adjustments. Subtract line 2c from line 1	3
4	Recoveries of amounts treated as qualifying distributions	4
5	Add lines 3 and 4	5
6	Deduction from distributable amount (see page 25 of the instructions)	6
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a
b	Program-related investments—total from Part IX-B	1b
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3a
b	Cash distribution test (attach the required schedule)	3b
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ _____				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

A Tomei, Director, The Nuffield Foundation, 28 Bedford Square, London WC1B 3JS, United Kingdom.

b The form in which applications should be submitted and information and materials they should include:

Detailed guideline for applicants available on request and on website.

c Any submission deadlines:

See website.

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

European & British Commonwealth citizens and institutions.

Part XV **Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> All support is from UK sources and none from USA. No grants were made to any US organisations or people living in the USA.				
Total			▶	3a
b <i>Approved for future payment</i>				
Total			▶	3b

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	
	(2) Other assets	1a(2)	
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	
	(3) Rental of facilities, equipment, or other assets	1b(3)	
	(4) Reimbursement arrangements	1b(4)	
	(5) Loans or loan guarantees	1b(5)	
	(6) Performance of services or membership or fundraising solicitations	1b(6)	
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☐ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer or trustee		Date	Title	
	Paid Preparer's Use Only Preparer's signature <i>Janna Brooke Turner</i> Firm's name (or yours if self-employed), address, and ZIP code <i>Nuffield Foundation</i> <i>28 BEDFORD SQUARE, LONDON</i>	Date <i>11-5-10</i>	Check if self-employed ☐	Preparer's identifying number (see Signature on page 30 of the instructions)	
	EIN			Phone no. <i>00 44 7681 9606</i>	

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009

Name of the organization

The Nuffield Foundation

Employer identification number

98 : 6001638

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33⅓% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization

Employer identification number

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Wellcome Trust, 215 Euston Road, London NW1 2BE, United Kingdom.	\$ 456,244	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
2	Medical Research Council, 20 Park Crescent, London W1B 1AL, United Kingdom.	\$ 375,488	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
3	Economic & Social Research Council (ESRC), Polaris House, North Star Avenue, Swindon SN2 1UJ, United Kingdom.	\$ 80,750	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
4	The Clothworkers' Foundation, Clothworkers' Hall, Dunster Court, Mincing Lane, London EC3R 7AH, United Kingdom.	\$ 55,395	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
5	Bioscience Federation, PO Box 502, Cambridge CB1 0AL United Kingdom.	\$ 32,300	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
6	Gatsby Charitable Foundation, Allington House, 150 Victoria Street, London SW1E 5AW, United Kingdom.	\$ 25,194	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	The Royal Society of Chemistry, Burlington House, Piccadilly, London W1J 0BA, United Kingdom.	\$ 24,225	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
8	Royal Society, 6-9 Carlton House Terrace, London SW1Y 5AG, United Kingdom.	\$ 24,225	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
9	Engineering & Technology Board, 2nd Floor, Weston House, 246 High Holborn, London WC1V 7EX, United Kingdom.	\$ 16,917	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
10	The Society for General Microbiology, Marlborough House, Basingstoke Road, Spencers Wood, Reading RG7 1AG, United Kingdom.	\$ 8,075	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

**THE NUFFIELD FOUNDATION
REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2008**

www.nuffieldfoundation.org

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

LEGAL AND FINANCIAL INFORMATION

Principal Office

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Telephone: 020 7631 0566

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Trustees

The Baroness O'Neill CBE FBA

Sir Tony Atkinson MA FBA

Dr Peter Doyle CBE FRSE

Professor Lord Krebs Kt FRS (appointed 31st March 2008)

Professor Lord May AC OM PPRS (retired 31st March 2008)

Professor Genevra Richardson LLB, LLM, CBE

Professor David Rhind (appointed 1st June 2008)

Professor Sir Michael Rutter CBE MD FRCP FRCPsych FRS (retired 31st March 2008)

Professor Sir David Watson MA PhD

Director

Anthony Tomei

Bankers

Barclays Bank plc
180 Oxford Street
London BX3 2BB

Investment Consultants

Cambridge Associates
105 Wigmore Street
London W1U 1QY

Custodian Trustee

Capita Trustee Services
Guildhall House
81-87 Gresham Street
London EC2V 7QE

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Horwath Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Principal Investment Managers

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London WC2H 9EA

Harding Loevner
50 Division St., Suite 401,
Somerville, NJ 08876 USA

Acadian Asset Management
One Post Office Square,
Boston, MA 02109, USA

Longview Partners
Thames Court,
1 Queenhithe,
London EC4V 3RL

Objective Completion
The Bishop's House
63-65 High Street
Sevenoaks, TN13 1JY

Global Custodian

The Northern Trust Company
50 Bank Street
London E14 5NT

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

Trustees Report

Structure, Governance and Management

Constitution and objects

The Nuffield Foundation is an unincorporated charity registered with the Charity Commission (206601). It was established by trust deed on 9th June 1943 by Lord Nuffield, the celebrated philanthropist and founder of Morris Motors. The Foundation has wide objects. These include: the advancement of health; the advancement of social well being; the advancement of education; 'the care and comfort of the aged poor'; the relief of handicaps; the benefit of the Commonwealth and 'such other charitable purposes as shall be declared in writing by all the Trustees'.

The trust deed and organisation

The trust deed has been amended on a number of occasions, most recently in 2003. A Common Investment Fund was established by a Charity Commission scheme which took effect on 1st January 1980. It allowed the investments of different charities (but for which the Foundation Trustees were also responsible) to be invested as one unit. Subsequently these funds (the Oliver Bird Fund, Elizabeth Nuffield Educational Fund and the Commonwealth Relations Trust) have been classified as 'subsidiary charities' of the Foundation and are only identified separately in the notes to these accounts.

The Foundation has seven Trustees. Trustees are appointed by the other Trustees following a recruitment process that involves advertisement and interview. Following a review in 2003, it is the Foundation's policy to appoint Trustees for an initial term of 5 years, with the option of renewal for a further 4 years, followed by a possible further and final term of 3 years. As well as employing professional staff the Trustees are advised by a number of individuals, committees and panels having requisite experience in the relevant fields. Trustees are given an induction appropriate to their needs but this is not reflected in a formal policy.

The Trustees are advised by an Investment Committee (which includes three Trustees and two independent investment professionals), an Audit Committee (which includes two Trustees and an independent accountant), and a remuneration committee (comprising two Trustees) to agree arrangements for the remuneration of staff. The Trustees appoint an external Chairman of a 'Panel for Trustee Remuneration' which meets periodically to review the remuneration of Trustees. For several of the grant programmes decisions are delegated to sub-committees and panels. Trustees set terms of reference for all committees and panels.

Objectives, activities and achievements

Lord Nuffield wanted the Foundation to 'advance social well being', particularly by research and practical experiment. It aims to achieve this by supporting work founded on careful reflection and informed by objective and reliable evidence which will bring about improvements in society. The wide range of activities it supports fall into two main categories:

- support of research and innovation that will bring about beneficial social change
- development of research and professional capacity, especially in the sciences and the social sciences, targeted at people in the early stages of their careers.

The Foundation pursues these goals by making grants to external organisations (listed at the back of this report), by supporting and hosting seminars and other events to encourage reflection of findings of areas of funded work, and by funding individuals and organisations to consider and report on particular fields.

In all areas of work the Trustees look to make best use of the Foundation's defining characteristic, its independence, and to build on and develop its reputation as an organisation that supports objective studies and developments of high quality and relevance. They prefer not to support work that can be funded by government agencies (such as the Research Councils), although they will do so on occasion when a project is particularly close to the Foundation's interests.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

The Foundation expects and allows for volatility in the value of its investments, but 2008 was by any standards an exceptionally difficult year. The Trustees spent considerable time discussing whether it was prudent to continue with current rates of expenditure, or whether some cutting back would be necessary. Their decision was to hold a steady course both for expenditure in 2008 and in setting a budget for 2009, although in the event some savings were made relative to the budget in 2008 and some modest prudential cuts agreed in the budget for 2009. The Foundation is a long term investor and also plans much of its expenditure over the long term. One of the key objectives of the Foundation's investment strategy is therefore to maintain a steady amount for expenditure and the Trustees would divert from this only reluctantly. Their present stance is therefore one of watchful waiting, while as far as possible continuing with the work of the Foundation as usual. If the economy and markets recover before too long, there would be a reasonable prospect that the Foundation will be able to work through the crisis without significant changes to its operation. However if the decline continues it will be necessary to take action to avoid long term damage to the endowment, and that will involve more considerable reductions in expenditure. The main long term threats come not from market volatility but from inflation or from the possibility of a long period of economic stagnation. To some extent the Foundation is protected from the first by the fact that it is invested mainly in real assets (equities and property) and from the second by the fact that its portfolio is globally diversified, but nothing can be taken for granted in these unusual times.

Against this background of uncertainty 2008 has been a good year to plan, rather than to make long term commitments, and this has been reflected in the work of the Foundation. Consolidation and integration are key objectives as, given the increasing pressure on our funds, we look over the next few years to explore further potential links between different areas of spending, and to generate more value from each individual grant. One key area in this regard is Education where, following the appointment of a new Assistant Director, we have been undertaking a thorough review of our work. Some of the core areas of the past few years are coming to a natural end, so the focus has been on bringing these to a conclusion, while identifying some key themes for the coming years. We expect to use the next couple of years to explore whether, for instance, links between the work we fund in child welfare and the work we fund in education might enhance the impact of each.

A significant development is in the field of women's education, where the Foundation has for many years been running grant schemes that give awards to individual women, under the banner of the Elizabeth Nuffield Education Fund. Much has been achieved and the Fund has pioneered new directions. However, the Trustees, while reaffirming their commitment to the support of women's education, have agreed that the style of the operation should change in the future, again in the direction of closer integration with the Foundation's other programmes.

Another area of work reviewed during the year were the Commonwealth grants, where the current programme has been in operation for some seven or eight years. The fundamental objectives and ways of working will remain, but the new programme will support fewer, larger projects, mainly in science, technology, engineering and health. Details will be announced in 2009. Fuller details are given below of grants and activities in our various areas of our work.

Social Research and Innovation (£2.8m, 24%)

The Foundation's interest in social research and social welfare is concentrated in a number of distinct topic areas, as well as being a major element of the 'Open Door' programme (see below). In each of these areas, grants are made both for research and for practical and innovative projects, while in each area the Foundation is also increasingly active in promoting discussion and debate through programmes of seminars, lectures and other events, usually held at the Foundation's premises.

Child Protection and Family Justice supports work to help ensure that legal and institutional frameworks are well adapted to meet the needs of children and families. Topics of interest include UK systems of family justice (including the family court system, family law, local authority services for children and families); evidence about outcomes of interventions involving children at risk; and policies or practices related to the legal and financial issues of divorce or separation.

