

# **THE LINBURY TRUST**

ANNUAL REPORT

5 APRIL 2009

ALLINGTON HOUSE (1<sup>st</sup> FLOOR)  
150 VICTORIA STREET  
LONDON SW1E 5AE

**ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2009**

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**REPORT OF THE TRUSTEES**

**Legal and Administrative**

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

<b>Trustees</b>	Lord Sainsbury of Preston Candover KG Lady Sainsbury CBE Sir Martin Jacomb Sir James Spooner	
<b>Registered Office</b>	Allington House (1st Floor), 150 Victoria Street London SW1E 5AE	
<b>Principal Officers</b>	Mr A Bookbinder Mr P Lawford Mr P Spokes	Director Administrator Financial Controller
<b>Bankers</b>	Child & Co 1 Fleet Street London EC4Y 1BD	
<b>Solicitors</b>	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH	
<b>Auditors</b>	Saffery Champness Lion House, Red Lion Street London WC1R 4GB	
<b>Investment Advisers</b>	FF & P Asset Management Limited 37 Dover Street London W1S 4NJ	Merrill Lynch Portfolio Managers Ltd 2 King Edward Street London EC1A 1HQ

**Investment Powers**

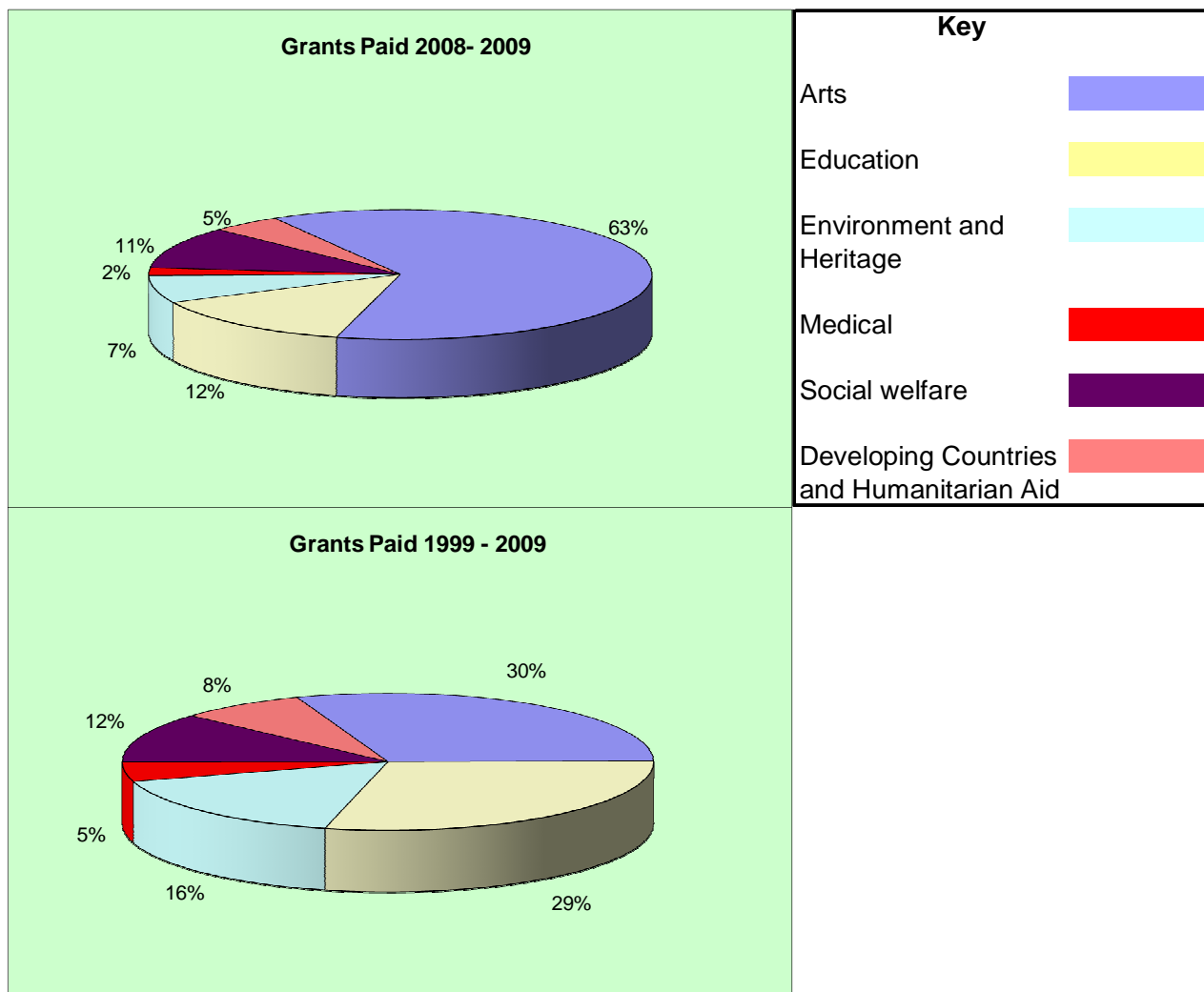
The Trust Deed empowers the Trustees to appoint investment advisers, who have discretion to invest the funds of the trust within guidelines established by the Trustees.

