

THE LINBURY TRUST

ANNUAL REPORT

5 APRIL 2015

THE PEAK
5 WILTON ROAD
LONDON SW1V 1AP

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THE LINBURY TRUST – 5 APRIL 2015

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 Mr James Barnard (appointed 10 September 2015) Mr Richard Butler Adams Sir Martin Jacomb Sir James Spooner
Registered Office	The Peak 5 Wilton Road London SW1V 1AP
Principal Officers	Mr A Bookbinder Director, Sainsbury Family Charitable Trusts Mr P Lawford Director Mr P Spokes Financial Controller (to August 2015) Mrs K Everett Financial Controller (from August 2015)
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	Cazenove Capital Management 12 Moorgate London EC2R 6DA Troy Asset Managers Limited 44 Davies Street London W1K 5JA Windmill Hill Asset Management Limited Silk Street Waddesdon Buckinghamshire HP18 0JZ

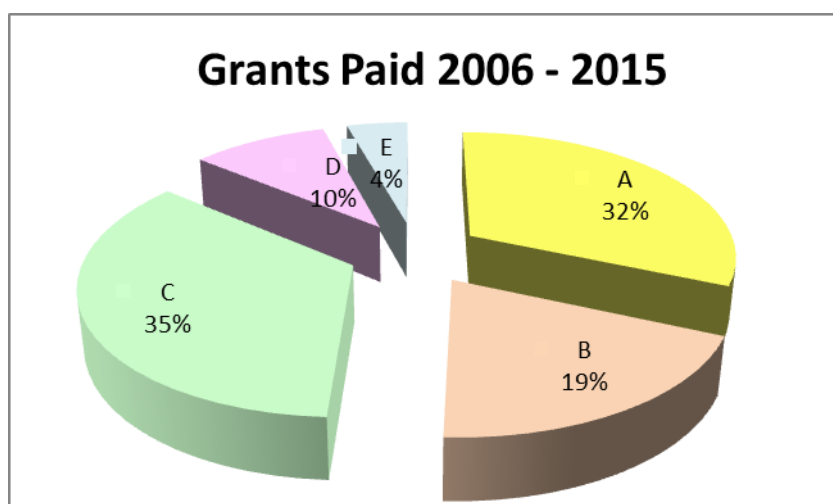
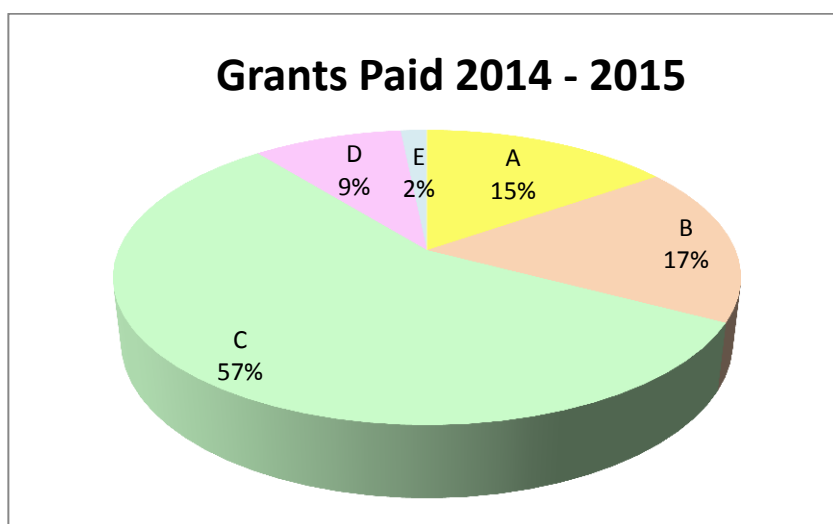
Objects

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

THE LINBURY TRUST – 5 APRIL 2015

Summary of grants paid: 2014 - 2015 and the last 10 years

	2014-15		2006-15	
	£m	%	£m	%
 A – Arts	1.1	15	19.1	32
 B – Education	1.3	17	11.7	19
 C – Museums and Heritage / Environment	4.2	57	21.3	35
 D – Social Welfare / Medical	0.7	9	5.9	10
 E – Developing Countries / Humanitarian Aid	0.1	2	2.6	4
	7.4	100	60.6	100



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 major part of the Trust's endowment is invested in stock markets. The value of the endowment declined by 8% during the year. At the year-end the Trust's shares in J Sainsbury plc represented 58% of the total value of the endowment (2014 – 70%).