In 2008, partly as a result of the retirement of Professor Rutter as a Trustee and a hiatus in choosing his successor, the Trustees decided that it would be helpful if they were to have a more direct role in examining grants made in this area. As a consequence, at the end of 2008, the specialist Child Protection and Family Justice Committee ceased its work.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

The Trustees were grateful for all the work it had done for the Foundation since the Committee was established at the end of 1994. Initially chaired by the-then Dame Brenda Hale (now Lady Hale), the Committee was influential in funding both research and practical innovation that followed the passage of the Children Act 1989. Professor Sir Michael Rutter took over as Chair on Lady Hale's retirement as a Trustee. Over the years, the Committee tended to fund work that clustered in the following areas:

- Child protection: decision-making, assessment, placement and preventative work. This included work on adoption and fostering
- Divorce law and policy and adjudication relating to separation, including child support, contact with children after divorce and financial division
- Support for vulnerable children and families and research on disadvantaged children;
- Other institutional changes affecting children and families
- Support for vulnerable children and families and research on disadvantaged children;
- Other institutional changes affecting children and families

A notable feature of all the work funded was the focus on social policy and social institutions, rather than therapeutic interventions. From 2009, these grants will be brought back before the Trustees, who will not only adjudicate individual applications, but also oversee the range of the work, gauge its import and interest, and generally familiarise themselves with the topics and issues. The Trustees will then be taking a range of decisions that will influence the future direction of our work on children and families. The Trustees remain committed to this area of work and during 2009 expect to maintain a similar level of expenditure under the general heading of 'Children and Families'.

The Committee maintained its interest during 2008 in various issues related to family law, contact with children following separation and divorce and childcare. It made a grant to Ms Fran Wasoff, at the Centre for Research on Families and Relationships, University of Edinburgh and Ms Jo Miles of Trinity College, Cambridge for a study of the workings of the cohabitation provisions of the Family Law (Scotland) Act 2006. This Act creates new financial remedies for cohabitants in the event of separation and death. A key aim is to examine the advice that solicitors in Scotland give to separating cohabitants, as much of the effect of any change will take place through negotiated settlement, rather than court hearings.

A grant was made to Dr Liz Trinder, at Newcastle University, to look at policy-making for divorced and separated families, to explore the reasons for some of the apparent policy failures and successes and to look for ways in which the policy process might be enhanced.

The Foundation made a grant to Ms Emma Knights of the Daycare Trust to produce a series of briefing papers about the cost of high-quality childcare. The work will be done in conjunction with the Social Market Foundation and the Institute for Fiscal Studies and will bring rigorous economic data into the wider debate. Another grant was made to Ms Cathy Ashley of the Family Rights Group for a study of local authority policies and practices with regard to 'family and friends' care as a way of looking after children who are removed from their parents.

2008 brought to fruition an initiative on **resilience** which was launched in 2007. The Committee made a grant to Dr Sara Jaffee at King's College London, to study how genes interact with adverse environmental factors for children who are exposed to harsh, non-supportive parenting in early childhood. The aim will be to understand why different children respond differently to the same environmental stresses; one outcome should be a better understanding of the interplay between specific genetic variants and environmental factors in influencing children's psychological outcomes.

Other grants made in 2008 include an award to Professor Gillian Schofield at the University of East Anglia for a study to provide descriptive information about the making of long-term and permanent foster care plans and an award to Ms Julia Feast, (at the British Association for Adoption and Fostering), to follow up a sample of Hong Kong-born Chinese women who were

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

brought up in institutions and subsequently adopted in the UK in the 1960s. The study is expected to increase understanding of the lifelong implications of early adversity and how it influences psycho-social functioning. A grant was also made to Ms Terri Dowty, at Action on Rights for Children, to examine the issue of consent in relation to the children's database and other areas of information sharing.

During 2008, the Foundation hosted a number of seminars relevant to our work in Child Protection and Family Justice. On 2nd October, the Foundation hosted a seminar convened by One Parent Families | Gingerbread, on *Relationship Breakdown and Child Maintenance*. The seminar examined evidence about the effects of proposed reforms to the child support system which may help streamline administration but which may result in less money for parents caring for children after divorce or separation. The Foundation also sponsored the 2008 Edith Dominican Memorial Lecture, organised by One Plus One. This year's lecture was given by Professor Judy Dunn, on the subject of 'Family Relationships: Children's perspectives'.

During the year work continued on the **Adolescent Mental Health Initiative**, a four year programme of research funded by Trustees in 2005. This consists largely of reviews and critical evaluation of existing data to analyse the life experiences of adolescents in the UK today. An underlying question is whether social change has meant that young people in Britain are less productive, healthy or happy than young people in the past, and in other countries. Five review projects were commissioned in 2007 to examine different topics in what is intended to be a multi-disciplinary look at adolescent mental health problems, and their relationship to education, family and social lives. A sixth review was commissioned in 2008 to explore the transition from primary to secondary school and its relation to mental health and other outcomes. This work, led by Dr Ann Hagell, will result in a series of briefing papers and a book, as well as an agenda for future research. During 2008, various seminars were held to discuss preliminary results and to organise peer review on the topics of *parenting of adolescents*; *how adolescents spend their time*; and *alcohol and drug use among adolescents*. Each of these topics involves comparisons of UK adolescents with those living in other countries, as well as a focus on trends over time. Briefing papers will follow in 2009.

The **Access to Justice** programme aims to promote developments to improve the working of civil and administrative law from the standpoint of ordinary people and citizens. In 2008, the Foundation saw an increase on applications under its initiative on **Administrative Justice**. A grant was made to Professor Dame Hazel Genn at University College London to carry out empirical research into tribunal decisions in the UK. This study will examine if oral, as opposed to written, hearings can affect the consistency of the decision-making process and the outcome of the case.

Another grant made under the Administrative Justice initiative was to Ms Varda Bondy, Public Law Project, and Professor Andrew LeSueur, of Queen Mary College, for an empirical and conceptual review of the differences between different legal redress mechanisms. It will examine two areas – education and housing – and examine why some issues are sent to tribunals and others to ombudsmen and will consider the evidence for a conceptual underpinning of these issues, or whether it is all a matter of historical accident. It will also examine the extent to which legal distinctions between such concepts as 'maladministration', 'unlawfulness' or 'error' can be reflected in the adjudication mechanism and it will look both at the UK and how other jurisdictions handle these issues. A grant was also made to Professor Patrick Dunleavy, at the London School of Economics, to update his previous work on redress processes in the UK. The new study will look at why initial information, early handling of complaints and active case progression might reduce the number of applications for redress through independent adjudication, with a key consideration being whether better use of digital technology might improve matters.

During the year, the Foundation has continued funding various other projects as part of its usual grant-making activity in this area. A grant was made to Dr Nigel Blackwood, Forensic Mental Health Science at King's College London, to develop empirically reliable methods for judging defendants' understanding of court proceedings which underpin judgements about 'fitness to plead'. This work will inform discussions by the Law Commission and others who are considering the adequacy of the current law in this area.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

An award was also made to Professor Richard Moorhead, at Cardiff Law School, to examine whether claimants felt they had understood and were satisfied by the handling of their complaints where contingency fees were being charged in contrast with cases where fees were charged in other ways. Another small grant was made for a new version of Professor Alan Paterson's original study of the Law Lords, looking at recent changes, and the forthcoming foundation of a supreme court. This is based at the Law School at the University of Strathclyde.

Following publication in 2006 of the results of the **Inquiry into Empirical Research in Law**, 2008 saw a continuation of the activities to follow-up on the recommendations of the report. In October, the Foundation hosted a meeting for a small number of academics and policy-makers to consider the role for an international conference on empirical research in law. A major aim is to bring together a range of social scientists from non-legal disciplines and to enable legally-informed experts to consider the empirical importance of changes in law. The initiative has stimulated a range of activities by universities, the ESRC and professional associations and we hope that there is a growing understanding of the need for a reawakening of activity in this area.

In November 2008, the Foundation hosted a seminar which brought together two projects on asylum and immigration appeals. One project, by Dr Robert Thomas of Manchester Law School, was on the reformed asylum appeals mechanisms in England and Wales and focused on initial appeals determinations; while the second project, by Ms Sarah Craig of the School of Law at Glasgow University, focused on onward appeals in the un-reformed Scottish jurisdiction.

The Foundation seeks to promote research capacity in the social sciences by means of two academic schemes which are not aimed at promoting policy-relevant research. The first scheme provides **Social Science Small Grants**. These grants, normally up to £7,500 (though they may exceptionally go up to £12,000) are made for small self-contained or pilot projects in the social sciences. Priority is given to younger researchers, though any project that addresses the Foundation's wider interests is eligible. Grants of this size are surprisingly difficult to obtain: research councils rarely fund under £40,000, while universities' seed-funding is usually for much smaller amounts, and the scheme continues to attract good quality applications. Sixty nine awards were made in 2008 and examples of the successful projects are listed on our web-site. This scheme will be reviewed in 2009.

The second scheme, the **New Career Development Fellowships**, supports social scientists in the early stages of their post doctoral careers. Three-year fellowships are offered with support for an experienced individual who acts as a partner and mentor for the junior fellow. Despite a large number of applications, few met the exacting criteria of developing either new skills or knowledge after the PhD. As a result, only two awards were made in 2008: to Dr Evan Killick, Development Studies Institute, London School of Economics, for a project entitled *An interdisciplinary study of the relationship between soybean cultivation and poverty in the Brazilian Amazon*; and to Dr Heather Lovell, Centre for the Study of Environmental Change and Sustainability, University of Edinburgh, for a project entitled '*Fungible carbon*'. 2009 will see the last round of the Fellowships in their current form, and this scheme will be reviewed during 2009.

Science (£2.3m, 20%)

The Foundation funds a range of activities aimed at developing research and professional capacity in science.

Oliver Bird Rheumatism Programme

2008 marked the mid-point of our ten year programme to develop a cohort of up to sixty young scientists who will enhance future capacity in UK rheumatic disease research. Sixteen students completed the programme, many having achieved peer-reviewed publications, presented at high-level conferences and won presentation prizes. The majority have remained in the field for their post-doctoral careers with funding from several major UK charities, including two students who won prestigious Arthritis Research Campaign Foundation Fellowships.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

Our Annual Student Conference in September was organised by UCL and included presentations from all our students. This was an opportunity for the eleven new students starting in October to meet all participants in the programme as well as our Advisers and Trustees, and for everyone to join in a celebration of the 60th Anniversary of Captain Oliver Bird's endowment for rheumatic disease research. The new students will join Oliver Bird centres at Aberdeen, Newcastle and UCL and we have been encouraged by the continuing academic excellence of students attracted to the programme. Further studentships are available from 2009 in these centres and also at Glasgow and the joint centre between KCL and QMUL.