**Objects**

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

**Summary of grants paid – 2008-09 and the last 10 years**

Total of grants paid				
	2008-2009		1999-2009	
	In £m	%	In £m	%
Arts	3.5	63	18.1	30
Education	0.7	12	17.3	29
Environment and Heritage	0.4	7	9.8	16
Medical	0.1	2	2.7	5
Social Welfare	0.6	11	7.0	12
Developing Countries and Humanitarian Aid	0.3	5	4.6	8
	<u>5.6</u>	<u>100</u>	<u>59.5</u>	<u>100</u>



## General Policies

The Trustees continued to initiate and consider proposals to make grants within the categories listed below. 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 and Heritage
- Social Welfare
- Education
- Medical
- Developing Countries and Humanitarian Aid

The Trustees take a proactive approach towards grant-making; accordingly, unsolicited applications to the Trust are not usually successful. Their 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.

Within the UK, priority is given to causes that are either national in scope, or that are based in regions of which Trustees have a particular knowledge or interest. Preferred causes are as follows (not in order of priority):

- a) Disadvantaged young people, including those who are homeless or are in danger of becoming so, or who are drug abusers.
- b) Specific medical causes which the trustees have adopted and where, in the Trustees' opinion, inadequate research is currently undertaken, or inadequate treatment and understanding exist; for example, Chronic Fatigue Syndrome. Medical causes to which these criteria do not apply are generally not supported. The Trustees usually take specialist advice before making decisions.
- c) Although general educational causes are not supported unless they cover the particular needs of those in a) or b), limited exceptions are made when the Trustees have particular knowledge concerning specific educational appeals.
- d) Appeals for the benefit of older people will be considered if the results can be shown to improve their quality of life directly and in a cost-effective way, and particularly when the goal is to help people to continue living in their own homes.
- e) National heritage appeals will be considered, and in particular, appeals for historic buildings and major art institutions. Trustees occasionally make grants for initiatives to safeguard or renew the natural environment.
- f) Grants for the visual arts, the performing arts and for education in the arts will be considered where, in the opinion of the Trustees, the aim is to produce work of the highest standard and where long-term benefits will result. Arts festivals are generally not supported.
- g) Grants for capital projects or 'one off' grants for specific purposes will not normally be repeated or supplemented within four years of the original grant, and then only in exceptional circumstances.

The Trustees are also prepared to make a small number of grants towards overseas causes. They can only support a small selection among those that they regard as being of exceptional merit or need, and that are handled by charities suitably equipped to operate in the area concerned; generally these are in the fields of healthcare, education, or preservation of local heritage.

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

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' (pp 6-12) provides an overview of the Trustees' actions during the year in each of the categories listed above, and, selectively, gives a flavour of the valuable work undertaken by our beneficiaries.

### **Investment Policy and Performance**

In recent years the Trustees' investment policy has been to maximise funds available for grant-making while preserving the real value of the endowment over the medium term. This has been agreed with their investment advisers in the form of a target rate of total investment return in respect of that part of the endowment that is not invested in shares of J Sainsbury plc. In accordance with this investment policy, the Trustees have had regard to the total return that the investment portfolio has generated, and which they expected it would generate, rather than to income alone, when determining their expenditure budgets.

