

**ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2008**

**CONTENTS**

	<b>PAGE</b>
<b>1</b> The Trustees' Report	<b>2-13</b>
<b>2</b> Statement of Financial Activities	<b>14</b>
<b>3</b> Balance Sheet	<b>15</b>
<b>4</b> Cash Flow Statement	<b>16</b>
<b>5</b> Notes to the Accounts	<b>17-22</b>
<b>6</b> Statement of Trustees' Responsibilities	<b>23</b>
<b>7</b> Independent Auditors' Report	<b>24</b>

**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                      Director Mr P Lawford                         Administrator Mr P Spokes                          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

**Investment Powers**

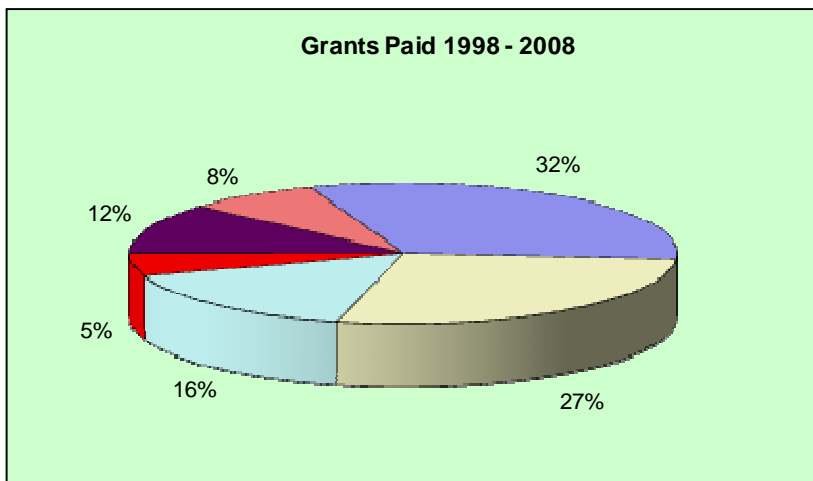
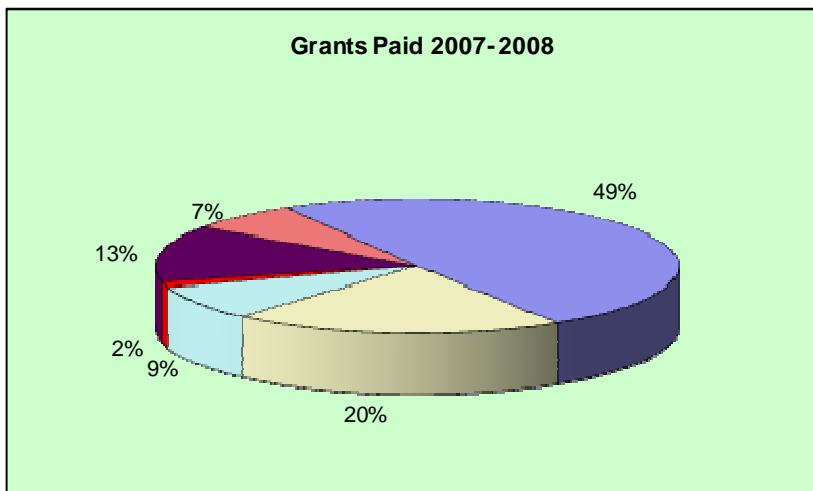
The Trust Deed empowers the Trustees to appoint investment advisers, who have discretion to invest the funds of the trust within guidelines established by the Trustees.

**Objects**

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

**Summary of grants paid – 2007-08 and the last 10 years**

Total of grants paid				
	2007-2008		1998-2008	
	In £m	%	In £m	%
Arts	2.7	49	19.4	32
Education	1.1	20	16.8	27
Environment and Heritage	0.5	9	9.6	16
Medical	0.1	2	3.3	5
Social Welfare	0.7	13	7.1	12
Developing Countries and Humanitarian Aid	0.4	7	4.8	8
	<u>5.5</u>	<u>100</u>	<u>61.0</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 6-13) 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**

The Trustees' investment policy is to maximise funds available for grant-making while preserving the real value of the endowment over the medium term. This is 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 regard to the total return that the investment portfolio has generated, and which they expect it will generate, rather than to income alone, when determining their expenditure budgets.

