

# **THE LINBURY TRUST**

ANNUAL REPORT

5 APRIL 2018

5 WILTON ROAD  
LONDON SW1V 1AP

<b>CONTENTS</b>	<b>PAGE</b>
1. The Trustees' Report	2
2. Statement of Financial Activities	15
3. Balance Sheet	16
4. Cash Flow Statement	17
5. Notes to the Accounts	18
6. Statement of Trustees' Responsibilities	25
7. Independent Auditors' Report	26

# THE LINBURY TRUST – 5 APRIL 2018

## Legal and Administrative

The charity (No 287077) was established under a Trust Deed dated 5 May 1983.

### **Trustees**

Lord Sainsbury of Preston Candover KG \*  
Lady Sainsbury CBE  
James Barnard \*  
Richard Butler Adams \*  
Sarah Butler-Sloss  
Sir Martin Jacomb \*  
Julian Sainsbury  
Mark Sainsbury  
Sir James Spooner (retired 5 February 2018)  
\* member of Investment Committee

### **Registered Office**

5 Wilton Road  
London SW1V 1AP

### **Principal Officers**

Philip Lawford	Director
Alan Bookbinder	Director, Sainsbury Family Charitable Trusts (to 31 August 2018)
Robert Bell	Director, Sainsbury Family Charitable Trusts (from 1 September 2018)
Karen Everett	Finance Director

### **Bankers**

Child & Co  
1 Fleet Street  
London EC4Y 1BD

### **Solicitors**

Farrer & Co  
66 Lincoln's Inn Fields  
London WC2A 3LH

### **Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE

### **Investment Advisers**

Cazenove Capital Management  
12 Moorgate  
London EC2R 6DA

Troy Asset Managers Limited  
44 Davies Street  
London W1K 5JA

Windmill Hill Asset Management Limited  
Waddesdon  
Buckinghamshire HP18 0JZ

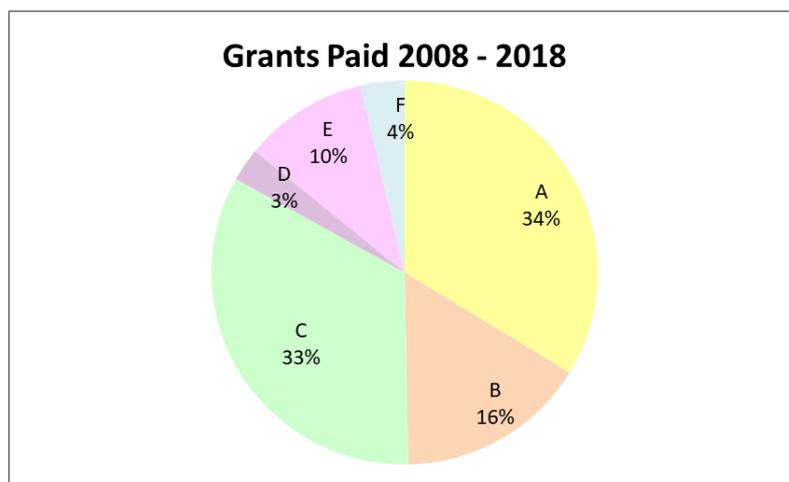
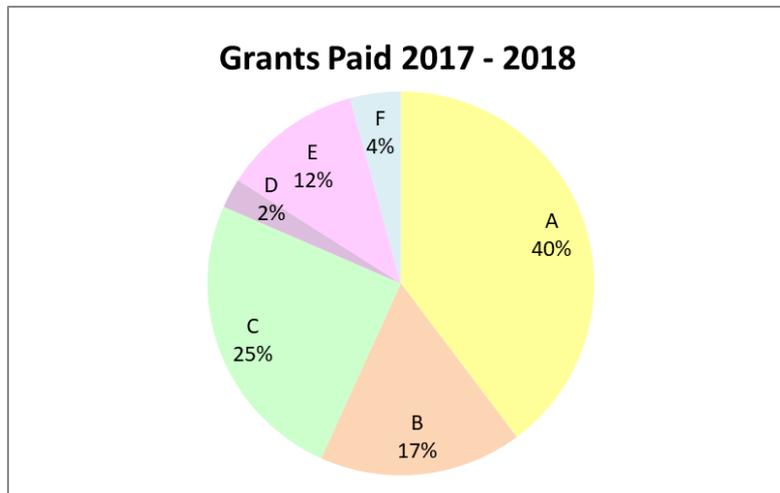
## Objects

The objects of the Trust as given in the Trust Deed are for general charitable purposes.