We continue to work with the Arthritis Research Campaign to advance doctoral training in the field. We are also working with other biomedical charities to track the careers of post-doctoral scientists to inform our understanding of the 'success' of various funding initiatives in helping to build capacity, develop researchers' careers and support the retention of highly skilled researchers in biomedical science.

Nuffield Science Bursaries

Undergraduate Research Bursaries are designed for those considering scientific research as a career and enable students to take part in a defined research project for six to eight weeks in the summer vacation. Students receive a bursary of £175-£185 a week and gain a detailed insight into research before they make a final commitment to scientific research. 426 bursaries were offered in 2008.

Science Bursaries for Schools and Colleges of £75 per week are available to students in their first year of an advanced or higher-level science course. They offer the opportunity to join a project for four to six weeks during the summer vacation in any area of science, technology, engineering and maths (STEM). Students carry out well defined projects alongside practising STEM professionals and have an opportunity to develop their STEM skills. 898 bursaries were awarded in 2008. The scheme relies on the active cooperation of numerous science-based organisations, from both public and private sectors, which provide placements for the students and is generously co-funded by a number of other organisations, notably the Wellcome Trust, Research Councils UK and the Royal Society.

In 2008 the Schools and Colleges Bursaries received £75,000 increased funding to support the further expansion of the scheme. Additional funding was also received from the Engineering Technology Board to pilot 25 Nuffield Engineering Bursaries over 2 years.

Education (£2.3m, 19%)

Grants for research and development in education

Education continues to be a major focus for the Foundation's support for research, development and career development. There are several strands to this work.

Through the **Elizabeth Nuffield Educational Fund** the Foundation spent £271,000 on grants to women in further and higher education, mainly to support their costs of informal childcare (that is to say provision not registered with OFSTED). ENEF had previously supported formal childcare costs, but these are now supported by the government. The Foundation remains committed to a programme of work that advances women's education, but following a review of the current schemes has decided to close them and to develop alternative ideas about how to have an impact in this area. The Trustees will now be taking direct responsibility for this aspect of the Foundation's education activity and are grateful to the Chair and members of the ENEF Committee for their hard work over many years.

The **Nuffield Review of 14-19 Education and Training** this year continued with its series of widely disseminated and publicised Issues Papers on such diverse themes as apprenticeships, career advice and guidance, the humanities curriculum, applied science, and detached youth work. The Review also continued to hold numerous seminar and engagement events, including various events in collaboration with Rathbone, aimed at better understanding how the number of young people outside employment, education and training remains persistently high. In the second half of the year, the Review synthesised the inputs and deliberations from the past few years, and drafted its final report. This will be published by Taylor and Francis (Routledge) in 2009 with a high-profile launch event.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

The study of **speech and language delays and disorders** amongst children and young people continues to be a priority for the Foundation, and some major projects have recently been completed. One aims to increase our understanding of adolescents with a history of speech and language difficulties in the transition from compulsory secondary education to adult life, using longitudinal data to examine educational and social outcomes and the factors affecting these. Another, the Nuffield Language for Reading Project, aims to evaluate two intervention programmes for children at risk of literacy difficulties because of poor speech and language skills at entry to primary school. These, and the rest of Nuffield's programme of work in this area, formed an important part of the evidence base for the government-sponsored Berrow Review of Services for Children and Young People (0-19) with Speech, Language and Communication Needs.

Assessment continued to be a focus for the Foundation's education work. In 2008 the Analysis and Review of Innovations in Assessment (ARIA) project, a collaboration between leading assessment specialists in different universities, produced its final report. This studied a selection of major projects involving innovative assessment practices, and synthesised the lessons learned, combining these with the insights gained from expert seminars and interviews.

The Children of Immigrants in Schools programme, run in partnership with the Social Science Research Council (SSRC) in the United States, is supporting an international fellowship programme examining the impact of large-scale immigration on educational systems in various countries in Europe and the Americas. Nine American Fellows and six European Fellows have now been given writing grants which will enable them to contribute to an edited volume summarising the programme findings.

The Foundation has been investigating how it might contribute to the field of **mathematics education**. Two research reviews have been commissioned, one on what is known about how children learn mathematics, and one on the lessons that can be drawn from international comparisons. We expect these two pieces of work to provide pointers for future developments in 2009 and beyond.

Seminars relating to the wider range of other projects that we fund are a key way for the Foundation to ensure the impact of its education work by engaging policy-makers, researchers and practitioners. Some examples from this year include:

- the prospects and problems of establishing equivalence of qualifications and skills across Europe. The seminar gave an overview of a Nuffield-funded project which is investigating differences in the ways in which key concepts underpinning vocational education and training are understood and put into operation in different European countries, and is developing cross-national criteria for comparability.
- the social and educational significance of school break times, bringing together academics and policy-makers from both educational and developmental psychology fields.
- the economic role of independent schools in Britain. Until now, there has been very little hard evidence of the impact of independent schools on their state-funded counterparts and the report's findings concerning the recruitment of experienced state teachers to the private sector were received with particular interest.

The Nuffield Curriculum Programme's main areas of interest continue in the fields of science, design and technology, mathematics and STEM (a cross-curricular consideration of Science, Technology, Engineering and Mathematics). It aims to support teachers and to disseminate teaching and learning resources and it works with partners such as the Science Learning Centres (SLCs), Specialist Schools and Academies Trust, professional bodies and the Design and Technology Association to introduce curriculum innovation.

The Nuffield cross-curricular STEM project aims to help schools exploit the opportunities presented by the new KS3 National Curriculum. Pilot materials in the context of the London

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

2012 Olympic Games were developed and given trials with teachers during 2008. These will be ready for piloting as complete units in the summer term 2009.

The successful Nuffield Economics and Business project ended in December 2008, after 15 years, and transfer of classroom resources to the Economics and Business Association website has been negotiated. The new Edexcel GCSE and A level courses have drawn strongly on the Nuffield approach. The Citizenship project also drew to a close at the end of 2008, leaving a legacy of resources and influence on approaches to assessment and curriculum development in the awarding bodies and the Qualifications and Curriculum Authority (QCA).

Salters-Nuffield Advanced Biology (SNAB) was revised for the new QCA criteria for teaching from September 2008. The new Edexcel specification (i.e. syllabus) has been organised so that it can be taught using either a context or a concept approach and book sales indicate that the former has greatly overtaken the latter and more traditional concept-led approach in terms of numbers of students. It is estimated that over 14,000 students are now being taught SNAB, compared with around 5,000 students up to 2008, when the course was a second advanced level biology specification within the Edexcel suite.

A successful collaboration between the Gatsby Science Enhancement Programme on Learning Skills for Science (LSS) and the Curriculum Centre has resulted in a set of activities for post-16 science courses that will help develop learning processes such as extracting meaning from text and data. LSS post-16 training for trainers and teachers has taken place through Science Learning Centres. Secondly as a result of the interest and relevance of this work on learning skills a project with Nelson Thornes will produce a student and a teacher resource to support the new post-16 Extended Project Qualification. This qualification will be available to students either along with their A level studies or as part of a diploma.

The new Practical Biology website was launched in September 2008 with funding from the Biosciences federation and completes the suite of practical websites all of which contributed to a booklet on practical work produced by SCORE (Science **C**ommunity **R**epresenting **E**ducation), an initiative that aims to respond to move to encourage practical work in school science lessons.

The Twenty First Century Science team continue to support teachers of this course, through the Nuffield-run website and through training courses at SLCs and in schools. The new A level Science in Society's AS textbook was published for teaching from September 2008, and work has now started on the A2 book.

Open Door (£1.5m, 12%)

The Foundation keeps an 'Open Door' to applications for grants that span its main areas of interest or to exceptional projects that are outside our normal areas and which have some bearing on our widest charitable object – the 'advancement of social well-being'. Many of these are for projects involving social research on themes such as poverty and income distribution, young people and criminal justice, and the scrutiny of government and good governance, in which, as an independent foundation, we have a special interest. Grants were made in 2008 in all these areas and are listed at the back of this report (and on our website).

In 2008 the Trustees decided that the separate programme on 'Older People and their Families' should be wound up, and that those grant applications would now be handled as a specific theme under the 'Open Door'. This recognises the fact that many of the most successful grants issued on ageing related to financial issues (e.g. long-term care and pensions) and to an older person's autonomy in decision-making. As a consequence, the Trustees have formalised their interest in the finances of ageing in this way and will treat many of the legal issues relating to autonomy and decision-making under its wider interest in mental health, capacity and the law.

A large grant was awarded to Professor Frances Gardner and colleagues at the University of Oxford to investigate predictors of resilience in young people orphaned by AIDS and living in informal settlements in Cape Town. The study is focused in particular on those risk and protective factors that might benefit from intervention.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

Mr John Graham at the Police Foundation was awarded a grant to establish an independent commission on youth crime and anti-social behaviour. The Commission, headed by Mr Anthony Salz, will scrutinise the research evidence, assess existing policy and practice, consider existing innovative initiatives and compare the approach in England and Wales with that of other countries. The aim is to identify a set of principles for responding fairly, effectively and proportionately to antisocial behaviour and offending by children and young people, and minimise the harm that the antisocial and criminal behaviour of young people causes to themselves and to society.

Under our theme of 'the finances of ageing', a grant was also awarded to Professor Ruth Hancock, University of East Anglia, to look at the take up of Attendance Allowance and Disability Living Allowance, and to model the impact of various possible reforms. A particular issue for consideration is that the requirement for an active claim means that take-up of benefits depends partly on whether people who are ill are able to cope with the process of claim-making.

One interesting grant was made to provide social science evidence in response to questions raised by the independent Nuffield Council on Bioethics report on the national DNA database (see next page). Dr Carole McCartney, of Leeds University, who worked on the Council's report, received a grant to compile information and examine evidence about how bio-information on the database is used in practice in order to inform public deliberation about the proportionality of retaining records in different circumstances. Given the ruling by the European Court of Human Rights later in the year this was a particularly serendipitous award.

An unusual grant was awarded to Professor Ann Oakley of the Institute of Education to enable her to write a full-length biography of Barbara Wootton. Baroness Wootton was awarded a Nuffield Foundation Research Fellowship in 1952, which allowed her to leave Bedford College and work on a book about what social science could contribute to criminology. She was an early proponent of randomised control trials in the social sciences, and one of the first advocates of the use of social science evidence in the making of social policy. One important question may be why some of her clear-sighted views have been comparatively neglected. Though the Foundation does not usually fund the writing of books *per se*, in this case both the emphasis on rigorous social science and the link with the Foundation's own history made the request irresistible.