Financial markets performed weakly during the year; accordingly the value of that part of the Trust's endowment that is not invested in J Sainsbury plc suffered a slight decrease in value. Shares in J Sainsbury fell sharply, primarily as a result of an anticipated takeover bid for the company not proceeding; the shares lost substantially all the gains they had made during the previous year.

During the year, the Trust bought a total of 2.5 million shares in J Sainsbury plc from Lord and Lady Sainsbury at a price of £1.38 per share. At the time the market price was £3.48 per share. The Trust thereby received an immediate unrealised gain of £5.25 million. As a result of these purchases, the Trust's holding of shares in J Sainsbury plc rose to a total of 31.7million shares. The Trust's holding in J Sainsbury amounted to around 70% of the value of the endowment at the year end; the comparative figures for 2007 and 2006 were 75% and 65% respectively.

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

**Review of the Past Year**

In 2007/08 the Trustees paid grants totalling **£5.475** million (2006/07: £5.019 million); they approved **81** (2006/07: 71) grants amounting to **£6.174** million (2006/07: £4.368 million). Trustees continue to anticipate that, on a rolling average basis, the level of grant-making of recent years will be maintained for the foreseeable future.

There were 4 meetings of the Trustees during the year. The Grants Committee, to which decisions regarding the disbursement of funds are delegated, met 10 times.

The table below summarises the grants paid by Trustees during the year, and new grants awarded.

	<b>Grants Paid in Year £'000</b>	<b>New Grants Awarded in Year £'000</b>
Arts	2,702	3,322
Education	1,127	339
Environment & Heritage	454	907
Medical	75	27
Social Welfare	742	1,125
Developing Countries and Humanitarian Aid	375	454
	<b>5,475</b>	<b>6,174</b>

The Trust's income for the year, excluding donations, increased by 24% to **£3.9** million (2006/07: £3.1 million). The majority of this growth was attributable to an increase in the J Sainsbury dividend. However, as noted above, the Trustees have regard to total returns, rather than to income alone, when determining their expenditure budgets. Including the effect of donations, the Trust's income rose by 182% to £9.3 million (2006/07: £3.3 million).

As a proportion of grants paid, costs of administration accounted for **6.05%** (2006/2007: 6.40%).

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>2,701,608</b>	<b>£</b>
<b>New Grants Awarded in Year</b>	<b>3,322,393</b>	

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 are currently supporting a 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 continued their sponsorship of the Linbury Biennial Prize for Stage Design. This unique award gives the most talented recent graduates in stage design the chance to work with leading British companies on opera, theatre or dance productions. The Trustees are delighted that the National Theatre, which for many years has hosted the awards ceremony and exhibition for the Prize, will increase its involvement with the Prize in future.

**MAJOR GRANTS PAID IN 2007/2008 INCLUDED:****Ashmolean Museum, University of Oxford**

Part of a planned programme of grants towards the re-development project; and a grant towards the employment of an additional conservator

**Linbury Biennial Prize for Stage Design**

Towards the 2005 and 2007 Prizes

**£****2,427,500****176,716****Other organisations receiving grants included:**

Birmingham Royal Ballet  
Blackpool Grand Theatre  
Federation of British Artists  
Royal Opera House Foundation  
Serpentine Gallery

**EDUCATION**

<b>Grants Paid in Year</b>	<b>£ 1,126,927</b>
<b>New Grants Awarded in Year</b>	<b>339,150</b>

Trustees have over many years been stalwart supporters of dance education in the UK. Most recently, they gave a grant of £1 million towards the refurbishment of White Lodge, the Royal Ballet School’s junior department, situated in Richmond Park.

They made a one-off grant of £100,000 to the University of Liverpool towards the restoration of the Victoria Building, an iconic, red-brick late Victorian structure at the heart of the University campus (and which gave rise to the phrase ‘redbrick university’). The University has created the Victoria Gallery and Museum, which will house its art and heritage collections.