# THE LINBURY TRUST – 5 APRIL 2018

## Summary of grants paid: 2017- 2018 and the last 10 years

	2017-18		2008-18	
	£m	%	£m	%
<span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border: 1px solid black; margin-right: 5px;"></span> A – Arts	4.0	40	24.0	34
<span style="display: inline-block; width: 15px; height: 15px; background-color: orange; border: 1px solid black; margin-right: 5px;"></span> B – Education	1.7	17	11.4	16
<span style="display: inline-block; width: 15px; height: 15px; background-color: lightgreen; border: 1px solid black; margin-right: 5px;"></span> C – Museums and Heritage	2.5	25	23.8	33
<span style="display: inline-block; width: 15px; height: 15px; background-color: purple; border: 1px solid black; margin-right: 5px;"></span> D – Environment	0.2	2	2.0	3
<span style="display: inline-block; width: 15px; height: 15px; background-color: pink; border: 1px solid black; margin-right: 5px;"></span> E – Social Welfare / Medical	1.2	12	7.4	10
<span style="display: inline-block; width: 15px; height: 15px; background-color: lightblue; border: 1px solid black; margin-right: 5px;"></span> F – Overseas	0.4	4	2.6	4
	10.0	100	71.2	100



The Trust is one of the Sainsbury Family Charitable Trusts which share a common administration but are otherwise independent of each other.

Each of the current Trustees has extensive experience of trusteeship generally and of the charity sector more specifically. Trustees are aware of the Charity Commission's guidance on Charities and Public Benefit. In this annual report they provide very full information about the Trust's aims, and about its activities and achievements in the many areas of interest that the Trust supports. They consider that this information demonstrates the benefits to the Trust's beneficiaries, and through them to the public, that arise from carrying out those aims.

The section below headed 'Review of the Past Year' (p 5-14) provides an overview of the Trustees' actions during the year in each of the grant-making categories listed below and, selectively, gives a flavour of the valuable work undertaken by our beneficiaries.

### **General Policies**

The Trustees continued to initiate and consider proposals to make grants within the following categories. The sums awarded may be small or may amount to many millions, either on a once-only basis or as a commitment over a number of years:

- Arts
- Environment
- Museums and Heritage
- Social Welfare
- Education
- Medical
- Overseas

The Trustees take a proactive approach towards grant-making; accordingly, unsolicited applications are not usually successful. The Trustees' practice is to give grants only for work which they believe will be fully cost-effective. The Trustees give priority to charitable causes where they have particular knowledge and experience; for areas where they do not have sufficient knowledge or experience, they seek expert advice from qualified specialists. Decisions are taken by the Trustees who delegate day to day management to the Principal Officers.

### **Risk Assessment**

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, adequate systems are in place to meet such potential risks as the Trustees have identified. The Trustees continue to keep processes under review.

The Trustees have identified the uncertainty of financial returns as the charity's principal financial risk. This risk is mitigated through the appointment of three experienced investment management firms, and by the diversification of the portfolio referred to in the following section.

Another major risk is misuse of funds by a grant beneficiary. The Trustees mitigate this risk by normally restricting grants to charities that are registered with the Charity Commission for England and Wales, and to charitable bodies that are exempt from registration. Grants are made only after a thorough assessment and are regularly monitored.

## **Reserves Policy**

The Trustees approve grants for payment over one or more years. These are brought into the accounts where there is a commitment to pay. The Trustees meet these commitments out of income, and where there is insufficient income, they do so from expendable endowment. Accordingly, Trustees take the view that all available funds should be seen as one; they have therefore adopted a Statement of Financial Activities that merges all resources.

It is the policy of the Trustees to ensure that there are sufficient resources to meet commitments as they fall due. The Trustees are satisfied that the totality and composition of the Trust's resources are sufficient for this purpose.

As shown on page 16, at the year end the total funds of the Trust consisted of Expendable Endowment of £129.9m (2017: £136.5m).

## **Investment Powers, Policy and Performance**

The Trust Deed empowers the Trustees to appoint investment advisers, who are given discretion to invest the funds of the trust within guidelines established by the Trustees.