One other grant picked up the issue of rigorous evidence and informed public debate. The Foundation made a grant to Lord Lipsey and others for a website and other activities connected to a campaign called *Straight Statistics*. The aim of the campaign is to serve as a ginger group supporting the fair and accurate reporting of statistics, and to draw attention to innumerate or tendentious uses of especially government statistics in the press and elsewhere. This fits well with the Foundation's interest in supporting informed understanding and debate.

In 2007 the Foundation made a grant to the Hansard Society to support a study of how the legislative process is changing. Following the publication of the report of this study, *Law in the Making*, in 2008 the Foundation commissioned Hansard to run a series of four seminars under the title *Making Better Law*. The aim here was to explore from a non-partisan position how better use may be made of expert evidence and consultation about drafting, especially in areas of technical complexity, and so produce 'better' laws. The Foundation has a long standing interest in governance and government and these seminars will contribute to a developing interest of the Trustees in better law making.

In 2008 the Foundation sponsored or hosted a series of events linked to grants made under the Open Door programme. These included a seminar convened by the Pensions Policy Institute on public sector pensions; a seminar convened by COMPAS, Oxford on the role of migrant health and social care workers in ageing societies; and a seminar organised by the International Longevity Centre on various proposals for reforming the costing regime for long-term care. This last seminar showed that while all the main political parties agree that over time, changes need to be made to encourage greater partnership funding of long-term care, there is not yet agreement on how this should be achieved.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

Other activities (£1.7m. 12%)

The Trustees are responsible for two further activities which have a different character from other parts of the Foundation's work.

The **Nuffield Council on Bioethics** examines ethical issues raised by new developments in biology and medicine. Established by the Nuffield Foundation in 1991, the Council is funded jointly by the Foundation, the Medical Research Council and the Wellcome Trust but operates independently of all three. Professor Albert Weale FBA began his term as Chair of the Council in January 2008.

The Council's Working Party on Dementia met six times in 2008 and had a good response to its consultation in the summer, with 200 people and organisations sending in evidence and views. In addition, 54 members of the public deliberated the issues at a workshop hosted by the Council in Birmingham in August. A report setting out the group's findings will be published in autumn 2009.

In October 2008, the Council set up a new Working Party to consider the ethical issues raised by new technologies that are making healthcare increasingly personalised. Such technologies include whole body CT or MRI scans and 'personal genomics' where the genome of individual patients is sequenced. A report will be published in 2010.

Previous reports of the Council also received attention in 2008. In December, the European Court of Human Rights unanimously ruled that the UK's retention of the samples and fingerprints of two men, who had been arrested but never convicted of any crime, constituted a breach of their human rights. The ruling was in line with the recommendations of the Council's 2007 report on the forensic use of bio-information, and the report was referred to extensively in the judgment.

There were also significant developments in public health policy in 2008, many of which concurred with the Council's 2007 report on public health. These included the government's proposed restrictions on access to cigarette vending machines and to ban displays in shops, as well as a more coercive approach on pricing and promotion of alcoholic drinks.

The 'Forward Look' seminar in May 2008 focussed on three topics: nanotechnology; volunteering, donation and payment in clinical practice and research; and the use of cord blood and other cell banks. Following the meeting, the Council convened a workshop to explore further the issues raised by volunteering, donation and payment in December 2008. The Council subsequently decided to establish a full Working Party on this topic, which will begin work in 2009.

The Commonwealth Programme has been supporting initiatives that will bring about long-term improvements in health, education and civil justice in Eastern and Southern Africa and will foster North-South partnerships. It focuses on projects that improve services through the development of the expertise and experience of practitioners and policy makers, and where active involvement from the UK-based organisation will increase the initiative's effectiveness. No new grants were made in 2008, the Programme having come to the end of its present funding cycle. Eight grants however continued throughout the year, with the last of these being due to complete in January 2012.

The Programme was independently evaluated during the year, to ascertain whether it and the individual projects were successful in their own terms and to review the current context in which the Programme is operating. The evaluation found that, whilst there have been some substantial achievements in establishing ongoing degree, diploma and certificate level courses and in preparing trainers to deliver training or courses to professional and academic staff in the public, academic and NGO sectors, there was less information about the outcomes of the projects in terms of long-term improvements in policy or practice. However, the review identified factors in the design and operation of some of the projects that improved their chances of success and that can be fed into future selection processes.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

The review observed that the thematic scope of the Programme was wide and led to large numbers of applications. In practice many of the grants were in science and health, and grants in these areas were amongst the most successful. It also found that the grant making and grant management processes were effective in eliciting proposals that merited funding and in supporting their implementation, but that there was scope for modifications to these processes to strengthen the programme. Internally, the Foundation found that the existing funding criteria and processes have not resulted in the hoped-for flexibility in terms of the range of project size or duration or support of pilot projects.

The review found few other UK funders supporting professional and/or academic capacity building in this way. However, the Foundation's participation in a funding collaboration with European Foundations outside the UK has been positive and there is scope for further collaborations with other funders. We intend to build on this.

In the future, the Programme will be renamed the **Nuffield Africa Programme**. It will support fewer, but larger projects and will have an increased emphasis on the project impact, not just the immediate outputs. It will focus on science, technology, engineering and health projects, whilst retaining the option to consider interesting proposals in education and social welfare. The Foundation will make clear its aims for funding and the rationale for the selection criteria in its Statement of Purpose for the Programme, while a refocused investment of staff time will enable support for the reduced number of projects from pre-application through to dissemination and an active search for further possible funding collaborations.

Financial review

The Foundation, like most investors, was hit by the financial turbulence at the end of 2008, losing 20% of its investment portfolio over the year. As described below under 'Reserves Policy' the reduced level of assets remains within the bounds of what might be considered 'normal', but we expect further losses during 2009 before a recovery takes hold. We hope that two decisions in particular will have in part prevented any long term problems: the disposal in 2007 all credit instruments other than government gilts, and the reduction in early 2008 of our UK equity holdings to 5% from 50%, in favour of greater global diversification. The investment portfolio fell in value by £59m (2007: fall of £5m) after withdrawing income and capital of £8.9m in line with its total return spending policy.

Increasingly the Foundation makes large grants (over £200,000) which require considerable planning. It can be difficult to predict when these applications will be sufficiently far advanced to be defined as grants that meet accounting criteria. The Trustees are keen that such decisions should not be driven by a financial timetable and so are prepared to accept considerable volatility in annual spending. In 2008 the Trustees made seven such grants worth in total £1.7m (24% of grants awarded). Non-grant costs were in line with the budget for the year.

Non-investment income for the year was £1.2m (2007: £1m) which included a magnificent bequest of £266,000 from the estate of the late Mrs Edginton. Charitable expenditure was £10.7m (2007: £10.9m) with 65% (2007: 70%) allocated to external bodies through the various grant programmes and 35% spent on the programmes internally (2007: 30%). The Trustees have provided in full for five large five-year rheumatism grants which are funded from the Oliver Bird Restricted Fund. As a result of this (and another restricted fund) the total restricted funds have a negative balance of £3,308,000 which will remain negative until the combination of investment returns and reduced spending restores them to a positive figure once more.

Grants made are described above and at the end of this report. Net assets were £192m (2007: £264m). The restricted funds have negative balances totalling £3,308,000 due to the SORP requirement to charge the full multi-year cost of grants in the year of award. Future investment returns (or lower annual spending) will restore these deficits. The unrestricted funds have a negative balance of £18,000, which again will be restored from a combination of future investment returns and lower spending.

Increasingly activities are delivered through different mechanisms; sometimes responsive grant-making is the most appropriate, but on other occasions a series of seminars may be more fruitful. These distinctions are analysed in Note 3 to the accounts which separates grants, other direct costs, and an allocation of overhead costs. Each component plays an appropriate and indispensable part in how the Foundation delivers its objectives.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

Investment management and governance (£1.2m, 11%)

The investment performance for periods ending 31st December is summarised below.

Total Returns	1 Year	3 Years	5 Years
Nuffield Foundation (gross of fees)	-20.5	-1.6	4.4
Bespoke Benchmark (gross of fees)	-18.0	-0.7	5.4
WM Total Charities (gross of fees)	-20.4	-1.5	5.2
Key			
Nuffield Foundation	Actual performance		
Bespoke Benchmark	WM2000 to 3/03; then bespoke		
WM Total Charities	Median, including property		

Performance in the year was fair; over the past three years the Foundation has been increasing its exposure to Private Equity which has led to under performance against our benchmark as money is invested but shows no immediate return. The investment in Private Equity contributed 1.2% to the overall return for the year. Full details of the Trustees' investment policy are given at the end of this document.

Investment management fees of £1.2m (2007: £1.4m) continued to reflect the costs of active management. The reduction of £200,000 was due to a VAT refund on fees arising over the previous three years. Managers are measured net of fees to ensure that these costs are recouped through improved performance. The Foundation changed two managers during the year, one due to a move away from the UK, and the other due to a change in strategy away from pooled bond funds.

Accounting for Total Returns and Reserves Policy

The Trustees' policy is to distribute 4% of the trailing twelve-quarter average market value of its investments (based on values at 30th June). This will increase to 4.5% from 2009. Cambridge Associates have advised this as a sustainable amount to distribute. The intention is to produce a consistent and sustainable amount for expenditure and to maintain (at least) the purchasing power of the endowment over the long term.

The Trustees' Reserves Policy is driven by two components: the first is to keep the unrestricted funds (which are part of the Expenditure Reserve) at a level of + / - £2m to allow for cumulative under-spending or over-spending from year to year (there is no similar range for the restricted Expenditure Reserve). Stepping outside this range would trigger a review of spending. On 31st December this reserve was worth -£18,000 (2007: -£319,000). The unrestricted funds are expected to return to a positive value due to the combination of restrained expenditure and increasing distributions into it from the endowment.

The second part of this policy reflects how the Trustees seek to preserve the endowment's value. The 'Core Endowment' represents that part of the assets which the Trustees seek to maintain (at least) in real terms. It is based on the value of the endowments on 31st December 2003 together with an allowance for subsequent inflation. Because stock markets fluctuate an 'allowance for market volatility' is also included. This accounts for the difference between the Core Endowment and the current value of the endowment. However if this allowance became too large (or small) for a sustained period a review of the distribution rate would be triggered (without necessarily leading to a change). At 31st December 2008 this allowance for volatility represented 87% of the core endowment (2007: 118%), within the 'normal' range of +/- 16%, which is also the volatility implicit in the investment portfolio.