The City & Guilds of London Art School is in the early stages of a major project that will substantially upgrade its premises in south London. Trustees gave a grant towards the feasibility study. The Hampshire Museums Trust is in the process of modernising the Willis Museum, in Basingstoke. In the re-opened Museum, temporary exhibitions will be shown in the Sainsbury Gallery.

Trustees made an important contribution to the newly-established fund, administered by RIBA, that will endow the Giles Worsley Travel Fellowship. Created in memory of the distinguished architectural historian and critic Giles Worsley, the Fellowship will allow one architect or architectural historian per annum to study for three months at the British School at Rome.

**MAJOR GRANTS PAID IN 2007/2008 INCLUDED:**

	£
<b>Royal Ballet School</b> The final part of a total grant of £1 million towards the White Lodge redevelopment project	<b>550,000</b>
<b>Institute for Historical Research Trust</b> Towards the Queen Elizabeth the Queen Mother Chair in British History, and towards a pilot study into the teaching of history in schools	<b>142,003</b>
<b>University of Liverpool</b> Towards the restoration of the Victoria Building	<b>100,000</b>
<b>City &amp; Guilds of London Art School</b> Part of a total grant of £125,000 towards the initial work for refurbishment of the School’s premises	<b>62,500</b>
<b>Royal Institute of British Architects</b> Towards the Giles Worsley Travel Fellowship	<b>50,000</b>

**Education – cont.**

**Other organisations receiving grants included:**

Arts Educational School Trust  
Bloomfield Learning Centre  
British Dyslexia Association  
British Empire & Commonwealth Museum, Bristol  
British School at Rome  
Foundation for Young Musicians  
Hampshire Museums Trust  
Purcell School  
Rambert School of Ballet and Contemporary Dance  
Volunteer Reading Help

**ENVIRONMENT & HERITAGE**

<b>Grants Paid in Year</b>	<b>£ 454,417</b>
<b>New Grants Awarded in Year</b>	<b>906,750</b>

Further sums were paid under existing grants to St George’s Chapel, Windsor, and to Strawberry Hill, the gothic villa in Twickenham built by Horace Walpole.

The Trustees 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.

**MAJOR GRANTS PAID IN 2007/2008 INCLUDED:****St George’s Chapel, Windsor**

Part of a £1 million grant towards the endowment appeal

**Ashden Awards for Sustainable Energy**

Towards the 2007 awards

**World Monuments Fund in Britain**

Part of a grant of £100,000 towards the restoration of Strawberry Hill

**£****150,000****100,000****50,000****Other organisations receiving grants included:**

Fauna & Flora International

St Giles in the Fields Church, London

Museum of London (Sainsbury Archive)

**MEDICAL**

<b>Grants Paid in Year</b>	<b>£ 74,889</b>
<b>New Grants Awarded in Year</b>	<b>26,500</b>

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. Although Trustees no longer actively solicit research proposals, they did initiate support for a major study into paediatric issues in CFS / ME under the aegis of the University of Bristol.

**Organisations receiving grants included:**

University of Bristol  
Mary How Trust for Cancer Prevention

**SOCIAL WELFARE**

<b>Grants Paid in Year</b>	<b>£ 742,234</b>
<b>New Grants Awarded in Year</b>	<b>1,124,734</b>

The Linbury Trustees have had a long-standing interest in the welfare of ex-servicemen and women. Accordingly they share the widespread concern as to whether the Ministry of Defence is fulfilling its responsibilities in this field, in view of the numbers of badly injured members of the forces returning from Iraq and Afghanistan in particular. SSAFA is seeking to provide adequate accommodation for the families of injured servicemen and women, so that they can be near their injured relative during the period following evacuation to either Headley Court (in Surrey) or Selly Oak (in the Midlands); the Trustees gave £250,000 to this appeal.

The Trustees gave a first-time grant to Action for Prisoners' Families, a national organisation that supports families of whom a member is imprisoned, and which are therefore unusually vulnerable. Trustees also accept the related proposition that a reasonably stable family environment reduces the risk of re-offending. They renewed support for Safe Ground, which uses this principle in its work with serving prisoners.