The Trustees' investment policy is to maximise funds available for grant-making while preserving the real value of the endowment over the medium term. The Trustees continue to broaden the diversification of the investment portfolio: at the year-end the Trust's shares in J Sainsbury plc represented 34% of the total value of the endowment (2017: 41%).

The major part of the Trust's endowment continues to be invested in stock markets.

The investment committee of Trustees regularly meets the Trust's investment advisers to discuss strategy and to review performance.

## **Review of the Past Year**

The Trust's income for the year, excluding donations, declined by 9.8% to £4.2 million (2017: £4.7 million). Slightly less than half (48.8%) of the Trust's investment income was in the form of dividends from its holding of shares in J Sainsbury plc (2017: 64.4%).

In 2018 the Trustees paid grants totalling £10.03 million (2017: £8.64 million); they approved 79 grants (2017: 80) amounting to £20.02 million (2017: £11.54 million). Many of the grants that Trustees approve are awarded on a conditional basis, and may be payable over several years; accordingly such grants do not appear in full in the Statement of Financial Activities in the year in which they are awarded. Trustees regard the level of grants actually paid during the year as a more helpful measure of grant-making activity and have used this measure of their activity within this Trustees' Report. They anticipate that, as measured in this way, the level of grant-making of recent years will at least be maintained in real terms for the foreseeable future.

As a proportion of grants paid, costs of administration were 5.3% (2017: 5.1%).

The following sections describe the Trust's activities in each of the major categories of grants. Trustees believe that the readers of this report will find a representative list of the larger grants actually paid during the year to be helpful; these are itemised in the following pages.

## THE LINBURY TRUST – 5 APRIL 2018

### ARTS

<b>Grants Paid in Year</b>	<b>£ 3,989,148</b>
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The Linbury Trust has consistently supported excellence in the visual and performing arts through a series of grants to several of the UK's most important cultural institutions, in some cases towards major capital projects.

The latter include the 'Open-Up' project at the Royal Opera House, which will transform the Linbury Theatre, as well as the building's public spaces; major technical improvements at the National Theatre which will significantly enhance the audience's experience in both the Olivier and Lyttelton Theatres; the creation, for the first time, of a dedicated space at the Wallace Collection for temporary exhibitions; and, following the Trustees' substantial support towards the restoration of the historic theatre itself, the 'Anniversary Works' at the Theatre Royal, Bristol, home of the Bristol Old Vic, which will create an entirely new front-of-house.

#### MAJOR GRANTS PAID IN 2017 / 18:

##### **Royal Opera House**

Further support towards 'Open-Up'

**£  
2,400,000**

##### **Royal National Theatre**

Towards a range of upgrades and improvements in the Olivier and Lyttelton theatres: final instalment of a total grant of £1 million

**500,000**

##### **Wallace Collection**

Part of a grant of £500,000 towards the creation of a dedicated space for temporary exhibitions

**350,000**

##### **Bristol Old Vic**

First instalment of a grant of £350,000 towards the refurbishment of Coopers' Hall and the creation of a new front-of-house

**175,000**

##### **Linbury Prize for Stage Design**

Towards the 2017 Prize

**146,173**

##### **Scottish Ballet**

Towards the revival of Kenneth MacMillan's *Le Baiser de la Fée*

**69,000**

## THE LINBURY TRUST – 5 APRIL 2018

### ARTS – continued

	£
<b>Grange Festival</b> Towards core costs	50,000
<b>Mark Bruce Dance Company</b> Towards new premises	50,000
<b>National Gallery</b> Towards the acquisition of <i>The Fortress of Königstein from the North</i>	50,000

#### Other organisations receiving grants included:

Art UK  
Ballet Cymru  
Holburne Museum of Art  
The Point, Eastleigh  
Rambert Dance Company

### EDUCATION

<b>Grants Paid in Year</b>	£ <b>1,705,029</b>
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Trustees have over many years been stalwart supporters of arts education in the UK, particularly in the fields of dance and the visual arts. Their long-standing provision of scholarships in Painting and Sculpture at the British School at Rome, of support for the Clore Cultural Leadership Programme's Dance Fellowship, of support for and guidance of the Linbury Prize for Stage Design (included within 'Arts', above), and their continuing provision of bursaries at the Yorkshire Ballet Summer School, exemplify this. Trustees supported the 'More Music' campaign at the Royal College of Music through the permanent endowment of two scholarships.

