

THE LINBURY TRUST

ANNUAL REPORT

5 APRIL 2013

THE PEAK
5 WILTON ROAD
LONDON SW1V 1AP

ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2013

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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.

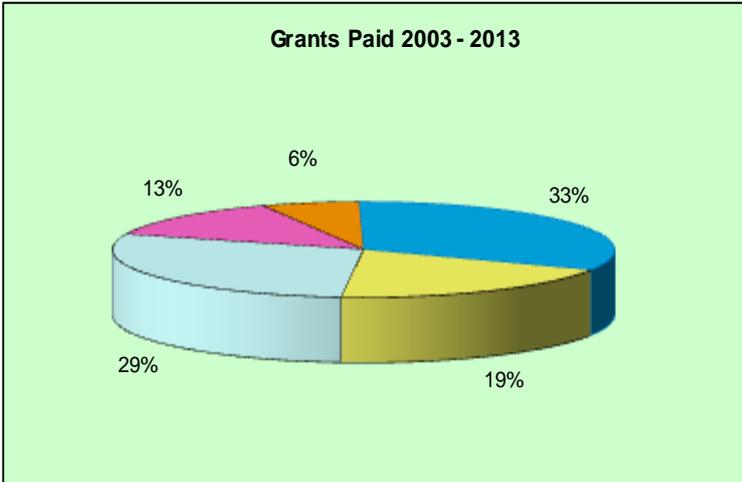
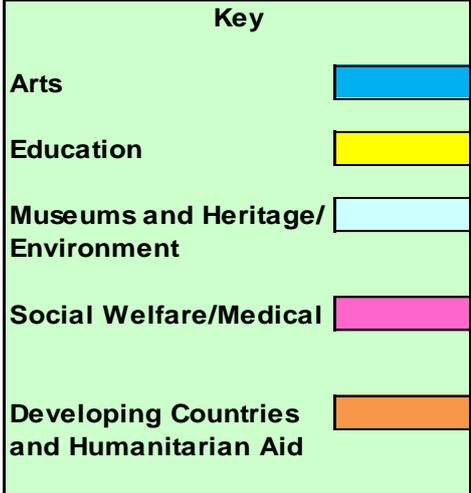
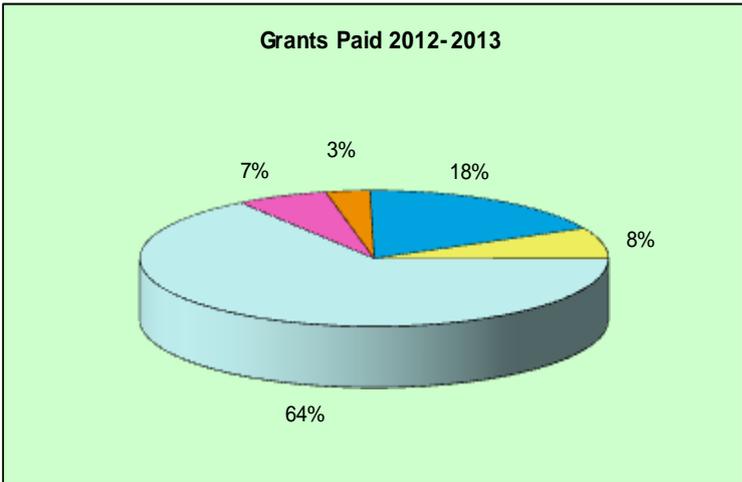
Trustees	Lord Sainsbury of Preston Candover KG Lady Sainsbury CBE Sir Martin Jacomb Sir James Spooner Mr Richard Butler Adams (Appointed 18 April 2013)	
Registered Office	5 Wilton Road London SW1V 1AP	
Principal Officers	Mr A Bookbinder Mr P Lawford Mr P Spokes	Director, Sainsbury Family Charitable Trusts Director Financial Controller
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD	
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH	
Auditors	Saffery Champness Lion House, Red Lion Street London WC1R 4GB	
Investment Advisers	FF & P Asset Management Limited 15 Suffolk Street London SW1Y 4HG Troy Asset Managers Limited Brookfield House 44 Davies Street London W1K 5JA	Schroder & Co. Limited 100 Wood Street London EC2V 7ER

Objects

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

Summary of grants paid – 2012-13 and the last 10 years

Total of grants paid				
	2012-2013		2003-2013	
	In £m	%	In £m	%
Arts	1.2	18	18.3	33
Education	0.5	8	11	19
Museums and Heritage/Environment	4.3	64	16.2	29
Social Welfare/Medical	0.5	7	7.5	13
Developing Countries and Humanitarian Aid	0.2	3	3.6	6
	<u>6.7</u>	<u>100</u>	<u>56.6</u>	<u>100</u>



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 5-12) 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
- Museums and Heritage
- Social Welfare
- Developing Countries and Humanitarian Aid
- Education
- Environment
- Medical

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.