**Social Welfare – cont.**

The Trustees also take particular interest in charities working with severely disadvantaged and under-achieving young people. They continue to support 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. Their grants to Circomedia, Depaul Trust, and Foundation Training Company fall into this category.

The Trustees also support organisations that use the arts to work with disadvantaged people. The Trustees renewed their support for Dance United’s Academy in Bradford, and the Firebird Trust, and initiated a multi-year grant to fund Greenhouse Schools Project’s dance work in a number of schools in disadvantaged areas of south-east London.

**MAJOR GRANTS PAID IN 2007/2008 INCLUDED:**

£

**SSAFA (Soldiers, Sailors, Airmen & Families Association)**

**250,500**

Towards the cost of accommodation for families of injured servicemen receiving care at Headley Court and Selly Oak

**Action for Prisoners’ Families**

**50,000**

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

**Actors’ Workshop, Halifax**

**50,000**

Towards the dance programme, primarily for teenage boys

**Dance United**

**50,000**

Towards the Academy in Bradford; dance training and life coaching for young people at risk

**Depaul Trust**

**50,000**

Towards the resettlement of young offenders

**Foundation Training Company**

**50,000**

Towards work with ex-offenders and those at risk in the new south London Resource Centre

**Other organisations receiving grants included:**

Army Benevolent Fund

Circomedia

Firebird Trust

Greenhouse Schools Project

Hampshire & Isle of Wight Air Ambulance

Prison Radio Association

Safe Ground

**DEVELOPING COUNTRIES AND HUMANITARIAN AID**

<b>Grants Paid in Year</b>	<b>£ 374,578</b>
<b>New Grants Awarded in Year</b>	<b>454,750</b>

The Trustees maintained their interest in supporting organisations that work in the medical field in Palestine.

They made a one-off grant to Interhealth, a charity that provides medical services, primarily to those working in the charitable aid and overseas development sectors, towards the cost of re-locating its London premises.

**MAJOR GRANTS PAID IN 2007/2008 INCLUDED:**

**Al Quds University Medical School Foundation**

Towards the distance-learning programme for Palestinian medical students

**£ 100,000**

**St John of Jerusalem Eye Hospital**

Towards the Hospital's work in Palestine

**100,000**

**Interhealth**

Towards the costs of re-locating its London premises

**50,000**

**Other organisations receiving grants included:**

Butrint Foundation

Calabash International Literary Festival Trust, Jamaica

Save the Rhino International

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

.....TRUSTEE

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 5 APRIL 2008**

	<i>Notes</i>	<b>Total Funds 2008 £'000</b>	<b>Total Funds 2007 £'000</b>
<b>Income and Expenditure</b>			
<b>Incoming resources</b>			
Investment income	<i>1</i>	3,857	3,109
Bank deposit interest		52	34
Donation received		5,400	158
Other income		1	-
<b>Total incoming resources</b>		<b>9,310</b>	<b>3,301</b>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Investment management fees		100	42
<b>Charitable activity</b>			
Grant-making - Grant expenditure	<i>2</i>	5,480	3,924
- Costs of administration	<i>3</i>	331	321
		<b>5,811</b>	<b>4,245</b>
<b>Total resources expended</b>		<b>5,911</b>	<b>4,287</b>
<b>Net surplus/(deficit) for the year</b>		<b>3,399</b>	<b>(986)</b>
<b>Other Recognised Gains and Losses</b>			
Foreign Currency gains realised		-	1
(Losses)/gains on investment assets			
Realised		(30)	48
Unrealised	<i>4</i>	(63,851)	67,090
<b>Net movement in funds</b>		<b>(60,482)</b>	<b>66,153</b>
Balances brought forward at 6 April 2007		219,885	153,732
<b>Balances carried forward at 5 April 2008</b>		<b>159,403</b>	<b>219,885</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 15.