Trustees renewed their long association with Worcester College, Oxford through a grant towards the refurbishment of the James Wyatt Dining Hall.

## THE LINBURY TRUST – 5 APRIL 2018

### EDUCATION – continued

#### **MAJOR GRANTS PAID IN 2017 / 2018:**

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	£
<b>Royal College of Music</b> To endow permanently two scholarships for UK students	500,000
<b>University of Oxford, Worcester College</b> Towards the refurbishment of the Dining Hall	400,000
<b>London Academy of Music &amp; Dramatic Art (LAMDA)</b> Towards the refurbishment of the Linbury Studio	190,000
<b>St George's Chapel, Windsor</b> Towards the Queen's Choral Foundation endowment	62,500
<b>Yorkshire Ballet Summer School</b> Towards the Anya Linden bursaries and other costs	55,000
<b>British School at Rome</b> Towards the Sainsbury Scholarship in Painting and Sculpture	50,513

#### **Other organisations receiving grants included:**

Chalke Valley History Festival  
Chineke!  
Clare Leadership Programme  
English Touring Opera  
Friends of Cathedral Music  
London Children's Ballet  
London Contemporary Dance School  
Moor House School & College  
Roche Court Educational Trust  
Royal Welsh College of Music & Drama  
University of the Arts  
University of Buckingham  
Yehudi Menuhin School

## THE LINBURY TRUST – 5 APRIL 2018

### ENVIRONMENT

Grants Paid in Year

£  
251,000

Trustees renewed their long-standing support for Ashden, which identifies and champions exemplary and replicable projects using sustainable sources of energy, at home and abroad.

#### MAJOR GRANTS PAID IN 2017 / 2018:

##### Ashden: sustainable solutions, better lives

Towards core costs

£  
150,000

##### Royal Botanic Gardens, Kew

Fourth instalment of a grant of £500,000 towards the redevelopment of the Temperate House

£  
100,000

### MUSEUMS & HERITAGE

Grants Paid in Year

£  
2,485,876

The majority of the Trustees' support in this area is towards capital projects.

Auckland Castle is the centrepiece of a bold and visionary example of urban regeneration. Using the acquisition of a collection of paintings by the Spanish baroque artist Zurburán as the catalyst, Auckland Castle Trust is seeking not only to transform Auckland Castle, the former home of the Prince-Bishops of Durham, but also, and in so doing, to revitalise the economy of Bishop Auckland, Co. Durham. Trustees have pledged a grant of £1 million towards this project. Elsewhere in the north of England, Trustees supported the modernisation of the museum associated with the Roman garrison and settlement near present-day Corbridge, close to Hadrian's Wall.

Having previously been involved at an earlier stage of the redevelopment of Bletchley Park, Trustees agreed to support the restoration of the Teleprinter Hall, which, when re-opened to the public, will present the story of D-Day and the role of Bletchley Park in the preparations for it.

## THE LINBURY TRUST – 5 APRIL 2018

### MUSEUMS & HERITAGE – continued

#### MAJOR GRANTS PAID IN 2017 / 2018:

	£
<b>University of Oxford – Ashmolean Museum</b> Towards the endowment fund and gallery refurbishment	917,376
<b>Auckland Castle Trust</b> Part of a total grant of £1 million towards the refurbishment project	400,000
<b>Westminster Abbey</b> Third instalment of a £1 million grant towards the creation of the Queen's Diamond Jubilee Galleries in the Triforium	250,000
<b>Winchester Cathedral Trust</b> Final instalment of total support of £500,000 towards the restoration project	200,000
<b>National Trust</b> Towards the restoration of Chartwell and the related acquisition of certain of Sir Winston Churchill's possessions	150,000
<b>English Heritage</b> Part of a grant of £275,000 towards the refurbishment of the museum at Corbridge	140,000
<b>Bletchley Park Trust</b> Towards the restoration of the Teleprinter Hall	100,000
<b>Gilbert White's House &amp; the Oates Museum</b> Towards the capital project	100,000
<b>Museum of Brands</b> Towards the Museum's re-location	50,000

#### Other organisations receiving grants included:

Hampshire Cultural Trust  
The Sainsbury Archive  
Spitfire and Hurricane Memorial Museum  
University of Bristol - Theatre Collection  
Whitchurch Silk Mill Trust  
Winchester Excavations Committee

**SOCIAL WELFARE**

<b>Grants Paid in Year</b>	<b>£ 913,509</b>
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Trustees have a number of areas of interest in this category.