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.

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.

The trust's endowment benefitted from the growth in stock markets during the year. The trust's shares in J Sainsbury plc, which continued to represent around 70% of the total value of the endowment, rose in value by 22%.

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

Review of the Past Year

The Trust's income for the year, excluding donations, increased by 6.6% to £6.5 million (2011/12: £6.1 million). The majority of the Trust's income continues to be in the form of dividends from its holding of shares in J Sainsbury.

In 2012/13 the Trustees paid grants totalling £6.694 million (2011/12: £6.353 million); they approved 66 (2011/12: 69) grants amounting to £3.264 million (2011/12: £5.122 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 they anticipate that, as measured in this way, and on a rolling average basis, 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 6.92% (2011/2012: 6.18%).

Trustees met on 8 occasions during the year.

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**Grants Paid in Year****£
1,202,245**

The Linbury Trust has consistently supported excellence in the visual and performing arts, principally through a series of major grants to a select number of the UK's most important cultural institutions, usually towards major capital projects.

Tate Britain is undertaking a major refurbishment of the oldest part of its building; this will modernise and transform the Millbank Entrance, Rotunda, and the galleries in the south-east quadrant, and will create new spaces for display and educational activities. The Trustees pledged £1.5 million towards this project.

The Royal Opera House is in the planning stages of a major capital project which will be designed to bring about significant enhancements to the public areas of the building, and to the Linbury Studio Theatre. Trustees are supporting the feasibility and planning phase.

Having supported the feasibility work, Trustees pledged £150,000 towards the creation of an indoor replica Jacobean theatre at Shakespeare's Globe. This will permit year-round performances and will allow the Globe to broaden both its repertoire and its educational work.

2012 marked the centenary of the arrival in the UK of the influential ballerina, Anna Pavlova. Trustees played an active role in events commemorating this anniversary; some of the funds raised were donated to the Royal Ballet School towards bursaries.

MAJOR GRANTS PAID IN 2012/2013 INCLUDED:**Tate Britain**

First instalment of a total grant of £1.5 million towards the Transforming Tate Britain project

Rambert Dance Company

Part of a total grant of £0.5 million towards the Company's relocation to the South Bank

Holburne Museum of Art

Part of a grant of up to £250,000 towards the endowment fund

Dulwich Picture Gallery

Towards the bicentenary appeal

Royal Opera House Foundation

Towards feasibility work for the Open Up project

Shakespeare's Globe

Part of a total grant of £150,000 towards the indoor Jacobean playhouse

£**500,000****150,000****119,171****100,000****93,338****75,000**

ARTS cont.

Other organisations receiving grants included:

Dance East
Grange Park Opera
Linbury Prize for Stage Design
Pavlova Centenary Celebration
Royal Academy of Dance
Southwark Playhouse

EDUCATION

Grants Paid in Year	£ 495,739
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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 at the British School at Rome, and of support for the Dance Fellowship within the Clore Cultural Leadership Programme, exemplify this.

The City & Guilds of London Art School is undertaking, over many years, a major refurbishment of its premises in Kennington. Trustees had previously supported the feasibility work for the entire project, and this year made a further grant towards the capital works.

Some years ago Trustees supported the re-location of the Royal Ballet School to its premises in Covent Garden. After several years of intensive use the studio floors have deteriorated; Trustees supported the most urgent replacement work.

A further grant was made to New Schools Network, a young charity which assists those seeking to establish a Free School. The first instalment was paid during the year.

EDUCATION cont.