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

£000s	Lower Limit	31/12/2008 Actual	Upper Limit
Core endowment			
'Preserved Value' at 31 Dec. 2003		188,311	
Allowance for inflation		35,088	
Balance at 31 st December 2008		223,399	
Allowance for market volatility		(28,259)	
Endowment total	187,655	195,140	259,143
Expenditure Reserve			
Restricted	-	(3,308)	-
Unrestricted	(2,000)	(18)	2,000
Total funds		191,814	

Staff, volunteers and applicants

The Foundation is indebted to grant applicants, to the many people who sit on committees and panels, review applications, contribute to seminars and contribute to the Foundation's work in myriad other ways. Finally thanks are due to the staff of the Foundation for their hard work and commitment during the year.

The Foundation was saddened by the news of the deaths of two prominent former members of staff. Sir John Maddox FRS (1925 – 2009) was Director from 1975 to 1980, (having previously spent two years at the Foundation in the mid 1960s, as Assistant Director, working on the Science Teaching Project). He arrived at a difficult time, when the Foundation had lost significant sums as a result of the collapse of British Leyland (the successor company to Morris Motors). He put in place policies that helped the Foundation at least partially rebuild its endowment, and took necessary steps towards adjusting the scale of operations to a sustainable level. He left the Foundation after five years to take up the editorship of *Nature* (a post he had previously held) where he served with great distinction until his retirement in 1995. His appointment to the Fellowship of the Royal Society was a mark of the esteem in which he was held within the scientific community.

Professor Tony Becher (1930 – 2009) served as Assistant Director for Education from 1961 to 1975. He spent his early career in publishing, at Cambridge University Press, experience that was to prove invaluable in developing the complex publishing arrangements for the Science Teaching Projects. His first love was higher education and he set up and ran a highly influential in-house project, the Group for Research and Innovation in Higher Education. He moved from the Foundation to a Professorship at the University of Sussex, where he established an enduring international reputation as one of the leading researchers on higher education.

Future Plans

The work of the Foundation continues to evolve as demanded by the changing environment in which it works and the different activities that it supports. This is described in some detail above.

Grant making policy

The Foundation currently operates several different grant programmes. Each programme publishes a comprehensive guide on its aims, policies and process for application, together with expectations for evaluation. All applications are reviewed by independent referees. Details of all programmes, together with application forms which can be downloaded, can be found on the Foundation's web site. All principal grants are shown in the list of grants at the back of this document.

Public benefit

The aim of the Foundation is to 'advance social well being', particularly by research and practical experiment. The Trustees consider that pursuing this aim will deliver public benefit as required by the Charities Act 2006.

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

Risk statement

The Trustees are responsible for the management of the risks faced by the charity. Detailed considerations of risk are delegated to the Audit Committee, who are assisted by senior charity staff. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. The key controls used by the charity include:

- Established organisational and governance structure and lines of reporting
- Detailed terms of reference for all sub-committees
- Comprehensive financial planning, budgeting and management accounting
- Formal written policies and hierarchical authorisation and approval levels
- Regular review of current risks to the Foundation.

Through the risk management processes established for the charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Trustees' Responsibilities

Law applicable to charities in England and Wales requires the Trustees of the Nuffield Foundation to prepare financial statements for each financial year that give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy, the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Trust Deed. They are also responsible for safeguarding the assets of the Foundation, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 6th May 2009 and signed on their behalf by



The Baroness O'Neill
Chairman

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NUFFIELD FOUNDATION

We have audited the financial statements of the Nuffield Foundation for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, 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 trustees 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 and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

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

We have been appointed as auditors 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 the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We also read the other information included and consider whether it is consistent with the audited financial statements. This other information comprises only the information on grants awarded during the year and the summary of financial objectives and investment strategy. 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 any other information.

Basis of opinion

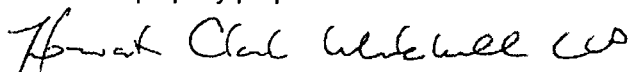
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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.

Unqualified opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.



Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Date: 23 June 2009

St Bride's House
10 Salisbury Square
London EC4Y 8EH

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	Total 2008 £000s	Total 2007 £000s
INCOMING RESOURCES						
Incoming resources from generated funds	2					
Voluntary income		278	809		1,087	756
Activities for generating funds		97			97	191
Investment income	6					
Investment portfolio				6,964	6,964	5,984
Other interest		21			21	27
Other income		49			49	38
Total incoming resources		<u>445</u>	<u>809</u>	<u>6,964</u>	<u>8,218</u>	<u>6,996</u>
RESOURCES EXPENDED						
Costs of generating funds						
Investment management costs		-	-	1,221	1,221	1,438
Charitable activities						
Social research & innovation		2,791	-	-	2,791	2,586
Science		1,177	1,170	-	2,347	3,790
Education		1,971	334	-	2,305	1,991
Open Door		1,501	-	-	1,501	1,383
Other activities		1,031	668	-	1,699	1,215
Charitable activities		<u>8,471</u>	<u>2,172</u>	<u>-</u>	<u>10,643</u>	<u>10,965</u>
Governance		71	-	-	71	73
Total resources expended	3	<u>8,542</u>	<u>2,172</u>	<u>1,221</u>	<u>11,935</u>	<u>12,476</u>
NET OUTGOING RESOURCES before transfers		<u>(8,097)</u>	<u>(1,363)</u>	<u>5,743</u>	<u>(3,717)</u>	<u>(5,480)</u>
Transfers	11	8,398	979	(9,377)	-	-
NET OUTGOING RESOURCES after transfers		<u>301</u>	<u>(384)</u>	<u>(3,634)</u>	<u>(3,717)</u>	<u>(5,480)</u>
Net (loss)/gain on investment assets	6	-	-	(59,186)	(59,186)	10,209
NET MOVEMENT IN FUNDS		<u>301</u>	<u>(384)</u>	<u>(62,820)</u>	<u>(62,903)</u>	<u>4,729</u>
Fund balances brought forward at 1 January		<u>(319)</u>	<u>(2,924)</u>	<u>257,960</u>	<u>254,717</u>	<u>249,988</u>
Fund balances carried forward at 31 December	11	<u>(18)</u>	<u>(3,308)</u>	<u>195,140</u>	<u>191,814</u>	<u>254,717</u>

Notes 1 – 11 form part of these Financial Statements

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

BALANCE SHEET

		2008 £000s	2007 £000s
FIXED ASSETS			
Tangible fixed assets	5	3,192	3,273
Investments	6	200,572	261,714
Programme related investments	6	100	100
		<u>203,864</u>	<u>265,087</u>
CURRENT ASSETS			
Debtors	7	458	953
Bank and cash		<u>167</u>	<u>446</u>
		<u>625</u>	<u>1,399</u>
LIABILITIES: amounts falling due within one year			
Provision for grants payable	8	(8,174)	(6,173)
Creditors	9	(586)	(559)
		<u>(8,760)</u>	<u>(6,732)</u>
NET CURRENT LIABILITIES		<u>(8,135)</u>	<u>(5,333)</u>
LIABILITIES FALLING DUE AFTER ONE YEAR			
Provision for grants payable	8	(3,915)	(5,037)
NET ASSETS		<u>191,814</u>	<u>254,717</u>
FUNDS			
Unrestricted funds		(18)	(319)
Restricted funds		(3,308)	(2,924)
Endowed funds	11	<u>195,140</u>	<u>257,960</u>
TOTAL FUNDS	11	<u>191,814</u>	<u>254,717</u>

Notes 1 – 11 form part of these Financial Statements

These financial statements were approved by the trustees on 6th May 2009 and were signed on their behalf by:



The Baroness O'Neill
Chairman

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

CASH FLOW STATEMENT

	2008 £000s	2007 £000s
Operating Activities		
Net cash outflow from operating activities	(9,204)	(10,725)
Returns on investment and servicing of finance		
Investment income	6,964	5,984
Interest received	21	27
	<u>6,985</u>	<u>6,011</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(15)	(45)
Disinvestment from portfolio	1,955	4,679
	<u>1,940</u>	<u>4,634</u>
Decrease in cash during the year	<u>(279)</u>	<u>(80)</u>

Analysis of changes in net cash during the year

Cash at bank and in hand		
At 1 January	446	526
At 31 December	167	446
(Decrease)/increase in cash during the year	<u>(279)</u>	<u>(80)</u>

RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net outgoing resources for the year	(3,717)	(5,480)
Depreciation	97	112
Investment income (including interest received)	(6,985)	(6,011)
Movement in current assets/liabilities		
Increase in grant commitments	879	1,416
Increase/(decrease) in creditors	27	(458)
(Increase)/decrease in debtors	495	(304)
Net cash outflow from operating activities	<u>(9,204)</u>	<u>(10,725)</u>

Notes 1 – 11 form part of these Financial Statements

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with applicable Accounting Standards. The trustees have adopted the recommendations contained within the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued by the Charity Commission in March 2005, applicable UK accounting standards, and the Charities Act 1993

(b) Income

Investment income represents dividends and interest on fixed investments and deposits, with any associated tax credits or recoverable taxation, which are included on an accruals basis. Investment income and other gains (or losses) are allocated to the individual funds in proportion to their holding in the Common Investment Fund at the beginning of the year

Grants and donations are credited to incoming resources when they are due. They are deferred where the donor has imposed restrictions upon when the money can be spent.

(c) Expenditure

Costs of generating funds represent amounts paid to the Foundation's external investment advisors

Charitable expenditure comprises grants and other payments made by the trustees in accordance with criteria set out in the trust deed.

Grants are charged to the Statement of Financial Activities when allocations are approved by the trustees and promised to the recipient, less any awards cancelled or refunded. Grants which are awarded subject to conditions are included as expenditure at the point at which the trustees agree that they no longer have control over the fulfilment of the condition

'Other costs' include staffing, hosting seminars and conferences, commissioned research or evaluations together with any direct costs immediately attributable to a specific activity 'Support costs' reflect the apportionment of costs shared by all activities The basis of this apportionment is headcount 'Governance' comprises costs incurred in trust administration and compliance with regulatory requirements, together with its share of apportioned costs

(d) Basis of allocation of costs

Investment management costs and charity administration costs are allocated to the funds in proportion to their holding in the Common Investment Fund at the beginning of the year. Where identifiable costs related to Charitable Activities or Governance are attributed to appropriate activities and funds in full, or where not separately identifiable they are apportioned on the basis of headcount.

(e) Investments

Investments are included in the accounts at their mid market values as at the balance sheet date.

(f) Taxation

The Foundation carries on activities which are exempt from corporation tax and income tax. Irrecoverable VAT is included with the expenditure to which it relates

(g) Exchange gains and losses

All realised and unrealised exchange gains and losses on investments are accounted for in the Statement of Financial Activities

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(h) Fixed assets

The property at 28 Bedford Square together with certain furnishings is stated at market value. Art and Antiques are based on a frozen valuation (in accordance with the transitional provisions of FRS 15 'Accounting for fixed assets') made by Phillips in March 1999. Other fixed assets are stated at cost less depreciation. Assets over a value of £1,000 are capitalised. Depreciation has been calculated at the following annual rates, in order to write off each asset over its estimated useful life.