The very weak performance of financial markets during the year contributed to the Trustees' decision to review their investment policy. They added an additional fund manager, Merrill Lynch Portfolio Managers Ltd, to whom they allocated a relatively modest proportion of the portfolio not invested in shares of J Sainsbury plc. Second, shortly after the year-end, they initiated a re-balancing of the remainder of the portfolio such that they expect that it will in future generate a higher level of income than would otherwise have been the case.

Shares in J Sainsbury plc fell by around 10% in value during the year; the remainder of the portfolio suffered a very slightly greater rate of decline. Accordingly, the Trust's holding in J Sainsbury continued to represent around 70% of the total value of the endowment.

Trustees regularly meet their investment advisers to discuss strategy and to review performance.

### Review of the Past Year

In 2008/09 the Trustees paid grants totalling **£5.560** million (2007/08: £5.475 million); they approved 76 (2007/08: 81) grants amounting to **£19.302** million (2007/08: £6.174 million). Many of the grants that Trustees approve are awarded on a conditional basis, and are often payable over several years; accordingly such grants do not appear in the Statement of Financial Activities in the year in which they are awarded. However, Trustees regard the level of grants actually paid during the year as a more helpful measure of grant-making activity; and they anticipate that, as measured in this way, and on a rolling average basis, the level of grant-making of recent years will be maintained for the foreseeable future.

There were four meetings of the Trustees during the year. The Grants Committee, to which decisions regarding the disbursement of funds are delegated, met 10 times.

The Trust's income for the year, excluding donations, increased by 22% to **£4.8** million (2007/08: £3.9 million). The majority of this growth was attributable to an increase in the J Sainsbury dividend. In 2007-08, as was reported last year, the Trust received a substantial donation; a year-on-year comparison of income including the effect of donations is therefore not very meaningful.

As a proportion of grants paid, costs of administration declined to **5.56%** (2007/2008: 6.05%).

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. In most cases these are also 'grants payable', as defined by the Charities SORP.

**ARTS**

<b>Grants Paid in Year</b>	<b>£ 3,470,083</b>
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The Linbury Trust has supported excellence in the visual and performing arts for many years. This support has included a series of major grants made to a select number of the UK's most important cultural institutions, usually towards major capital projects. The Trustees have for some years supported the major redevelopment project being undertaken by the Ashmolean Museum, part of the University of Oxford, which will comprehensively modernise this nationally important museum. The Linbury Trust is the lead private benefactor to the project.

The Trustees also supported refurbishment projects being undertaken by two other important regional institutions. The redevelopment of the Holburne Museum in Bath will add a modern extension to the existing Georgian building, thus providing a considerably enlarged display area, as well as ancillary facilities. Trustees have offered a package of support comprising a grant of £1 million, and a loan. The Watts Gallery in Surrey, dedicated to the Victorian painter G.F. Watts, is undergoing a much-needed refurbishment; the *Hope* project will restore the buildings, conserve the collection, and enhance the Gallery's education programme.

**MAJOR GRANTS PAID IN 2008/2009 INCLUDED:****Ashmolean Museum, University of Oxford**

Part of a planned programme of grants towards the re-development project

**£  
2,500,000****Holburne Museum of Art, Bath**

Towards the development project

**500,000****Watts Gallery**

Towards refurbishment of the gallery

**100,000****West Yorkshire Playhouse, Leeds**

Towards First Floor, a young people's creative arts centre

**100,000****Linbury Biennial Prize for Stage Design**

Towards the 2007 Prize

**49,253****Other organisations receiving grants included:**

Anvil, Basingstoke

Dance East

Dulwich Picture Gallery

Glyndebourne

Grange Park Opera

Music Theatre Wales

Royal Opera House Foundation

**EDUCATION****Grants Paid in Year****£  
767,465**

Trustees have over many years been stalwart supporters of arts education in the UK; they are known especially for support of education in dance and in the visual arts. Their long-standing provision of scholarships at the British School at Rome, and support for the Dance Fellowship within the Clore Leadership Programme, are instances of this.