MAJOR GRANTS PAID IN 2012/2013 INCLUDED:

City & Guilds of London Art School

Towards refurbishment of the School's premises

75,000

New Schools Network

Part of a grant of £300,000 over three years towards the support of Free Schools

75,000

Royal Ballet School

Towards the replacement of studio floors

50,000

Shakespeare Schools Festival

Towards the participation of more schools in the festival

50,000

British School at Rome

Towards the Sainsbury Scholarships in Painting and Sculpture

47,908

Other organisations receiving grants included:

Bloomfield Learning Centre

Clore Leadership Programme

London Children's Ballet

Skill Force

West London School of Dance

Yorkshire Ballet Summer School

MUSEUMS & HERITAGE

Grants Paid in Year	£ 4,227,250
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A further payment was made under the major grant, totalling £12.5 million, to the British Museum towards the World Conservation and Exhibitions Centre. Due to open in spring 2014, this will provide the Museum with a purpose-built gallery for large-scale temporary exhibitions, storage spaces with associated study areas, and purpose-built conservation studios.

The first payment was made under the grant of £1 million to English Heritage towards the proposed improvements at Stonehenge. These will lead to a reduction of traffic noise and other forms of pollution at the site of the stones, and include the creation of a new visitor centre.

Trustees pledged a grant of £200,000 towards the restoration of Bletchley Park. This work will restore some of the huts used by the code-breakers and will give a much improved visitor experience. The first payment was made during the year.

MAJOR GRANTS PAID IN 2012/2013 INCLUDED:**British Museum**

Third payment of a grant of £12.5 million towards the World Conservation and Exhibitions Centre

£ 3,000,000

Stonehenge

First payment of a grant of £1 million to English Heritage towards the new Visitor Centre

550,000

Ashmolean Museum, University of Oxford

Final payment of a grant towards refurbishment of the Egyptian Galleries and associated works

174,000

Bletchley Park Trust

Towards restoration of Bletchley Park

100,000

Other organisations receiving grants included:

Christ Church, Spitalfields
World Monuments Fund

ENVIRONMENT

Grants Paid in Year	£ 140,500
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The Trustees maintained their long-standing support for the Ashden Awards for Sustainable Energy, which promote the use of sources of renewable energy both in the UK and in developing countries. They also made a grant of £100,000 to Landlife, a charity with which they have long associations, to assist the transition to a new leadership team.

MAJOR GRANTS PAID IN 2012/2013 INCLUDED:

Ashden
Towards the 2012 Ashden Awards for Sustainable Energy

Landlife
Towards core costs

£
85,000
50,000

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MEDICAL

Grants Paid in Year	£ 33,479
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The Trustees’ primary area of interest in the Medical category is in research into CFS / ME. Trustees no longer actively solicit research proposals; however in recent years they have supported a series of studies into paediatric issues in CFS / ME under the direction of a team in Bristol.

MAJOR GRANTS PAID IN 2012/2013 INCLUDED:

University of Bristol
Further payments under a grant towards a study comparing differing methods of treatment for CFS / ME in young people

£
24,979

SOCIAL WELFARE

Grants Paid in Year	£ 392,000
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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 with the elderly, and for those suffering from the effects of dementia. Within this field they continued to support the collaborative project between PSS and Liverpool Hope University.

They have also long taken an interest in charities working with severely disadvantaged and under-achieving young people, and have 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. A number of grants were made in this area.

The Treloar Trust works with some of the most severely handicapped young people in the south-east of England; the final instalment of the grant towards the construction of new, fully equipped premises was paid during the year.

Trustees pledged a grant over three years towards a major upgrading of the service provided by the Hampshire & Isle of Wight Air Ambulance, including the introduction of night-time flying. The first payment was made under this grant.

MAJOR GRANTS PAID IN 2012/2013 INCLUDED:**Treloar Trust**

Final payment under a grant of £150,000 towards the construction of new premises in Alton

Action for Prisoners' Families

Final payment of a grant towards core costs

PSS

Second payment of a 3-year grant towards the costs of a Dementia Development Co-ordinator

Hampshire & Isle of Wight Air Ambulance

Towards upgrading the service

£

75,000**50,000****50,000****37,500**

SOCIAL WELFARE cont.

Other organisations receiving grants included:

Depaul UK
Good Vibrations
Hampshire County Council
House of St Barnabas-in-Soho
KeepOut
KIDS
WorldWide Volunteering for Young People

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DEVELOPING COUNTRIES AND HUMANITARIAN AID

Grants Paid in Year	£ 203,704
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The Trustees' primary interest in this category is in supporting organisations that work in Palestine, particularly in the medical field.