The notes on pages 17 to 22 form part of these accounts

# THE LINBURY TRUST – 5 April 2008

<b>BALANCE SHEET</b>			
	<b>Notes</b>	<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>			
Investments	4	160,171	217,951
Tangible fixed assets	5	-	50
		160,171	218,001
<b>CURRENT ASSETS</b>			
Debtors	6	3,092	2,661
Cash at bank and in hand		879	493
		3,971	3,154
<b>CURRENT LIABILITIES</b>			
<b>Creditors</b> - amounts falling due within one year	7	(4,689)	(1,020)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(718)	2,134
<b>Creditors</b> - amounts falling due after one year	8	(50)	(250)
<b>Net assets</b>		159,403	219,885
<b>Expendable Endowment</b>		158,281	217,793
<b>Unrestricted income funds</b>		1,122	2,092
		159,403	219,885
The notes on pages 17 to 22 form part of these accounts			
Approved by the Board of Trustees on..... and signed on their behalf by			
.....	TRUSTEE		

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 5 APRIL 2008**

**RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming/(outgoing) resources	3,399	(986)
Depreciation charges	50	10
Gift of shares	(5,250)	-
Increase in debtors	(431)	(490)
Increase/(decrease) in creditors	3,469	(1,084)
Net cashinflow/(outflow) from operating activities	<u>1,237</u>	<u>(2,550)</u>
	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Net cash inflow/(outflow) from operating activities	1,237	(2,550)
Capital Expenditure and Financial Investment		
Foreign currency gains	-	1
Purchase of investments	(16,016)	(14,675)
Sale of investments	15,165	16,936
	<u>(851)</u>	<u>2,262</u>
Increase/(decrease) in cash	<u>386</u>	<u>(288)</u>

**Analysis of increase in cash during the year**

	<b>2008</b>	<b>2007</b>	<b>Change in</b>
	<b>£'000</b>	<b>£'000</b>	<b>year</b>
			<b>£'000</b>
Cash at bank and in hand	879	493	386
	<u>879</u>	<u>493</u>	<u>386</u>

The notes on pages 17 to 22 form part of these accounts

## **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) Depreciation  
Fixed assets are depreciated at rates which represent their useful lives to the Trust.
- b) 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.
- c) 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).
- d) 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.
- e) 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.
- f) 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>2008</b>		<b>2007</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<b>Quoted</b>				
U.K. Equities	3,024	78.4	2,413	77.6
<b>Unquoted</b>				
U.K. Equities	607	15.7	425	13.7
Short term securities	226	5.9	271	8.7
	<b>3,857</b>	<b>100.0</b>	<b>3,109</b>	<b>100.0</b>

**2. GRANTS PAYABLE**

	<b>2008</b>		<b>2007</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 2007		1,189		2,284
Grants approved but not committed at 6 April 2007	2,490		2,513	
Grants approved in the year	6,174		4,368	
Grants cancelled, amended or refunded	-		(467)	
Grants approved but not committed at 5 April 2008	(3,184)		(2,490)	
<b>Grants payable for the year</b>		<b>5,480</b>		<b>3,924</b>
Grants paid in the year		(5,475)		(5,019)
<b>Grants committed but unpaid at 5 April 2008</b>		<b>1,194</b>		<b>1,189</b>

**Commitments at 5 April 2008 are payable as follows:**

	<b>2008</b>		<b>2007</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year (note 7)	1,144		939	
After more than one year (note 8)	50		250	
	<b>1,194</b>		<b>1,189</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 2008 was £3,184,313 (2007: £2,489,646).

**NOTES TO THE ACCOUNTS (continued)**

**3. COSTS OF ADMINISTRATION**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and associated costs	179	195
Office costs	90	103
Consultancy fees	1	3
Trustees' expenses	-	1
Depreciation	50	10
Legal fees	3	-
Auditor's remuneration	8	9
	<b>331</b>	<b>321</b>

The auditor's remuneration includes an audit fee of £7,755 (2007: £7,403).

Trustees received no remuneration (2007: £nil) nor expenses in the year (2007: £801).