They also have a particular interest in the teaching of history at both secondary level and beyond. They have a strong belief in the importance of this subject, not only as an aid to understanding the rapidly changing world in which we live, but also because it requires and develops skills of thought and analysis that have wide applicability. They initiated a project whereby the Institute of Historical Research, a part of the University of London, will undertake a study of how the teaching of history in Britain at secondary level has changed over the last 100 years, with a view to making policy recommendations for future developments in the curriculum.

**MAJOR GRANTS PAID IN 2008/2009 INCLUDED:****British School at Rome**

Towards the Sainsbury Scholarships in Painting and Sculpture

**£  
75,247****Institute for Historical Research Trust**

Towards the Queen Elizabeth the Queen Mother Chair in British History and towards a pilot study into the teaching of history in schools

**66,233****Countryside Educational Trust**

Towards the New Forest Education Centre

**50,000****Clore Leadership Programme**

Towards dance fellowships

**15,000****Other organisations receiving grants included:**

City &amp; Guilds of London Art School

British Dyslexia Association

Foundation for Young Musicians

London Children's Ballet

Stowe School Foundation

**ENVIRONMENT & HERITAGE**

<b>Grants Paid in Year</b>	<b>£ 379,016</b>
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The Trustees made the final payment under their £1 million grant to St George’s Chapel, Windsor. They renewed their support for the Ashden Awards for Sustainable Energy. The Ashden Awards, which were initiated in 2001, annually reward outstanding and innovative projects in the UK and overseas which promote the use of sustainable sources of energy at a local level, and thereby improve the quality of life. The Trustees also maintained their support for the Sainsbury Archive, situated at the Docklands site of the Museum of London; this is an important resource for the study of British commercial and social history over the last 150 years.

Landlife, of which Linbury was one of the earliest charitable supporters more than 25 years ago, was able to take advantage of an opportunity to consolidate its wildflower seed operation in Knowsley, Merseyside. Trustees agreed a grant over 3 years towards this initiative.

**MAJOR GRANTS PAID IN 2008/2009 INCLUDED:****St George’s Chapel, Windsor**

Part of a £1 million grant towards the endowment appeal

**Ashden Awards for Sustainable Energy**

Towards the 2008 awards

**Chawton House**

Towards restoration of 18<sup>th</sup> century barn

£

**150,000****75,000****50,000****Other organisations receiving grants included:**

Landlife

Museum of London (Sainsbury Archive)

**MEDICAL**

<b>Grants Paid in Year</b>	<b>£ 108,740</b>
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The Trustees' primary area of interest in the Medical category is in research into CFS / ME. During the 1990's Linbury was perhaps the most important source of funding for research into these conditions, and thereby contributed significantly to the level of awareness of them that exists today among both the medical profession and the general public. Trustees no longer actively solicit research proposals; however in recent years they have supported a major study into paediatric issues in CFS / ME under the aegis of the University of Bristol.

**MAJOR GRANTS PAID IN 2008/2009 INCLUDED:**

**University of Bristol**  
Towards research project into paediatric issues in CFS / ME

**£  
107,940**

**SOCIAL WELFARE**

<b>Grants Paid in Year</b>	<b>£ 582,800</b>
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The Trustees take particular interest in charities working with severely disadvantaged and under-achieving young people. They 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, which are so often the product of long-term economic deprivation, failure to benefit from the opportunities provided by education, and family breakdown. They made a number of grants in this category.

They also believe that the arts can be an effective medium through which to reach disadvantaged young people; their continued support for Dance United's Bradford Academy, the Greenhouse Schools Project and Circomedia are instances of this.

*Social Welfare – cont.*

The Trustees supported two capital project in Hampshire. Winchester is something of a magnet for the homeless and those otherwise marginalised from society; the Trinity Centre offers a place of refuge and constructive advice. Trustees contributed to the cost of significantly improved new premises. St Michael’s Hospice in Basingstoke provides palliative care for patients from across North Hampshire; in accordance with their concern for the welfare of the elderly, Trustees made a grant towards the construction of the Turner Centre, which will provide Therapy and Out-Patient consulting rooms together with an Education room.