Organisations receiving grants included:

Butrint Foundation
IMET (International Medical Education Trust)
Island Academy, Antigua
Medical Aid for Palestinians
Save the Rhino International
West India Committee
ZANE (Zimbabwe - A National Emergency)

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Approved by the Board of Trustees on 17 October 2013 and signed on their behalf by

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2013

	<i>Notes</i>	Total Funds 2013 £'000	Total Funds 2012 £'000
Income and Expenditure			
Incoming resources			
Investment income	<i>1</i>	6,421	6,103
Bank deposit interest		14	15
Donation received		500	368
Other income		19	1
Total incoming resources		6,954	6,487
Resources expended			
Cost of generating funds			
Investment management fees		108	111
Charitable activity			
Grant-making - Grants payable	<i>2</i>	6,107	6,957
- Costs of administration	<i>3</i>	463	392
		6,570	7,349
Total resources expended		6,678	7,460
Net surplus/(deficit) for the year		276	(973)
Other Recognised Gains and Losses			
Foreign currency (losses)/gains realised		-	(15)
(Losses)/gains on investment assets			
Realised		226	(395)
Unrealised	<i>4</i>	26,137	(8,735)
Net movement in funds		26,639	(10,118)
Balances brought forward at 6 April 2012		145,547	155,665
Balances carried forward at 5 April 2013		172,186	145,547

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 16 to 20 form part of these accounts

BALANCE SHEET

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Investments	4	170,105	143,452
CURRENT ASSETS			
Debtors	5	2,448	2,702
Cash at bank and in hand		2,742	3,077
		5,190	5,779
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	6	(2,555)	(2,884)
NET CURRENT ASSETS			
		2,635	2,895
Creditors - amounts falling due after one year	7	(554)	(800)
Net assets		172,186	145,547
Expendable Endowment		172,186	145,547
Unrestricted income funds		-	-
		172,186	145,547

The notes on pages 16 to 20 form part of these accounts

The financial statements were approved and authorised for issue by the Trustees on 17 October 2013 and were signed on their behalf by:

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 5 APRIL 2013

RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2013		2012
	£'000	£'000	£'000
Net incoming/(outgoing) resources		276	(973)
(Decrease)/increase in debtors		254	(106)
(Decrease) in creditors		(575)	(263)
		<u>(45)</u>	<u>(1,342)</u>
Net outflow from operating activities			
		2013	2012
		£'000	£'000
Net cash outflow from operating activities		(45)	(1,342)
Capital Expenditure and Financial Investment			
Effect of foreign exchange losses		-	(15)
Purchase of investments	(14,934)		(10,267)
Sale of investments	14,644		11,617
		<u>(290)</u>	<u>1,335</u>
Decrease in cash		<u>(335)</u>	<u>(7)</u>

Analysis of decrease in cash during the year

	2013	2012	Change in year
	£'000	£'000	£'000
Cash at bank and in hand	2,742	3,077	(335)
	<u>2,742</u>	<u>3,077</u>	<u>(335)</u>

The notes on pages 16 to 20 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 2011, and comply with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities Act 2011.

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:

	2013		2012	
	£'000	%	£'000	%
Quoted				
UK Government Fixed Interest	7	0.1	12	0.2
Other fixed interest	4	0.1	-	-
U.K. Equities	6,170	96.1	5,695	93.3
Overseas Equities	212	3.3	186	3.0
Unquoted				
U.K. Equities	28	0.4	144	2.4
Overseas Equities	-	-	64	1.0
Short term securities	-	-	2	0.1
	6,421	99.9	6,103	100.0

2. GRANTS PAYABLE AND PAID

	2013		2012	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Grants committed but unpaid at 6 April 2012		2,980		2,376
Grants conditionally approved at 6 April 2012	12,561		14,430	
Grants approved in the year	3,264		5,122	
Grants cancelled, amended or refunded	(43)		(34)	
Grants conditionally approved at 5 April 2013	(9,675)		(12,561)	
Grants payable for the year		6,107		6,957
GRANTS PAID IN THE YEAR		(6,694)		(6,353)
Grants committed but unpaid at 5 April 2013		2,393		2,980

Commitments at 5 April 2013 are payable as follows:

	2013		2012	
	£'000	£'000	£'000	£'000
Within one year (note 6)	1,890		2,230	
After more than one year (note 7)	503		750	
	2,393		2,980	

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 2013 was £9,674,606 (2012: £12,561,000).