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 4% to £7.2 million (2013/14: £6.9 million). The majority of the Trust's income continues to be in the form of dividends from its holding of shares in J Sainsbury plc.

In 2014/15 the Trustees paid grants totalling £7.45 million (2013/14: £7.22 million); they approved 56 grants (2013/14: 68) amounting to £16.6 million (2013/14: £5.94 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 5.0% (2013/2014: 5.6%).

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.

THE LINBURY TRUST – 5 APRIL 2015

ARTS

Grants Paid in Year

**£
1,143,234**

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

The Royal Opera House has been a beneficiary of the Linbury Trust since 1974. The ROH is about to embark on a project ('Open-Up') that will transform both the public spaces in the building, and also the Linbury Studio Theatre. The Trustees have pledged a major grant towards this project.

The Trustees also made a number of other grants towards projects to refurbish buildings used by major arts companies for performance and / or rehearsal, including Sadler's Wells, Birmingham Royal Ballet, the Royal Liverpool Philharmonic, and Garsington Opera.

MAJOR GRANTS PAID IN 2014 / 15 INCLUDED:

Royal Opera House Foundation

Towards the design and planning stages of the 'Open-Up' project

**£
695,000**

Dulwich Picture Gallery

Final payment of a grant of £500,000 towards the Endowment Fund

100,000

Sadler's Wells Foundation

Towards refurbishment of the theatre

100,000

Royal Liverpool Philharmonic Society

Towards refurbishment of the Philharmonic Hall

60,000

Birmingham Royal Ballet

First instalment of a grant of £100,000 towards refurbishment of the Company's building in Birmingham

50,000

Other organisations receiving grants included:

Garsington Opera

Linbury Prize for Stage Design

Pegasus Theatre, Oxford

EDUCATION

Grants Paid in Year	£ 1,294,378
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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, of support for the Clore Cultural Leadership Programme’s Dance Fellowship, and for the Linbury Prize for Stage Design (included within ‘Arts’, above) exemplify this.

Trustees pledged a major grant to the Royal Ballet School towards the acquisition and fit-out of a building in Pimlico which will, in time, accommodate all students of the Upper School. Currently housed in 3 separate buildings, the Pimlico building will allow the School to make operational efficiencies while providing an improved level of pastoral care and support.

A capital grant of £300,000 was awarded to the British School at Rome towards a much-needed programme of modernisation and refurbishment to the School’s fabric. The majority of the work will have taken place during the long vacation in 2015.

MAJOR GRANTS PAID IN 2014 / 2015 INCLUDED:

Royal Ballet School

Towards the new accommodation building in Pimlico

£

750,000

New Schools Network

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

125,000

British School at Rome

Towards the ‘Sustainable Building’ project; and the Sainsbury Scholarship in Painting and Sculpture

120,378

London Music Masters

Second instalment of a total grant of £150,000 over 3 years towards the Bridge project

50,000

Springboard for Children

First instalment of a 3-year grant towards core costs

50,000

Bodleian Library

Second instalment of a 3-year grant towards the custody and preservation of the Conservative Party Archive

50,000

THE LINBURY TRUST – 5 APRIL 2015

EDUCATION cont.

Other organisations receiving grants included:

Black Cultural Archives
Classics for All
Clare Leadership Programme
London Children's Ballet
Royal Welsh College of Music and Drama

MUSEUMS & HERITAGE

Grants Paid in Year	£ 3,991,114
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The final instalment was paid of the £12.5 million grant to the British Museum towards the World Conservation and Exhibitions Centre (WCEC). The Sainsbury Exhibitions Gallery, which opened in spring 2014, provides the Museum with a purpose-built gallery for large-scale temporary exhibitions. The WCEC additionally offers environmentally-controlled storage spaces with associated study areas, and purpose-built conservation studios.