Leasehold property	- Length of the lease
Equipment, fixtures and fittings	- 3 years to 20 years

(i) Total Return Accounting

The Charity Commission permitted the Foundation to adopt the use of total return in relation to its permanent endowment on 7th February 2006. The power permits the trustees to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The trustees have decided that it is in the interests of the Foundation to present its expendable endowment in the same manner, although there is no legal restriction on the power to distribute the expendable endowment.

The trustees have used the values of the permanent endowments at 31st December 2003 to represent the 'Preserved Value' of the original gift.

(j) Fund Accounting

Unrestricted funds are donations or other income received or generated for the objects of the charity without further specified purpose and is available as general funds.

Restricted funds have arisen from restrictions applied by donors. Expenditure that meets these criteria is identified to the fund, together with a fair allocation of support and charity administration costs.

The endowed funds of the Foundation are capital funds where normally only the income arising may be applied, in some cases on restricted purposes. These funds are either permanent or expendable, depending on whether the trustees have power to spend the capital.

(k) Pension costs

Pension costs in respect of the multi employer pension scheme are accounted for as if it were a defined contribution scheme and are charged as they are incurred.

2 Incoming resources from generated funds

	2008 £000s	2007 £000s
Voluntary Income		
Grants received in support of:		
Nuffield Council on Bioethics	444	429
School Science Bursaries	118	40
Other restricted activities	247	279
Legacies	277	-
Other unrestricted activities	1	8
	<u>1,087</u>	<u>756</u>
	2008 £000s	2007 £000s
Activities for generating funds		
Sales, Royalties and Fee income	<u>97</u>	<u>191</u>

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Resources expended

	Direct costs		Support	Total	Total
	Grants	Other	Costs	2008	2007
	£000s	£000s	£000s	£000s	£000s
Cost of Generating Funds					
Investment management	-	1,221	-	1,221	1,438
Charitable Expenditure					
Social Research & Innovation					
Child Protection & Family Law	1,019	50	37	1106	672
Social Science Small Grants	471	59	27	557	570
New Career Development Fellowships	377	27	27	431	236
Older People & Their Families	2	-	-	2	304
Access to Justice	621	56	18	695	354
Adolescent Mental Health	55	51	54	160	450
	<u>2,545</u>	<u>243</u>	<u>163</u>	<u>2,951</u>	<u>2586</u>
Science					
Undergraduate Research Bursaries	582	74	27	683	668
School Science Bursaries	295	262	64	621	519
Newly Appointed Lecturers	(9)	-	-	(9)	1
Rheumatism	970	55	27	1,052	2,602
	<u>1,838</u>	<u>391</u>	<u>118</u>	<u>2,347</u>	<u>3,790</u>
Education					
Nuffield Curriculum Programme	-	921	356	1,277	1,011
Education Grants	399	77	64	540	326
Maths Education	40	54	-	94	14
Grants for Women	271	68	55	394	640
	<u>710</u>	<u>1,120</u>	<u>475</u>	<u>2,305</u>	<u>1,991</u>
Open Door*	1,386	88	27	1,501	1,383
Other Activities					
Nuffield Council on Bioethics	-	578	365	943	866
Commonwealth Programme	530	48	18	596	349
	<u>530</u>	<u>626</u>	<u>383</u>	<u>1,539</u>	<u>1215</u>
Governance costs					
Audit fee	-	17	-	17	16
General costs					
Trustees' remuneration	-	52	-	52	54
Trustees' expenses	-	2	-	2	2
	<u>-</u>	<u>71</u>	<u>-</u>	<u>71</u>	<u>73</u>
Total Charitable Expenditure	<u>7,009</u>	<u>2,539</u>	<u>1,166</u>	<u>10,714</u>	<u>11,038</u>
Total Resources Expended	<u>7,009</u>	<u>3,760</u>	<u>1,166</u>	<u>11,935</u>	<u>12,476</u>

* The 'Open Door' funds projects of merit lying across or outside the areas of special interest

Each trustee is entitled to an annual allowance by virtue of the provisions of the Trust Deed. This is currently £8,600 per annum. During the year five trustees claimed re-imbursement of travel and subsistence expenses (2007: five).

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Personnel costs

	2008	2007
	£000s	£000s
Wages and salaries	1,631	1,479
Social security costs	163	140
Other pension contributions	125	117
	<u>1,919</u>	<u>1,736</u>
 Average full time equivalent number of staff employed in year:		No.
Grant making	11	11
Curriculum Programme Publications	8	8
Nuffield Council on Bioethics	10	8
Support services	10	10
	<u>39</u>	<u>37</u>
 Remuneration of Higher Paid Staff		No.
Between £60,000 and £69,999	2	1
Between £70,000 and £79,999	2	1
Between £80,000 and £89,999	-	1
Between £90,000 and £99,999	1	-

Employer's pension contributions for higher paid staff were in total £35k

The Pensions Trust Pension Scheme

Staff are entitled to contribute to a pension scheme known as the Pension Trust Growth Plan. This is a multi-employer pension plan and which in most respects is a money purchase arrangement, although it does include certain guarantee elements as described below.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. The capital is guaranteed through investing in short term, high quality securities and deposits.

It is not possible in the normal course of events to identify the share of the underlying assets of this multi-employer pension plan belonging to the individual participating employers. Accordingly, in line with the requirements of FRS 17, the accounting charge for the year represents only the Nuffield Foundation employer contributions payable.

The latest formal valuation of the Growth Plan was performed at 30 September 2005 and this showed the Plan to have a past service funding level of 96%. The Nuffield Foundation receives quarterly updates from the scheme's actuary on the funding level and its potential employer debt if it were to withdraw from the scheme. Based on the latest quarterly update at 31 December 2008 the funding level had reduced to 81.9% and the charity had a contingent liability of £1.8m in the event that it was to withdraw its membership of the Growth Plan.

The Nuffield Foundation paid contributions at a rate of 10% of member salaries during the accounting period. The Plan trustee has previously indicated that no additional contributions from participating employers are required at this time and the Plan actuary has advised that the funding shortfall will be cleared within 5 years if the investment returns from assets are in line with the "best estimate" assumptions.

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Tangible Fixed Assets

	Leasehold Property £000s	Other assets £000s	Total £000s
Cost or valuation			
At 1 January	3,300	556	3,856
Additions	-	15	15
Disposals	-	(117)	(117)
At 31 December	<u>3,300</u>	<u>454</u>	<u>3,754</u>
Depreciation and amortisation			
At 1 January	269	314	583
Charge for year	38	58	96
Disposals	-	(117)	(117)
At 31 December	<u>307</u>	<u>255</u>	<u>562</u>
Net book value			
At 31 December	<u>2,993</u>	<u>199</u>	<u>3,192</u>
<i>At 1 January</i>	<u>3,031</u>	<u>242</u>	<u>3,273</u>

All tangible fixed assets are held for continuing use in the Foundation's activities. The depreciated historic cost of the leasehold property is £1,254k. The lease expires on 24th December 2084 and was revalued in 2001 by Cotton Thompson Cole, Chartered Surveyors.

6. Investments

a) Investments at Market Value	2008 £000s	2007 £000s
Market Value at 1 st January	261,713	256,184
Net disinvestment from portfolio	(1,955)	(4,679)
Realised and unrealised (losses)/gains	<u>(59,186)</u>	<u>10,209</u>
Market Value at 31 st December	<u>200,572</u>	<u>261,714</u>
Historic cost of listed investments at 31 st December	<u>202,457</u>	<u>212,464</u>
b) Disposition of Investments	2008 £000s	2007 £000s
UK Equities and Overseas Equities	128,026	181,852
UK Property Unit Trusts	17,332	24,495
Private Equity	31,300	18,664
Cash	23,914	36,703
Total	<u>200,572</u>	<u>261,714</u>
Total UK investments	54,531	155,356
Total overseas investments	<u>146,041</u>	<u>106,358</u>
Total	<u>200,572</u>	<u>261,714</u>

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Investments (continued)

c) Income from Investments	2008 £000s	2007 £000s
UK Equities and Overseas Equities	4,125	4,389
UK Property Unit Trusts	997	1,002
Private Equity	15	20
Cash	1,827	573
	<u>6,964</u>	<u>5,984</u>

d) Currency Hedging

At 31 December 2008 the charity had nine open forward exchange contracts to sell US dollars, Yen and Euros with a total sterling value of £40,134,552 and three open forward exchange contracts to buy US dollars, Yen and Euros with a total sterling value of £3,980,245. The settlement date for all of these contracts was 18 March 2009. These contracts were entered into to reduce the charity's currency risk following the greater global diversification of its investment holdings. The forward exchange contracts have all been revalued at the applicable year end exchange rates and the resulting unrealised translation losses are included within the overall value of the equity investments above.

All investments are held in the Nuffield Foundation Charities Common Investment Fund

e) Programme Related Investments

The Foundation holds 100,000 £1 fully paid Non Cumulative Preference Shares in the Charity Bank Ltd, a charity with a mission to tackle marginalisation, social injustice and exclusion and facilitate social change through investment

7 Debtors and prepayments

	2008 £000s	2007 £000s
Accrued Income	356	660
Other debtors	102	293
	<u>458</u>	<u>953</u>
Contingent assets (potentially recoverable grants)	20	21

8 Grants Payable

a) Grants Payable	2008 £000s	2007 £000s
Grants awarded but not paid at 1 January	11,210	9,794
Grants awarded in the year	7,278	7,845
Grants cancelled in the year	(269)	(161)
Grants paid in the year	(6,130)	(6,268)
Grants awarded but not paid at 31 December	<u>12,089</u>	<u>11,210</u>
Payable within one year	8,174	6,173
Payable after one year	3,915	5,037
	<u>12,089</u>	<u>11,210</u>

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Grants Payable (continued)

b) Analysis of grants awarded

	2008	2007
	£000s	£000s
Awarded to individuals	391	563
Awarded to institutions	6,887	7,282
	<u>7,278</u>	<u>7,845</u>

Five largest contributions

	2008
	£000s
King's College London	1,260
University of Oxford	385
University College London	301
University of Edinburgh	287
University of Glasgow	282

9 Creditors: amounts falling due within one year

	2008	2007
	£000s	£000s
Income Tax and National Insurance	51	47
Accruals	358	355
Other creditors	177	157
	<u>586</u>	<u>559</u>