NOTES TO THE ACCOUNTS (continued)

3. COSTS OF ADMINISTRATION

	2013	2012
	£'000	£'000
Salaries and associated costs	205	196
Office costs *	250	188
Auditor's remuneration	8	8
	<u>463</u>	<u>392</u>

The auditor's remuneration includes an audit fee of £8,400 (2012: £8,100).

* Includes a payment of £76,800 being the Trusts' share of the leasehold improvements to 5 Wilton Road London SW1V 1AP in the year.

Trustees received no remuneration (2012: £nil) and one trustee was reimbursed expenses of £175 (2012: £nil).

4. FIXED ASSETS INVESTMENTS

	2013	2012
	£'000	£'000
Market value at 5 April 2012	143,452	153,932
Less: Disposals at book value	(14,418)	(12,012)
Add: Acquisitions at cost	14,934	10,267
Net gains/(losses) on revaluation at 5 April 2013	26,137	(8,735)
Market value at 5 April 2013	<u>170,105</u>	<u>143,452</u>
Historical cost at 5 April 2013	<u>118,171</u>	<u>117,411</u>

The investments held as at 5 April 2013 were as follows:

	2013		2012	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Direct investment in listed UK and overseas securities				
UK equities - quoted *	99,668	148,630	92,044	116,682
UK equities - unquoted	9,722	9,918	13,246	13,298
Overseas equities - quoted	7,334	9,461	6,808	7,795
Overseas equities - unquoted	899	1,414	3,347	3,602
UK Government fixed interest	548	682	1,645	1,754
Short term securities	-	-	321	321
	<u>118,171</u>	<u>170,105</u>	<u>117,411</u>	<u>143,452</u>

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 £99.67 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 £118,792,419, based on the price on 5 April 2013 of 370.8p per share and Trojan Income Fund S Income units with a value of £13,340,922 at 5 April 2013.

NOTES TO THE ACCOUNTS (continued)

5. DEBTORS

Debtors consist of the following:

	2013	2012
	£'000	£'000
Income tax repayment	3	5
Prepayments	102	103
Loans to registered charities	1,824	2,269
Other debtors	519	325
	<u>2,448</u>	<u>2,702</u>

6. CREDITORS - amounts falling due within 1 year

	2013	2012
	£'000	£'000
Grants payable within one year (note 2)	1,890	2,230
Accruals	572	566
Taxation and social security	85	80
Professional charges	8	8
	<u>2,555</u>	<u>2,884</u>

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

	2013	2012
	£'000	£'000
Grants payable 1 - 2 years	503	750
Grants payable 2 - 5 years	-	-
Grants payable (note 2)	503	750
Long term liability	50	50
	<u>553</u>	<u>800</u>

NOTES TO THE ACCOUNTS (continued)

8. ANALYSIS OF STAFF COSTS

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Staff costs:		
Wages and salaries	166	159
Social security costs	18	18
Other pension costs	21	19
	<u>205</u>	<u>196</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:

	2013	<i>2012</i>
	Number	<i>Number</i>
£80,001 - £90,000	<u>1</u>	<u>1</u>

The Trust's pension contributions to money purchase schemes for its higher paid staff was £14,025 (2012: £13,350).

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. 6.7% 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 2012/13. Staff costs equivalent to 1.9 full time employees were charged to the Linbury Trust (2011/12 - 1.9). 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

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, the Charity (Accounts and Reports) Regulations 2008 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE LINBURY TRUST

We have audited the financial statements on pages 13 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Basis of qualified opinion arising from disagreement on accounts disclosure

The funds of the Charity are held as expendable endowment and unrestricted income which at 5 April 2013 amounted to £172.186 million and £Nil million respectively (2012: £145.547 million and £Nil 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 SOFA on page 13.

Qualified opinion on financial statements

In our opinion, except for the matter mentioned in the basis of qualified opinion paragraph above, the financial statements

- give a true and fair view of the state of the charity's affairs as at 5 April 2013 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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.

Saffery Champness
Chartered Accountants
Statutory Auditors
Lion House
Red Lion Street
London WC1R 4GB

2013