They reserve a part of their grant-making for support for charities working to improve the quality of life of the elderly and of those suffering from dementia. In this connection they helped the RNIB to increase the catalogue of recorded books; and they made grants to the Wigmore Hall in London, and the Orchestra of the Swan in Stratford-upon-Avon, both of which use classical music in working with the elderly.

They have also long taken an interest in charities working with disadvantaged and under-achieving young people, and have long supported a range of programmes designed to help young people to break free from the nexus of low aspirations, anti-social behaviour, substance abuse, crime and, in all too many cases, re-offending.

Latterly, Trustees have also become concerned by the issues posed by asylum-seekers and migrants to the UK, particularly in the case of young people, and especially where they are unaccompanied by an older family member. Accordingly, Trustees made a grant to Young Minds towards the first of what is expected to be a 3-year programme of training and support for those in whose care young migrants are placed. Trustees also contributed loan capital, by means of a grant, to RefuAid, which provides micro-loans to migrants to the UK who have a professional qualification in their home country and need to re-qualify in order to practise in the UK.

**MAJOR GRANTS PAID IN 2017 / 2018:**

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**St Martin-in-the-Fields Charity**

Towards the Vicar's Relief Fund for 2017/18

**£  
100,000**

**Crisis**

Towards the Christmas appeal

**£  
83,000**

**Young Minds**

Support for those looking after child migrants in East Kent, Croydon and Teesside

**£  
80,000**

**SOCIAL WELFARE - continued**

	£
<b>Farms for City Children</b> Towards the programme of essential repairs and improvements to the farm in south-west Wales	<b>75,000</b>
<b>Royal National Institute of Blind People (RNIB)</b> Towards the upgrade of the recording studios, to enable expansion of the catalogue of recorded books	<b>63,000</b>
<b>Orchestra of The Swan</b> Towards the programme of work with older people in Stratford and the Midlands	<b>55,000</b>
<b>RefuAid</b> Towards loans to recent migrants to the UK to allow them to obtain a professional qualification valid in the UK	<b>50,000</b>
<b>Wigmore Hall</b> Towards the Music for Life programme	<b>50,000</b>

**Other organisations receiving grants included:**

Amber Trust  
City of London Sinfonia  
Claremont Project  
Earls Court Youth Club  
Fallen Angels Dance Theatre  
Frank Longford Charitable Trust  
House of St Barnabas-in-Soho  
PSS  
Rainbow Trust Children's Charity  
St Michael's Hospice – Basingstoke  
Wessex Heritage Trust

## THE LINBURY TRUST – 5 APRIL 2018

### MEDICAL

Grants Paid in Year

£  
261,000

Trustees have agreed to support a multi-year research project in Liverpool which will assess the feasibility of sub-retinal micro-surgery.

#### MAJOR GRANTS PAID IN 2017 / 2018:

##### Royal Liverpool University Hospital

Towards the research project 'Transplantation of Cells under the Retina'

£  
90,000

##### Parkinson's UK - London Branch

Towards core costs

£  
50,000

#### Other organisations receiving grants included:

Alzheimer's Research UK

Breast Cancer Haven

Macular Disease Society

North Hampshire Medical Fund

Teenage Cancer Trust

**THE LINBURY TRUST – 5 APRIL 2018**

**OVERSEAS**

<b>Grants Paid in Year</b>	<b>£ 426,424</b>
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Trustees' primary continuing interest in this category remains in supporting organisations that work in Palestine, primarily in the medical field; and those that work in the Caribbean, in particular in the Leeward Islands.

**MAJOR GRANTS PAID IN 2017 / 2018:**

**St John of Jerusalem Eye Hospital**

First instalment of a grant of £200,000 towards the establishment of a laser surgery service

**£  
120,000**

**Palestinian Museum**

Towards the cost of temporary exhibitions

**77,391**

**West India Committee**

Part of a grant of £100,000 towards relief and reconstruction on Anguilla

**50,000**

**Other organisations receiving grants included:**

Dance for All, South Africa  
IMET 2000 (International Medical Education Trust)  
Island Academy, Antigua  
Orbis International