10 Statement of Total Returns

Calculation of Total Return

	Permanent	Expendable	Total
	Endowments	endowments	£000s
	£000s	£000s	
Investment Return			
Investment income	280	6,684	6,964
Capital Gains/(Losses)	(2,384)	(56,802)	(59,186)
Investment Management costs	(50)	(1,171)	(1,221)
Total Return for year	<u>(2,154)</u>	<u>(51,289)</u>	<u>(53,442)</u>
Less:			
Application of Return to Expenditure Reserve	(378)	(8,999)	(9,377)
Net Total Return for the year	<u>(2,532)</u>	<u>(60,288)</u>	<u>(62,820)</u>
Unapplied Total Return			
at 1 st January 2008	2,812	66,837	69,649
At 31st December 2008	<u>280</u>	<u>6,549</u>	<u>6,829</u>

'Preserved Value' at 31 December 2003	7,581	180,730	188,311
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The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Funds

a) Description of funds

- The Elizabeth Nuffield Educational Fund was a gift from the wife of Lord Nuffield for the advancement of education and in particular the award of scholarships, grants or loans to women and girls who require financial assistance. It is used to fund the 'Education for Women' grant programme. Unspent income is restricted to this purpose.
- The Commonwealth Relations Trust was created for the purposes of promoting a common understanding between the unity of ideals in the United Kingdom and the other members of the British Commonwealth of Nations. Unspent income is restricted to this purpose.
- The Oliver Bird Fund was given by Captain Bird for research into the prevention and cure of rheumatism. It is used to fund the Rheumatism grant programme. Unspent income is restricted to this purpose.
- The Main Fund includes Lord Nuffield's original endowment and the Auxiliary Fund, together with a number of subsequent gifts including the Ada Newit bequest and the Albert Leslie Stewart Bequest (both subsumed into this fund in 2003). This fund was known as the 'Auxiliary Fund' prior to 2004; the change was made following the modification of the Trust Deed in 2003.
- The 'Expenditure Reserve' is referred to in the Total Return Order made by the Charity Commission as the 'Trust for Application (income)'. It is that part of the Foundation's net assets that the trustees have determined is available for future expenditure.

b) Fund Movements

	Balance at 1 st January 2008	Movement in Resources Incoming Resources	Outgoing Resources	Unrealised Gain/(Loss)	Transfers	Balance at 31 st December 2008
Capital Funds						
Endowments						
Permanent Endowment						
Elizabeth Nuffield Fund	2,230	60	(11)	(511)	(81)	1,687
Commonwealth Relations Trust	8,163	220	(39)	(1,873)	(297)	6,174
	<u>10,393</u>	<u>280</u>	<u>(50)</u>	<u>(2,384)</u>	<u>(378)</u>	<u>7,861</u>
Expendable Endowments						
Oliver Bird Fund	16,548	447	(79)	(3,796)	(601)	12,519
Main Fund	231,019	6,237	(1,092)	(53,006)	(8,398)	174,760
	<u>247,567</u>	<u>6,684</u>	<u>(1,171)</u>	<u>(56,802)</u>	<u>(8,999)</u>	<u>187,279</u>
Total Endowed Funds	<u>257,960</u>	<u>6,964</u>	<u>(1,221)</u>	<u>(59,186)</u>	<u>(9,377)</u>	<u>195,140</u>
Expenditure Reserve						
Restricted Funds						
Elizabeth Nuffield Fund	-	-	(81)	-	81	-
Commonwealth Relations Trust	(784)	-	(221)	-	297	(708)
Oliver Bird Fund	(2,216)	-	(1,052)	-	601	(2,667)
Other Restricted Funds	76	809	(818)	-	-	67
	<u>(2,924)</u>	<u>809</u>	<u>(2,172)</u>	<u>-</u>	<u>979</u>	<u>(3,308)</u>
Unrestricted Funds						
General Fund	(319)	445	(8,542)	-	8,398	(18)
Total Expenditure Reserve	<u>(3,243)</u>	<u>1,254</u>	<u>(10,714)</u>	<u>-</u>	<u>9,377</u>	<u>(3,326)</u>
Total Funds	<u>254,717</u>	<u>8,218</u>	<u>(11,935)</u>	<u>(59,186)</u>	<u>-</u>	<u>191,814</u>

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Funds (continued)

c) Analysis of Funds

	Unrestricted Funds £000s	Restricted Funds £000s	Expendable Endowment £000s	Permanent Endowment £000s	Total £000s
Investments			192,711	7,861	200,572
Other fixed assets			3,292		3,292
Net current assets (liabilities)	(18)	(3,308)	(4,809)		(8,135)
Liabilities due in over one year			(3,915)		(3,915)
Total funds	<u>(18)</u>	<u>(3,308)</u>	<u>187,279</u>	<u>7,861</u>	<u>191,814</u>

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

GRANTS AWARDED DURING THE YEAR

Name	Purpose	Value (£)	Term (m)
Social research and Innovation			
Child Protection & Family Law			
Dr Sara Jaffee, Social, Genetic and Developmental Psychiatry Centre, King's College London	Gene-environment interplay in children's resilience to harsh, non-supportive parenting	186,407	35
Ms Julia Feast, British Association for Adoption and Fostering	Comparative outcomes and predictors of adult psycho-social functioning following early adversity - a forty year follow-up of Hong Kong Chinese adopted women	147,966	24
Professor Gillian Schofield, Centre for Research on the Child and Family, University of East Anglia	Care planning for permanence in foster care	139,293	17
Ms Fran Wasoff, Centre for Research on Families and Relationships, University of Edinburgh	Legal practitioner's perspectives on the cohabitation provisions of the Family Law (Scotland) Act 2006	94,184	10
Dr Liz Trinder, School of Geography, Politics and Sociology, Newcastle University	Making policy for divorced and separated families	89,504	18
Ms Emma Knights, Daycare Trust	Paying for quality childcare	86,000	16
Ms Cathy Ashley, Family Rights Group	Family and friends care - improving policies and practice	43,880	6
Professor Judith Harwin, School of Health Sciences and Social Care; Brunel University	Supplement for the evaluation of a pilot Family Drug and Alcohol Court	29,031	6
Ms Terri Dowty, Action on rights for children	Informed consent to sharing children's personal data	25,935	8
Ms Penny Mansfield, One Plus One	2008 Edith Dominian Memorial Lecture	14,566	6
	Other grants	194,401	
	Cancelled grants	(32,502)	
	Total: Child Protection & Family Law	1,018,665	
Adolescent Mental Health			
Professor John M Gray, Faculty of Education, University of Cambridge	Strand 6: 'School Experiences and Mental Health Outcomes Amongst 10-14 Year Olds A Review of the Effects of School Transfers, Transitions and Other Potentially Relevant School-Related Factors'	51,838	8
	Other grants	2,895	
	Cancelled grants	-	
	Total: Adolescent Mental Health	54,733	

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

	Purpose	Value (£)	Term
New Career Development Fellowships			
Dr Evan Killick, Development Studies Institute, London School of Economics	An inter-disciplinary study of the relationship between soybean cultivation and poverty in the Brazilian Amazon	169,965	36
Dr Heather Lovell, Centre for the Study of Environmental Change and Sustainability University of Edinburgh	Fungible carbon	166,553	35
	Other grants	40,257	
	Cancelled grants	-	
	Total New Career Development Fellowships	376,775	
Social Science Small Grants			
	69 awards	473,766	
	Grants cancelled	(2,705)	
	Total Social Science Small Grants	471,061	
Older People And Their Families			
	Grants	4,000	
	Grants cancelled	(2,040)	
	Total: Older people and their families	1,960	
Access To Justice			
Professor Dame Hazel Genn, Faculty of Laws, University College London	Tribunal decision-making: impact of oral hearings and consistency of outcomes	201,140	20
Dr Nigel Blackwood, Forensic Mental Health Science, King's College London	Fitness to plead: the impact of cognitive abilities and psychopathology	193,398	36
Ms Varda Bondy, Public Law Project	Design and Choice of Redress Mechanisms - A conceptual and empirical study, 2008/09	126,736	15
Professor Patrick Dunleavy, Public Policy Group, London School of Economics	Information redress processes and administrative justice in the UK/England	60,044	12
Niamh Eastwood, Release	Young people, their rights and the law	15,000	9
Professor Richard Moorhead, Cardiff Law School, Cardiff University	Contingency fees in the UK	17,267	7
Mr Jago Russell, Fair Trials International	Investigation of trial monitoring by consular officials	12,538	9
Professor Alan Paterson, Law School, University of Strathclyde	The Law Lords Revisited	11,270	12
	Other grants	15,282	
	Grants cancelled	(29,722)	
	Total Access to Justice	620,953	
	Total Social Research & Innovation	2,544,147	

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

Name	Purpose	Value (£)	Term
Science			
Rheumatism Programme			
Professor David Scott, Academic Department of Rheumatology, King's College London	Translational research in rheumatoid arthritis: an integrated laboratory and clinical approach	393,645	60
Professor Costantino Pitzalis, Centre for Experimental Medicine and Rheumatology, Queen Mary, University of London	Translational research in rheumatoid arthritis: an integrated laboratory and clinical approach	262,430	60
	Other grants	313,751	
	Cancelled grants	-	
	Total: Rheumatism	969,826	
Bursaries			
Undergraduate Research Bursaries	426 Awards	620,359	
School Science Bursaries	898 Awards	297,525	
	Cancelled grants	(50,563)	
	Total: Bursaries	867,321	
	Total Science	1,837,147	

Education			
Education			
Professor Margaret Snowling, Department of Psychology, University of York	Can pre-school training of oral language skills improve children's response to reading instruction? A randomised controlled trial (RCT)	236,289	36
Dr James W Anderson, Department of Educational Studies, Goldsmiths, University of London	Creativity in the community languages classroom: pedagogies and professional development	94,462	23
Dr Victoria Joffe, Communication Science, City University	Enhancing language and communication in secondary school children with specific language impairment through two intervention programmes: narrative and vocabulary enrichment	48,097	15
Professor Terezinha Nunes, Department of Education, University of Oxford	A review of research into how children learn mathematics	30,000	7
Professor Jim Donnelly, Centre for Studies in Science and Mathematics Education, University of Leeds	A pilot study of an applied route through secondary school science curriculum, 14-19.	14,975	3
Professor Mike Askew, Department of Education and Professional Studies, King's College London	Identification and overview of research into mathematics education in countries with high mathematics attainment	10,295	4
	Other grants	4,980	
	Total Education	439,098	

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

Name	Purpose	Value (£)	Term
Education (continued)			
Grants for Women's Education	98 direct grants to women in HE	391,262	
	10 grants to Further Education colleges		
	Cancelled grants	(119,683)	
	Total: Grants for women's education	271,579	
	Total Education	710,677	