Further payments were made under the grants to English Heritage, towards the new Visitor Centre at Stonehenge, which opened in late 2013; and to the Salisbury and South Wilts. Museum, towards the complete refurbishment of the Archaeology of Wessex gallery.

Trustees pledged a grant of £150,000 towards the refurbishment of Shoreditch Town Hall. The Victorian Town Hall has been re-invented as an independent arts and events venue, providing a flexible creative, performance and rehearsal space. They also pledged a grant of £75,000 to the Handel House Museum, towards a redevelopment of the Mayfair house in which both Handel and Jimi Hendrix once lived.

MAJOR GRANTS PAID IN 2014 / 2015 INCLUDED:

British Museum

Final instalment of a grant of £12.5 million towards the Sainsbury Exhibitions Gallery, part of the World Conservation and Exhibitions Centre

Stonehenge

Final instalment of a grant of £1 million to English Heritage towards the new Visitor Centre at Stonehenge

£ 3,467,500

200,000

THE LINBURY TRUST – 5 APRIL 2015

MUSEUMS & HERITAGE cont.

Shoreditch Town Hall Trust

First instalment of a grant towards the refurbishment of the Town Hall

75,000

Salisbury and South Wiltshire Museum

Final instalment of a grant of £150,000 towards the creation of the Archaeology of Wessex gallery

75,000

Other organisations receiving grants included:

Ashmolean Museum

Handel House Museum

Winchester Excavations Committee

ENVIRONMENT

Grants Paid in Year

£
215,500

Kew Gardens has commenced the complete redevelopment of the Temperate House, the world's largest surviving Victorian glass structure. The project, requiring the decanting of all but a handful of the plants in the Temperate House, is scheduled for completion in 2018. The Trustees pledged a grant of £500,000, payable over the duration of the project.

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

MAJOR GRANTS PAID IN 2014 / 2015 INCLUDED:

Ashden

Towards the 2014 Ashden Awards for Sustainable Energy

£

100,000

Royal Botanic Gardens, Kew

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

100,000

THE LINBURY TRUST – 5 APRIL 2015

SOCIAL WELFARE

Grants Paid in Year	£ 231,100
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Trustees have a number of areas of interest in this category.

They reserve a part of their grant-making for support for charities working to improve the quality of life of the elderly and of those suffering from dementia. In this connection they made a grant of £50,000 to the Royal Society of Wildlife Trusts towards three regional pilot projects. Two of these were inter-generational, involving groups of both young and older people. Trustees would selectively welcome a greater number of unsolicited approaches to support work with the elderly, particularly, though not exclusively, using the arts.

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 Marine Society & Sea Cadets challenges young people through maritime training. Its new flagship, TS Royalist, entered service in mid-2015.

MAJOR GRANTS PAID IN 2014 / 2015 INCLUDED:

Marine Society & Sea Cadets

Final instalment of a grant of £250,000 towards the commissioning of a new sail training yacht

£

100,000

Other organisations receiving grants included:

Hampshire & Isle of Wight Air Ambulance

KeepOut

Playing Fields Legacy Fund

Royal Society of Wildlife Trusts

THE LINBURY TRUST – 5 APRIL 2015

MEDICAL

Grants Paid in Year	£ 453,475
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Trustees pledged a grant of £1 million to St Andrew's Healthcare, towards the construction and fit-out of Fitzroy House. St Andrew's is the largest specialist mental healthcare charity in the UK, and is also the UK's only charitable teaching hospital. Fitzroy House will provide secure accommodation for 110 adolescent patients at St Andrew's Healthcare's Northampton site.

Over many years the Trustees' primary area of interest in the Medical category was in research into CFS / ME. Although Trustees no longer actively solicit research proposals in this field they have, in recent years, supported a series of studies into paediatric issues in CFS / ME under the direction of a team in Bristol.