**MAJOR GRANTS PAID IN 2008/2009 INCLUDED:****Trinity Centre Winchester**

Towards the cost of new premises

£

**100,000****Greenhouse Schools Project**

Towards the dance programme in schools, primarily in south London

**75,000****Action for Prisoners’ Families**

The final instalment of a total grant of £100,000

**50,000****St Michael’s Hospice, Basingstoke**

Towards the construction and fitting out of the Turner Centre

**50,000****Other organisations receiving grants included:**

Almshouse Association

Circomedia

Dance United

Help for Heroes

Liverpool Personal Service Society

Prison Radio Association

Safe Ground

Trail-Blazers

**DEVELOPING COUNTRIES AND HUMANITARIAN AID**

<b>Grants Paid in Year</b>	<b>£ 251,626</b>
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The Trustees maintained their interest in supporting organisations that work in the medical field in Palestine.

They initiated a grant over 3 years to MapAction, a charity that provides real-time mapping services, typically to front-line charities and NGOs working in the field of disaster relief.

**MAJOR GRANTS PAID IN 2008/2009 INCLUDED:**

**St John of Jerusalem Eye Hospital**  
Towards the Hospital's work in Palestine

<b>£</b>
<b>100,000</b>

**Other organisations receiving grants included:**

MapAction

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Approved by the Board of Trustees on .....and signed on their behalf by

.....TRUSTEE

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 5 APRIL 2009**

	<i>Notes</i>	<b>Total Funds 2009 £'000</b>	<b>Total Funds 2008 £'000</b>
<b>Income and Expenditure</b>			
<b>Incoming resources</b>			
Investment income	<i>1</i>	4,724	3,857
Bank deposit interest		58	52
Donation received		10	5,400
Other income		1	1
<b>Total incoming resources</b>		<b>4,793</b>	<b>9,310</b>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Investment management fees		28	100
<b>Charitable activity</b>			
Grant-making - Grant expenditure	<i>2</i>	5,844	5,480
- Costs of administration	<i>3</i>	309	331
		<b>6,153</b>	<b>5,811</b>
<b>Total resources expended</b>		<b>6,181</b>	<b>5,911</b>
<b>Net (deficit)/surplus for the year</b>		<b>(1,388)</b>	<b>3,399</b>
<b>Other Recognised Gains and Losses</b>			
Losses on investment assets			
Realised		(413)	(30)
Unrealised	<i>4</i>	(17,446)	(63,851)
<b>Net movement in funds</b>		<b>(19,247)</b>	<b>(60,482)</b>
Balances brought forward at 6 April 2008		159,403	219,885
<b>Balances carried forward at 5 April 2009</b>		<b>140,156</b>	<b>159,403</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Showing the Statement of Financial Activities in a single column is not in accord with the recommendations of the SORP. However Trustees believe that this method of representation gives a clearer picture of the Trust's resources, all of which are expendable. The values of the Endowment and Income funds are shown on page 14. The notes on pages 15 to 19 form part of these accounts

**BALANCE SHEET**

	Notes	2009	2008
		£'000	£'000
<b>FIXED ASSETS</b>			
Investments	4	137,045	160,171
<b>CURRENT ASSETS</b>			
Debtors	5	4,066	3,092
Cash at bank and in hand		735	879
		<u>4,801</u>	<u>3,971</u>
<b>CURRENT LIABILITIES</b>			
<b>Creditors</b> - amounts falling due within one year	6	<u>(1,356)</u>	<u>(4,689)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		3,445	(718)
<b>Creditors</b> - amounts falling due after one year	7	(334)	(50)
<b>Net assets</b>		<u><u>140,156</u></u>	<u><u>159,403</u></u>
<b>Expendable Endowment</b>		140,156	158,281
<b>Unrestricted income funds</b>		-	1,122
		<u><u>140,156</u></u>	<u><u>159,403</u></u>

The notes on pages 15 to 19 form part of these accounts

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

..... TRUSTEE

## NOTES TO THE ACCOUNTS

### ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP2005) "Accounting and Reporting by Charities", applicable standards and the Charities Act 1993, and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.

The principal accounting policies adopted are as follows:

- a) Incoming resources
  - (i) Income is shown gross which includes tax deducted unless it is considered irrecoverable.
  - (ii) Dividends are included by reference to their due dates.
  - (iii) Interest is recorded only when it is receivable.
  