Other activities

Open Door

Professor Frances Gardner, Centre for Family Law and Policy, University of Oxford	Resilience in young people orphaned by AIDS and other causes: predictors and mechanisms	299,064	24
Mr John Graham, The Police Foundation	Commission on youth crime and anti-social behaviour	264,295	18
Professor Jacqueline Atkinson, Public Health and Health Policy Section, University of Glasgow	An exploration of the use of the 'impaired ability' criterion for compulsory treatment in the Mental Health (Care and Treatment) (Scotland) Act 2003	176,597	27
Lord Lipsey, Campaign for Real Statistics	Campaign for Real Statistics	151,020	24
Professor Ruth Hancock, School of Medicine, Health Policy and Practice, University of East Anglia	The role and effectiveness of disability benefits for older people	124,143	24
Professor John Bynner, Longview	Longitudinal and life courses studies: International journal	98,000	35
Professor Ann Oakley, Social Science Research Unit, Institute of Education	Barbara Wootton: A biography her life and times	85,010	30
Dr Carole McCartney, School of Law, University of Leeds	The future of forensic bio information	57,709	12
Mr Alex Brazier, Hansard Society	Improving Legislation - Seminar Series	51,016	15
Ms Annette Oldham, National Institute of Adult Continuing Education	Access to Education and Training for Young Adult Carers	15,000	9
Mr Glyn Davies, International Social Science Council	3 year membership to the International Social Science Council	15,000	36
Mr James Lloyd, International Longevity Centre-UK	National care fund programme of development and engagement	10,574	3
	Other grants	70,461	
	Cancelled grants	(31,785)	
	Total: Open Door	1,386,104	

The Nuffield Foundation
Report and Financial Statements for the year ended 31st December 2008

Name	Purpose	Value (£)	Term
Other activities (continued)			
Commonwealth Programme			
Professor Rachel Jenkins, WHO Collaborating Centre and the Section of Mental Health Policy, King's College London	Developing primary care of mental disorders in Kenya	227,051	48
Professor Allen Foster, International Centre for Eye Health, London School of Hygiene and Tropical Medicine	Training centres in community eye health for Vision 2020	112,340	24
Professor Paul Garner, International Health Research Group, Liverpool School of Tropical Medicine	Reviewers for Africa Programme: Training in the science of research synthesis	95,879	24
Mr Graham Blois, Mildmay International	Paediatric HIV and use of ARVs for multidisciplinary health workers	75,000	18
Ms Camilla Fenning, Wilton Park Conferences	Partnerships for Development Forum	15,000	12
	Other grants	5,300	
	Total Commonwealth	530,570	
	Total Other Activities	1,916,674	
	Total: Grants Awarded	7,277,645	
	Total: Grants Cancelled	(269,000)	
	Total All Programmes	7,008,645	

The Nuffield Foundation

Report and Financial Statements for the year ended 31st December 2008

Summary of Financial Objectives and Investment Strategy

Objectives

- 1 Financial Objective
 - 1.1. to maintain (at least) the Foundation's endowment in real terms
 - 1.2. to produce a consistent and sustainable amount for expenditure
 - 1.3. to deliver 1 1) and 1 2) within acceptable levels of risk
2. Capital Maintenance
 - 2 1 The Foundation seeks to protect its endowment from its current experience of inflation (based on 62% Average Earnings Index and 38% Retail Price Index).
 - 2.2 The Foundation's composite inflation index will be applied to the endowment value of £188,310k (the value on 31st December 2003)
- 3 Distribution rate
 - 3 1. The Foundation intends to distribute 4% of the average of the previous twelve quarter rolling market values (4.5% from 2008 for five years)
 - 3 2 Where market values lie outside the indexed base value with an allowance for volatility (+/- 16%) a review of distribution rates will be triggered.

Investment Principles

4. Decision Making & Governance
 - 4 1. The Investment Committee is responsible to the trustees for investment decisions. It includes three trustee members and two independent investment professionals as advisors (who serve for three year terms). The committee is supported by staff of the Foundation. It is advised by investment consultants (appointed annually).
 - 4.2. The committee appoints investment managers (and terminates their appointments), recommends to trustees strategic asset allocations and reviews investment performance
 - 4 3 Investment management is delegated to authorised commercial discretionary managers, properly licensed by the FSA, whose appointments are reviewed at least every three years
5. Investment objective
 - 5 1. The Foundation requires a diversified portfolio which will provide the best return for an agreed measure of risk and liquidity

6. Ethical and other restrictions
 - 6 1. Prohibitions on segregated investment in tobacco companies (equity or bonds).
 - 6.2. No stock lending.

7. Asset allocation and ranges

Asset Class	Target	Range
<i>Real Assets</i>		
Global Equities	70%	
Private Equity	10%	+/- 10%
Property	10%	+/- 2%
<i>Total Real Assets</i>	80%	
<i>Nominal assets</i>	10%	8% - 15%
<i>Total assets</i>	100%	

8. Principal benchmarks

- 8 1. Investment performance will be assessed against total returns relative to a composite benchmark based on asset allocation at the beginning of each period.
- 8 2. Performance is also compared to the WM Charities Unconstrained Index
- 8.3. Individual manager benchmarks are set out below.

9 Manager Structure and benchmarks

Asset Class	Manager
<i>Real Assets</i>	
Global Equities	Acadian, Harding Loevner, Longview, Marathon, Lloyd George
Private Equity	Various
Property	3 pooled funds
<i>Nominal Assets</i>	
Fixed Interest	Objective Completion
Custodian	Northern Trust

Asset Class	Benchmark	Target
Global Equities	MSCI ACWI	+ 2%
Private Equity	MSCI ACWI	+ 4%
Fixed Interest	5 – 15yr ML Gilt index	-
Property	IPD	-
Cash	30 day LIBID	-

- 10 Performance assessment
 - 10 1 Performance is assessed in £GBP on rolling twelve quarter periods.
 - 10 2 Performance targets are net of fees
11. Effective from 1st April 2003

Report and Financial Statements for the year ended 31st December 2008

	1999 £m	2000 £m	2001 £m	2002 £m	2003 £m	2004 £m	2005 £m	2006 £m	2007 £m	2008 £m
Statement of Financial Activities										
Incoming Resources										
Investment income (net of charges)	7 95	6 94	7 29	5 67	5 52	5 26	5 92	4 92	4 55	5 74
Other income	0 81	1 26	1 35	0 69	0 65	0 82	0 62	1 07	1 01	1 25
Total incoming resources	8 76	8 20	8 64	6 36	6 17	6 08	6 54	5 99	5 56	6 99
Expenditure										
Grants made	6 82	6 60	5 22	6 37	8 87	5 58	5 22	6.41	7 68	7 01
Projects managed internally										
Curriculum Development	0 89	0 74	0 70	0 80	0 86	0 78	0 99	1 01	1 01	1 28
Council on Bioethics	0 30	0 34	0 56	0 78	0 57	0 71	0 76	0 88	0 87	0 94
Other projects	0 22	0 23	0 01	0 24	0 12	0 18	-	-	-	-
Support costs	0 83	0 88	1 13	0 87	0 95	0 64	1 02	1 28	1 41	1 41
	2 24	2 19	2 40	2 69	2 51	2 31	2 76	3 16	3 28	3 63
Charity administration	0 11	0 09	0 11	0 15	0 27	0 35	0 11	0 09	0 07	0 07
Total Expenditure	9 17	8 88	7 73	9 21	11 64	8 24	8 09	9 66	11 04	10 71
Net Movement on Funds	(0 41)	(0 68)	0 91	(2 85)	(5 47)	(2 16)	(1 56)	(3 68)	(5 48)	(3 72)
Other Gains and losses	31 69	(8 64)	(28 79)	(38 28)	20.13	17 24	29 43	23 36	10 21	(59 19)
Funds at beginning of year	219 74	251 02	241 70	213 82	172 69	187 35	202 43	230 30	249 99	254 72
Funds at end of year	251.02	241.70	213.82	172.69	187.35	202.43	230.30	249.99	254.72	191.81
Balance Sheets										
Fixed Assets										
Investments	247 24	238 60	207 60	169 34	191 44	208 13	235 54	256 18	261 71	200 57
Tangible Fixed Assets	1 55	1 53	3 72	3 66	3 56	3 54	3 45	3 34	3 27	3 19
Programme Related Investment	-	-	-	0 10	0 10	0 10	0 10	0 10	0 10	0 10
	248 79	240 13	211 32	173 10	195 10	211 76	239 09	259 62	265 09	203 86
Current Assets										
Cash and short term deposits	9 03	9 40	8 72	6 80	2 49	0 95	0 45	0 65	0 45	0 17
Other current assets	1 02	1 26	1 80	1 06	0 77	0 64	0 65	0 53	0 95	0 46
	10 05	10 66	10 52	7 86	3 26	1 58	1 10	1 18	1 40	0 63
Liabilities	(7 82)	(9 09)	(8 02)	(8 27)	(11 01)	(10 92)	(9 88)	(10 81)	(11 77)	(12 68)
Net Current Assets	2 23	1 57	2 50	(0 41)	(7 75)	(9 34)	(8 79)	(9 64)	(10.37)	(12 05)
Total Net Assets	251 02	241 70	213 82	172 69	187 35	202 43	230 30	249 99	254 72	191 81
Reserves										
Income/Expenditure reserves	3 43	2 73	5 75	3 35	(0 96)	(1 30)	(0 66)	(1 69)	(3 24)	(3 33)
Endowments	247 59	238 97	208 07	169 34	188 31	203 73	230 97	251 68	257 96	195 14
	251 02	241 70	213 82	172 69	187 35	202 43	230 30	249 99	254 72	191 81
Performance										
Total Returns (12 months to 31 Dec.)										
Investments (net of fees)	19 1%	-0 5%	-10 2%	-17 4%	15 2%	12 3%	17 3%	12 5%	5 9%	-20 7%
Benchmark (WM 2000/Bespoke)	21 2%	-2 1%	-9 7%	-16 5%	16 5%	11 4%	19 1%	12 2%	6 3%	-18 0%
Change in Indices (12 months to 31 Dec.)										
Expenditure/Investments	3 7%	3 7%	3 7%	5 4%	6 1%	4 0%	3 4%	3 8%	4 2%	5 3%
Growth in Foundation Expenditure	22 1%	-3 2%	-13 0%	19 2%	26 4%	-29 3%	-1.7%	19 4%	14 2%	-2 9%
Increase in RPI	1 8%	2 9%	0 7%	2 9%	2 8%	3 5%	2 2%	4 4%	4 0%	0 9%
Increase in Average Earnings	5 8%	5 3%	2 1%	3 4%	3 4%	4 2%	3 8%	3 8%	3 6%	3 2%

Notes

- 1 These statements have been extracted from previously audited financial statements
- 2 These statements do not form part of the trustees' Report and Accounts