MAJOR GRANTS PAID IN 2014 / 2015 INCLUDED:

St Andrew's Healthcare

Towards the construction of Fitzroy House

£

300,000

SMA Trust

Part of a total grant of £150,000 over three years towards core costs

50,000

Royal College of Ophthalmologists

Towards the fit-out of a new headquarters building

50,000

Other organisations receiving grants included:

University of Bristol

Wessex Cardiac Trust

THE LINBURY TRUST – 5 APRIL 2015

DEVELOPING COUNTRIES AND HUMANITARIAN AID

Grants Paid in Year	£ 120,665
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The Trustees' primary continuing interest in this category is in supporting organisations that work in Palestine, particularly in the medical field. A grant of £100,000 was pledged to St John of Jerusalem Eye Hospital towards the acquisition and fit-out of a new regional clinic in Hebron.

Organisations receiving grants included:

Butrint Foundation
Cathedral of St John the Divine, Antigua
Island Academy, Antigua
Medical Aid for Palestinians

Approved by the Board of Trustees on 10 September 2015 and signed on their behalf by

Lord Sainsbury of Preston Candover KG

.....TRUSTEE

THE LINBURY TRUST – 5 APRIL 2015

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2015

	<i>Notes</i>	Total Funds 2015 £'000	Total Funds 2014 £'000
INCOMING RESOURCES			
Investment income	<i>1</i>	7,129	6,883
Bank deposit interest		31	26
Donation received		943	1,875
Other income		30	-
Total incoming resources		8,133	8,784
RESOURCES EXPENDED			
Cost of generating funds			
Investment management fees		119	103
Charitable activity			
Grant-making - Grants payable	<i>2</i>	7,572	8,218
- Costs of administration	<i>3</i>	376	403
		7,948	8,621
Total resources expended		8,067	8,724
Net surplus for the year		66	60
Other Recognised Gains and Losses			
(Losses) on investment assets			
Realised		(573)	(1,960)
Unrealised	<i>4</i>	(11,560)	(17,747)
Net movement in funds		(12,067)	(19,646)
Balances brought forward at 6 April 2014		152,540	172,186
Balances carried forward at 5 April 2015		140,473	152,540

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

THE LINBURY TRUST – 5 APRIL 2015

BALANCE SHEET AS AT 5 APRIL 2015

	Notes		2015	2014
		£'000	£'000	£'000
FIXED ASSETS				
Investments	4		135,947	144,858
CURRENT ASSETS				
Debtors	5	1,949		2,141
Cash at bank and in hand		6,805		9,038
		8,754		11,179
CURRENT LIABILITIES				
Creditors - amounts falling due within one year	6	(4,178)		(3,447)
NET CURRENT ASSETS				
			4,576	7,732
Creditors - amounts falling due after one year	7		(50)	(50)
Net assets			140,473	152,540
Expendable Endowment			140,473	152,540

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 10 September 2015 and were signed on their behalf by:

Lord Sainsbury of Preston Candover KG
 TRUSTEE

THE LINBURY TRUST – 5 APRIL 2015

CASH FLOW STATEMENT

FOR THE YEAR ENDED 5 APRIL 2015

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

	2015	<i>2014</i>
	£'000	<i>£'000</i>
Net incoming resources	66	60
Decrease in debtors	193	(187)
Increase in creditors	731	882
	990	755
	2015	<i>2014</i>
	£'000	<i>£'000</i>
Net cash inflow from operating activities	990	755
Purchase of investments	(11,070)	(3,114)
Sale of investments	7,847	8,655
	(3,223)	5,541
(Decrease) / Increase in cash	(2,233)	6,296

Analysis of decrease in cash during the year

	2015	2014	Change in
	£'000	£'000	year
			£'000
Cash at bank and in hand	6,805	9,038	(2,233)

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 (SORP 2005) "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
 - (i) Grants for which there is a binding commitment are accounted for within the Statement of Financial Activities.
 - (ii) 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
 - (i) Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.
 - (ii) Investments are shown at mid market value.
 - (iii) Partial disposals are accounted for using average book value.
 - (iv) Investments held in foreign currency are converted into sterling at the prevailing exchange rate and any foreign currency gains or losses on disposal are reflected in the Statement of Financial Activities.