- b) Grants payable

Grants for which there is a binding commitment are accounted for within the Statement of Financial Activities.

Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled. Grants approved subject to conditions that have not been met at the year end are not included as expenditure in the Statement of Financial Activities (note 2).
  
- c) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities. Investments are shown at mid market value.

Partial disposals are accounted for using average book value.

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.
  
- 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.

Trustees consider that the separation of the costs of administration of the charity between "support" and "governance" as required by SORP 2005, and particularly where these costs are immaterial by reference to total expenditure, adds little value to these accounts.
  
- e) Charitable activities

The Trustees consider that grant-making is the Trust's sole charitable activity.

**NOTES TO THE ACCOUNTS (continued)**

**1. INVESTMENT INCOME**

Income received on investments is analysed as follows:

	<b>2009</b>		<b>2008</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<b>Quoted</b>				
U.K. Equities	4,014	85.0	3,024	78.4
<b>Unquoted</b>				
U.K. Equities	624	13.2	607	15.7
Short term securities	86	1.8	226	5.9
	<b>4,724</b>	<b>100.0</b>	<b>3,857</b>	<b>100.0</b>

**2. GRANTS PAYABLE**

	<b>2009</b>		<b>2008</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 2008		1,194		1,189
Grants approved but not committed at 6 April 2008	3,184		2,490	
Grants approved in the year	19,302		6,174	
Grants cancelled, amended or refunded	(58)		-	
Grants approved but not committed at 5 April 2009	(16,584)		(3,184)	
<b>Grants payable for the year</b>		<b>5,844</b>		<b>5,480</b>
Grants paid in the year		(5,560)		(5,475)
<b>Grants committed but unpaid at 5 April 2009</b>		<b>1,478</b>		<b>1,194</b>

**Commitments at 5 April 2009 are payable as follows:**

	<b>2009</b>		<b>2008</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year (note 6)	1,194		1,144	
After more than one year (note 7)	284		50	
	<b>1,478</b>		<b>1,194</b>	

Further to the amounts committed and included above, the Trustees have also authorised grants subject to the recipient satisfying specified conditions. The total amount authorised but not included as expenditure at 5 April 2009 was £16,583,904 (2008: £3,184,313).

**NOTES TO THE ACCOUNTS (continued)**

**3. COSTS OF ADMINISTRATION**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and associated costs	186	179
Office costs	97	90
Consultancy fees	-	1
Depreciation	-	50
Legal fees	18	3
Auditor's remuneration	8	8
	<b>309</b>	<b>331</b>

The auditor's remuneration includes an audit fee of £7,138 (2008: £7,755).

Trustees received no remuneration (2008: £nil) nor expenses in the year (2008: £nil).

**4. FIXED ASSETS INVESTMENTS**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 5 April 2008	160,171	217,951
Less: Disposals at book value	(31,583)	(15,195)
Add: Acquisitions at cost	25,903	21,266
Net (losses)/gains on revaluation at 5 April 2009	(17,446)	(63,851)
<b>Market value at 5 April 2009</b>	<b>137,045</b>	<b>160,171</b>
Historical cost at 5 April 2009	115,198	119,855

The investments held as at 5 April 2009 were as follows:

	<b>2009</b>		<b>2008</b>	
	Cost	Market Value	Cost	Market Value
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Direct investment in listed UK and overseas securities				
UK equities - quoted *	76,099	101,353	73,564	110,548
UK equities - unquoted **	35,613	32,114	43,194	46,273
Overseas equities - quoted	869	916	-	-
Overseas equities - unquoted	1,337	1,382	1,183	1,436
Short term securities	1,280	1,280	1,914	1,914
	<b>115,198</b>	<b>137,045</b>	<b>119,855</b>	<b>160,171</b>

Cost includes the value of those investments given to the Trust by the Settlor at the time the gift was made and the value of UK equity investments transferred in 1986 from a predecessor Trust. This transfer accounted for £64.06 million of the £76.01 million cost above and was based upon an original gift of shares valued at £895,000 on creation of the predecessor Trust in 1973, together with subsequent bonus issues and further purchases.

\* Includes shares in J Sainsbury plc with a market value of £98,960,637, based on the price on 5 April 2009 of 312p per share.