Approved by the Board of Trustees on  
by

October 2018 and signed on their behalf

.....TRUSTEE  
Lord Sainsbury of Preston Candover KG

# THE LINBURY TRUST – 5 APRIL 2018

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2018

	<i>Notes</i>	<u>2018</u>	<u>2017</u>
		<u>£'000</u>	<u>£'000</u>
<b>INCOME AND ENDOWMENTS from:</b>			
Donation received, including gift aid		1,500	1,500
Investment income	2	4,203	4,659
Bank deposit interest and other income		9	13
<b>Total Income</b>		<u>5,712</u>	<u>6,172</u>
<b>EXPENDITURE on:</b>			
<b>Cost of generating funds:</b>			
Investment management fees		255	211
<b>Charitable activity</b>			
Grant-making - Costs of administration	3	535	443
- Grants payable	4	7,880	16,194
<b>Total Expenditure</b>		<u>8,670</u>	<u>16,848</u>
Net operating deficit		(2,958)	(10,676)
Currency exchange (losses) / gains		(18)	-
(Losses) / Gains on investment assets		<u>(3,738)</u>	<u>4,842</u>
<b>Net movement in funds</b>		<b>(6,714)</b>	<b>(5,834)</b>
Total funds brought forward		<u>136,533</u>	<u>142,367</u>
<b>Total funds carried forward</b>		<u><b>129,819</b></u>	<u><b>136,533</b></u>

The notes on pages 18 to 24 form part of these accounts

There are no gains and losses in either the current year or preceding period other than those recognised in the statement of financial activities.

# THE LINBURY TRUST – 5 APRIL 2018

## BALANCE SHEET AS AT 5 APRIL 2018

	<i>Notes</i>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>			
Investments	<b>5</b>	132,588	140,339
Loans to beneficiaries	<b>6</b>	1,700	1,700
		134,288	142,039
<b>CURRENT ASSETS</b>			
Debtors	<b>7</b>	387	220
Cash at bank and in hand		6,337	7,507
		6,724	7,727
<b>CURRENT LIABILITIES</b>			
<b>Creditors</b> - amounts falling due within one year	<b>8</b>	(7,624)	(9,513)
<b>NET CURRENT LIABILITIES</b>		(900)	(1,786)
<b>Creditors</b> - amounts falling due after one year	<b>9</b>	(3,569)	(3,720)
<b>NET ASSETS</b>		129,819	136,533
Expendable endowment		129,819	136,533
Unrestricted income funds		-	-
<b>TOTAL FUNDS</b>		129,819	136,533

The notes on pages 18 to 24 form part of these accounts

The financial statements were approved and authorised for issue by the Trustees on October 2018 and were signed on their behalf by:

..... TRUSTEE  
 Lord Sainsbury of Preston Candover KG

# THE LINBURY TRUST – 5 APRIL 2018

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2018

	<i>Notes</i>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
<b>Net cash used in operating activities</b>	<b>10</b>	<b>(10,877)</b>	<b>(8,977)</b>
Cash flows from investing activities:			
Interest and dividends		4,212	4,672
Proceeds from sale of investments		12,574	23,255
Purchase of investment		(7,697)	(17,972)
Effect of foreign exchange rate changes		(18)	-
Net cash provided by investing activities		9,071	9,955
Cash flows from financing activities:			
Receipt of expendable endowment		1,500	1,500
Net cash provided by financing activities		1,500	1,500
<b>Change in cash and cash equivalents in the year</b>		<b>(306)</b>	<b>2,478</b>
Cash and cash equivalent brought forward		7,507	5,029
<b>Cash and cash equivalent carried forward</b>		<b>7,201</b>	<b>7,507</b>

The notes on pages 18 to 24 form part of these accounts

## **NOTES TO THE ACCOUNTS**

### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared to give a true and fair view and follow the Charities SORP (FRS102).

The Trust constitutes a public benefit entity as defined by FRS102, registered in England.

In the opinion of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity.

The principal accounting policies adopted are as follows:

#### **a) Income Recognition**

- (i) Income is shown gross including tax deducted unless it is considered irrecoverable.
- (ii) Dividends are included when receivable.
- (iii) Interest is recorded only when it is receivable.

#### **b) Expenditure on Charitable Activities**

- (i) Grants for which there is a binding commitment are accounted for within the Statement of Financial Activities.
- (ii) Other grants and grant instalments are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

#### **c) Investments**

- (i) Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.
- (ii) Investments are shown at mid market value.
- (iii) Partial disposals are accounted for using average book value.
- (iv) Investments held in foreign currency are converted into sterling at the prevailing exchange rate and any foreign currency gains or losses on disposal are reflected in the Statement of Financial Activities.
- (v) Loans to beneficiaries represent loans made at less than a market rate of interest for charitable purposes. They are included at the amount advanced less any repayments and impairments.