- d) Costs of administration
 - (i) 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.
 - (ii) 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:

Quoted	2015		2014	
	£'000	%	£'000	%
UK Government Fixed Interest	27	0.4	17	0.2
Other fixed interest	25	0.4	25	0.4
U.K. Equities	6,840	95.9	6,619	96.2
Overseas Equities	237	3.3	221	3.2
	7,129	100.0	6,882	100.0

2. GRANTS PAYABLE AND PAID

	2015		2014	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Grants committed but unpaid at 6 April 2014		3,390		2,393
Grants conditionally approved at 6 April 2014	7,112		9,675	
Grants approved in the year	16,598		5,942	
Grants cancelled, amended or refunded	(1,022)		(287)	
Grants conditionally approved at 5 April 2015	(15,117)		(7,112)	
Grants payable for the year		7,571		8,218
GRANTS PAID IN THE YEAR		(7,449)		(7,221)
Grants committed but unpaid at 5 April 2015		3,512		3,390

Commitments at 5 April 2015 are payable as follows:	2015	2014
	£'000	£'000
Within one year (note 6)	3,512	3,390

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 2015 was £15,116,947 (2014: £7,112,417).

THE LINBURY TRUST – 5 APRIL 2015

NOTES TO THE ACCOUNTS (continued)

3. COSTS OF ADMINISTRATION

	2015	2014
	£'000	£'000
Salaries and associated costs	207	200
Office costs	160	194
Auditor's remuneration	9	9
	376	403

The auditor's remuneration includes the audit fee of £8,640 (2014: £8,650)
Trustees received no remuneration (2014: £nil).

4. FIXED ASSETS INVESTMENTS

	2015	2014
	£'000	£'000
Market value at 6 April 2014	144,858	170,105
Less: Disposals at book value	(8,421)	(10,614)
Add: Acquisitions at cost	11,071	3,114
Net (losses)/ gains on revaluation at 5 April 2015	(11,560)	(17,747)
Market value at 5 April 2015	135,948	144,858
Historical cost at 5 April 2015	115,983	111,637

The investments held as at 5 April 2015 were as follows:

	2015		2014	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Direct investment in listed UK and overseas securities				
UK equities - quoted *	101,350	117,712	100,575	131,507
UK equities - unquoted	7,312	8,050	2,859	2,848
Overseas equities - quoted	6,084	8,676	7,352	9,358
Overseas equities - unquoted	298	503	303	496
UK Government fixed interest	939	1,007	548	649
	115,983	135,948	111,637	144,858

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 accounts for £64.06 million of the £101.35 million cost above and is 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 £79.4 million, based on the price on 5 April 2015 of 260p per share; and Trojan Income Fund S Income units with a value of £22 million at 5 April 2015.

NOTES TO THE ACCOUNTS (continued)

5. DEBTORS

Debtors consist of the following:	2015	2014
	£'000	£'000
Income tax repayment	6	1
Prepayments	123	105
Loans to registered charities	1,800	1,619
Other debtors	20	416
	1,949	2,141

6. CREDITORS - amounts falling due within 1 year

	2015	2014
	£'000	£'000
Grants payable within one year	3,512	3,390
Accruals	563	42
Taxation and social security	94	6
Professional charges	9	9
	4,178	3,447

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

	2015	2014
	£'000	£'000
Long term liability	50	50
	50	50

NOTES TO THE ACCOUNTS (continued)

8. ANALYSIS OF STAFF COSTS

	2015	2014
	£'000	£'000
Staff costs:		
Wages and salaries	167	162
Social security costs	19	18
Other pension costs	21	20
	<u>207</u>	<u>200</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:

	2015	2014
	Number	Number
	<u>1</u>	<u>1</u>

As mentioned in Accounting Policies note (d), the Trust is one of the Sainsbury Family Charitable Trusts which shares a joint administration at the Registered Office. 5.9% 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 2014/15. Staff costs equivalent to 1.9 full time employees were charged to the Linbury Trust (2013/14: 1.9). Included in the costs of employing the staff are contributions to money purchase pension schemes.

9. RESERVES

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

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

As shown on page 14, at the year end the total funds of the Trust consisted of Expendable Endowment.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 amounted to £140.473 million and £Nil million respectively (2014: £152.540 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 2015 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' 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

2015