\*\*Includes shares in FF&P Global Equities Fund with a market value of £10,411,380.

**NOTES TO THE ACCOUNTS (continued)**

**5. DEBTORS**

Debtors consist of the following:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Income tax recoverable	11	67
Prepayments	82	58
Loans *	2,718	2,480
Other debtors	1,255	487
	<b>4,066</b>	<b>3,092</b>

\* Includes interest free loans to registered charities which are repayable on demand.

**6. CREDITORS - amounts falling due within 1 year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable within one year (note 2)	1,194	1,144
Accruals	99	3,479
Taxation and social security	54	55
Professional charges	9	11
	<b>1,356</b>	<b>4,689</b>

**7. CREDITORS - amounts falling due after more than 1 year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable 1 - 2 years	284	33
Grants payable 2 - 5 years	-	17
Grants payable (note 2)	284	50
Long term liability	50	-
	<b>334</b>	<b>50</b>

**NOTES TO THE ACCOUNTS (continued)**

**8. ANALYSIS OF STAFF COSTS**

	<b>2009</b>	<i>2008</i>
	<b>£'000</b>	<i>£'000</i>
Staff costs:		
Wages and salaries	151	149
Social security costs	18	17
Other pension costs	17	13
	<u>186</u>	<u>179</u>

The number of employees whose earnings in relation to time spent on the Trust's affairs exceed £60,000 p.a. excluding pension contributions was:

	<b>2009</b>	<i>2008</i>
	<b>Number</b>	<i>Number</i>
£70,001 - £80,000	<u>1</u>	<u>1</u>

The Trust's pension contributions to money purchase schemes for its higher paid staff was £10,285 (2008: £7,692).

As mentioned in Accounting Policies note (e), the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 8.5% 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 2008/09. Staff costs equivalent to 1.9 full time employees were charged to the Linbury Trust (2007/08 - 2.1). Included in the costs of employing the staff are contributions to money purchase pension schemes.

**9. RESERVES**

The total funds of the Trust consist of unspent income together with capital, the latter comprising mainly the Trust's investments. All of the Trust's funds whether they derive from income or are of a capital nature may be applied for grantmaking because the capital element is expendable.

It is the policy of the Trustees to approve grants for payment over a period of years. These are brought into the accounts if there is a commitment to pay them after the year end. It is the Trustees' normal intention to meet these grant commitments out of income, but in the event that there is insufficient income, they would use capital. Because income and capital may be used in the same way, the Trustees take the view that the available funds should be seen as one and have therefore adopted a Statement of Financial Activities that merges all resources.

The Trustees therefore believe that a reserves policy that covers income funds only is unnecessary; and that the totality of resources available ensures that the Trust has more than adequate funds to meet its commitments as they fall due.

**10. 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, systems are in place adequate to meet such potential risks as the Trustees have identified. They continue to keep processes under review.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS**

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE LINBURY TRUST**

We have audited the financial statements on pages 13 to 19. The financial statements have been prepared under the accounting policies set out therein.

**Respective Responsibilities of Trustees and Auditors**

As described on page 20 the Trustees are responsible for the preparation of the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act.

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.

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 or material inconsistencies with the financial statements.

**Basis of audit opinion**

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

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

**Qualified opinion arising from disagreement about accounting treatment**

The funds of the Charity are held as expendable endowment and unrestricted income which at 5 April 2009 amounted to £140.156 million and £Nil million respectively (2008: £158.281 million and £1.122 million).

We acknowledge the Trustees' reasons for disclosing the total funds as a single column in the Statement of Financial Activities (SOFA) on page 13. Indeed, reference is made to this matter as a footnote to the SOFA on page 13, and within note 9 dealing with reserves.

However, we believe that in order to comply with the Charities (Accounts and Reports) Regulations 2008 these funds would be separately disclosed on the face of the Statement of Financial Activities on page 13.

Except for this disclosure, in our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the Charity's state of affairs as at 5 April 2009 and of its incoming resources and application of resources in the year then ended
- and the financial statements have been properly prepared in accordance with the Charities Act 1993.

Saffery Champness  
Chartered Accountants and Statutory Auditors

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