**4. FIXED ASSETS INVESTMENTS**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 5 April 2007	217,951	153,074
Less: Disposals at book value	(15,195)	(16,887)
Add: Acquisitions at cost	21,266	14,674
Net (losses)/gains on revaluation at 5 April 2008	(63,851)	67,090
<b>Market value at 5 April 2008</b>	<b>160,171</b>	<b>217,951</b>
Historical cost at 5 April 2008	119,855	112,988

The investments held as at 5 April 2008 were as follows:

	<b>2008</b>		<b>2007</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 *	73,564	110,548	64,873	163,914
UK equities - unquoted **	43,194	46,273	44,067	49,955
Overseas equities - unquoted	1,183	1,436	242	277
Short term securities	1,914	1,914	3,806	3,805
	<b>119,855</b>	<b>160,171</b>	<b>112,988</b>	<b>217,951</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 £73.56 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 £110,548,468, based on the price on 5 April 2008 of 348.25p per share.

\*\*Includes shares in FF&P Alternative Strategy Income PCC Ltd with a market value of £13,147,070 and shares in FF&P Global Equities Fund with a market value of £16,603,100.

**NOTES TO THE ACCOUNTS (continued)**

**5. TANGIBLE FIXED ASSETS**

Tangible fixed assets consist of the Trust's share of the cost at 5 April 2008 of refurbishment of leasehold premises at Allington House (1st Floor), 150 Victoria Street, London SW1.

	Leasehold improvements	Total
	<u>£'000</u>	<u>£'000</u>
<b>COST</b>		
Balance at 6 April 2007	100	100
Disposals	-	-
Balance at 5 April 2008	<u>100</u>	<u>100</u>
<b>DEPRECIATION</b>		
Balance at 6 April 2007	50	50
Charge for the year	50	50
Balance at 5 April 2008	<u>100</u>	<u>100</u>
<b>NET BOOK VALUE</b>		
At 5 April 2008	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>		
At 5 April 2007	<u>50</u>	<u>50</u>

**6. DEBTORS**

Debtors consist of the following:

	<u>2008</u>	<u>2007</u>
	<u>£'000</u>	<u>£'000</u>
Income tax recoverable	67	75
Prepayments	58	55
Loans *	2,480	2,323
Other debtors	487	208
	<u>3,092</u>	<u>2,661</u>

\* Includes one interest free loan of £813,000 and two further loans to registered charities which are repayable after more than one year.

**NOTES TO THE ACCOUNTS (continued)**

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

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable within one year (note 3)	1,144	939
Accruals	3,479	30
Taxation and social security	55	44
Professional charges	11	7
	<b>4,689</b>	<b>1,020</b>

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

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable 1 - 2 years	33	250
Grants payable 2 - 5 years	17	-
Grants payable (note 2)	<b>50</b>	<b>250</b>

**9. ANALYSIS OF STAFF COSTS**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs:		
Wages and salaries	149	162
Social security costs	17	19
Other pension costs	13	14
	<b>179</b>	<b>195</b>

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>2008</b>	<b>2007</b>
	<b>Number</b>	<b>Number</b>
£70,001 - £80,000	<b>1</b>	<b>1</b>

The Trust's pension contributions to money purchase schemes for its higher paid staff was £7,692 (2007: £7,510).

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. 8.9% 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 2007/08. Staff costs equivalent to 2.1 full time employees were charged to the Linbury Trust (2006/07 - 2.5). Included in the costs of employing the staff are contributions to money purchase pension schemes.

**NOTES TO THE ACCOUNTS (continued)**

**10. 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.

**11. 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 14 to 22.

### Respective Responsibilities of Trustees and Auditors

As described on page 23 the Trustees are responsible for the preparation of the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Section 44 of 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 and the Charities (Accounts and Reports) Regulations 2005. 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 2008 amounted to £158.281 million and £1.122 million respectively (2007: £217.793 million and £2.092 million).

We acknowledge the Trustees' reasons for disclosing the total funds as a single column in the Statement of Financial Activities (SOFA) on page 14. Indeed, reference is made to this matter as a footnote to the SOFA on page 14, and within note 10 dealing with reserves.

However, we believe that in order to comply with the Charities (Accounts and Reports) Regulations 2005 these funds would be separately disclosed on the face of the Statement of Financial Activities on page 14.

Except for this disclosure, in our opinion the financial statements give a true and fair view of the Charity's state of affairs as at 5 April 2008 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993 and the Charities (Accounts and Reports) Regulations 2005.

Saffery Champness  
Chartered Accountants and Registered Auditors

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