#### **d) Costs of Administration**

These costs relate in the main to the grant-making activity of the Trust and include a share of the staff and office costs of the joint office of the Sainsbury Family Charitable Trusts, which are allocated in proportion to time spent on Trust matters and grants paid.

## **NOTES TO THE ACCOUNTS**

### **1. ACCOUNTING POLICIES (continued)**

#### **d) Costs of Administration (continued)**

Trustees consider that the separation of the costs of administration of the charity between support and governance as required by FRS 102, and particularly where these costs are immaterial by reference to the total expenditure, adds little value to these accounts.

#### **e) Loans to beneficiaries**

Trustees make loans in furtherance of the Trust's charitable objects. Any financial return is likely to be below market but can be justified by the charitable impact.

#### **f) Fund accounting**

The Trustees do not distinguish between the income fund and expendable endowment fund in managing the charity. Consequently the income fund is not separately disclosed as the movements on it are considered to be immaterial.

#### **g) Financial Instruments**

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value. Financial assets held at transaction value comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at transaction value comprise grants payable and accruals.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

At the balance sheet date the charity held financial assets of £6.7m (2017: £7.7m), investments at fair value of £134.3m (2017: £142.0m) and financial liabilities of £11.2m (2017: £13.2m).

#### **h) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

# THE LINBURY TRUST – 5 APRIL 2018

## NOTES TO THE ACCOUNTS

### 2. INVESTMENT INCOME

Income received on investments is analysed as follows:

	<b>2018</b>		<b>2017</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
UK Government Fixed Interest	1	0.0%	1	0.0%
Other fixed interest	11	0.3%	9	0.2%
UK Equities	3,381	80.4%	4,289	92.1%
Overseas Equities	391	9.3%	218	4.7%
Alternatives	419	10.0%	142	3.0%
	<u>4,203</u>	<u>100.0%</u>	<u>4,659</u>	<u>100.0%</u>

### 3. COSTS OF ADMINISTRATION

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and associated costs	273	227
Office costs	250	207
Auditor's remuneration	12	9
	<u>535</u>	<u>443</u>

The auditor's remuneration includes the audit fee of £9,330 (2017: £9,085).

# THE LINBURY TRUST – 5 APRIL 2018

## NOTES TO THE ACCOUNTS

### 4. ANALYSIS OF GRANTS

		<b>2018</b>		<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of grants payable:</b>				
Grants committed but unpaid at 6 April 2017		11,866		4,314
Grants conditionally approved at 6 April 2017	8,860		13,681	
Grants approved in the year	20,022		11,539	
Grants cancelled, amended or refunded	(18)		(166)	
Grants conditionally approved at 5 April 2018	<u>(20,984)</u>		<u>(8,860)</u>	
<b>Grants payable for the year</b>		<b>7,880</b>		<b>16,194</b>
 <b>GRANTS PAID IN THE YEAR</b>		 (10,032)		 (8,643)
 <b>Grants committed but unpaid at 5 April 2018</b>		 <u>9,714</u>		 <u>11,865</u>
 <b>Commitments at 5 April 2018 are payable:</b>				
		<b>2018</b>		<b>2017</b>
		<b>£'000</b>		<b>£'000</b>
Within one year (note 8)		6,195		8,195
After more than one year (note 9)		3,519		3,670
		<u>9,714</u>		<u>11,865</u>

The total of grants paid in the year can be classified as follows:

		<b>2018</b>		<b>2017</b>
		<b>£'000</b>		<b>£'000</b>
<b>ARTS</b>		3,989		4,727
<b>EDUCATION</b>		1,705		905
<b>ENVIRONMENT</b>		251		246
<b>MUSEUMS &amp; HERITAGE</b>		2,486		1,579
<b>SOCIAL WELFARE</b>		914		673
<b>MEDICAL</b>		261		285
<b>OVERSEAS</b>		426		228
		<u>10,032</u>		<u>8,643</u>

For information on individual grants within each of these categories, please refer to pages 6-14.

# THE LINBURY TRUST – 5 APRIL 2018

## NOTES TO THE ACCOUNTS

### 5. FIXED ASSET INVESTMENTS

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 6 April 2017	140,339	140,780
Less: Proceeds from disposals	(12,574)	(23,255)
Add: Acquisitions at cost	7,697	17,972
(Losses) / Gains on investment assets	(3,738)	4,842
<b>Market value at 5 April 2018</b>	<b>131,724</b>	<b>140,339</b>
Investment cash	864	-
<b>Total Investments</b>	<b>132,588</b>	<b>140,339</b>

The investments held as at 5 April 2018 were as follows:

	<b>2018</b>	<b>2017</b>
	<b>Cost</b>	<b>Market</b>
	<b>Value</b>	<b>Value</b>
	<b>£'000</b>	<b>£'000</b>
UK Government Fixed Interest	668	729
Other fixed interest	481	466
UK Equities	99,518	115,050
Overseas Equities	6,997	10,385
Alternatives	4,250	5,094
	<b>111,914</b>	<b>131,724</b>

### 6. LOANS TO BENEFICIARIES

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	1,700	1,745
Repayments in year	-	(45)
Balance at end of year	<b>1,700</b>	<b>1,700</b>

# THE LINBURY TRUST – 5 APRIL 2018

## NOTES TO THE ACCOUNTS

### 7. DEBTORS

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Income tax repayment	-	7
Prepayments	216	155
Other debtors and accrued income	171	58
	<b>387</b>	<b>220</b>

### 8. CREDITORS - amounts falling due within 1 year

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable within one year	6,195	8,195
Accruals	1,314	1,205
Taxation and social security	106	104
Professional charges	9	9
	<b>7,624</b>	<b>9,513</b>

### 9. CREDITORS - amounts falling due after more than 1 year

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable after more than one year	3,519	3,670
Long term liability	50	50
	<b>3,569</b>	<b>3,720</b>

### 10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Net movement in funds	(6,714)	(5,834)
Deduct gift of endowment	(1,500)	(1,500)
Deduct interest income shown in investing activities	(4,212)	(4,672)
Add back losses / (deduct gains) on investments	3,738	(4,842)
Repayment of loan by beneficiary	-	45
(Increase) / decrease in debtors	(167)	(72)
(Decrease) / increase in creditors	(2,040)	7,898
	<b>(10,877)</b>	<b>(8,977)</b>

**NOTES TO THE ACCOUNTS**

**11. ANALYSIS OF STAFF COSTS**

	<u>2018</u>	<u>2017</u>
	<u>£'000</u>	<u>£'000</u>
Staff costs:		
Wages and salaries	218	183
Social security costs	27	21
Other pension costs	<u>28</u>	<u>23</u>
	<u>273</u>	<u>227</u>

As mentioned in Accounting Policies note (d), the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 4.2% (2017: 4.3%) of the total costs of these trusts have been allocated to The Linbury Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2018.

The average total number of staff employed during the year was 9, most of whom worked for the Linbury Trust on a part-time basis (2017: 8). This was equivalent to 1.6 full-time employees (2017: 1.9).

The Trust considers its key management personnel to comprise the Trustees and Principal Officers. The Trustees all give freely of their time and expertise without remuneration or other benefit in cash or kind (2017: £nil). The total employment benefits (attributed to the Trust), including employer pension contributions, of the Principal Officers were £169,316 (2017: £165,601). One employee earned between £110,001 and £120,000 (2017: £110,001 and £120,000).

**12. RELATED PARTY TRANSACTIONS**

A donation in the sum of £1.5m including Gift Aid (2017: £1.5m) was received from the Settlor.

A grant payment of £150k was made in the year to Ashden Sustainable Solutions Better Lives (Ashden; registered charity number 1104153) of which Sarah Butler-Sloss is the Founder and a Trustee. A new grant of £495k, payable over three years, was awarded during the year to Ashden, of which the first instalment of £150k is included in the financial statements as a grant accrual and the remainder is conditional.

A grant of £45k was awarded during the year to the Butrint Foundation (registered charity number 1135705) of which Lord Sainsbury of Preston Candover KG is a trustee. This is included in the financial statements as a grant accrual.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

**Opinion**

We have audited the financial statements of The Linbury Trust for the year ended 5 April 2018 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

## **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 25, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors’ responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors’ report.

**Use of our report**

This report is made solely to the charity’s trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
71 Queen Victoria Street  
London  
EC4V 4BE

Date:

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006