

THE LINBURY TRUST

ANNUAL REPORT

5 APRIL 2016

5 WILTON ROAD
LONDON SW1V 1AP

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THE LINBURY TRUST – 5 APRIL 2016

Legal and Administrative

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

Trustees	Lord Sainsbury of Preston Candover KG * Lady Sainsbury CBE James Barnard * Richard Butler Adams * Sarah Butler-Sloss (appointed 10 May 2016) Sir Martin Jacomb * Julian Sainsbury (appointed 10 May 2016) Mark Sainsbury (appointed 10 May 2016) Sir James Spooner * member of Investment Committee
Registered Office	5 Wilton Road London SW1V 1AP
Principal Officers	Alan Bookbinder Director, Sainsbury Family Charitable Trusts Philip Lawford Director Karen Everett Finance Director
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditors	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
Investment Advisers	Cazenove Capital Management 12 Moorgate London EC2R 6DA Troy Asset Managers Limited 44 Davies Street London W1K 5JA Windmill Hill Asset Management Limited Silk Street Waddesdon Buckinghamshire HP18 0JZ

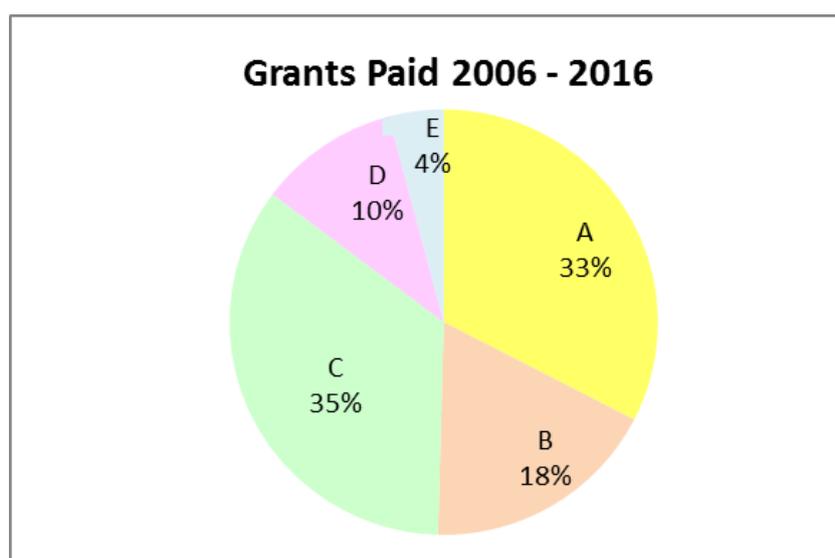
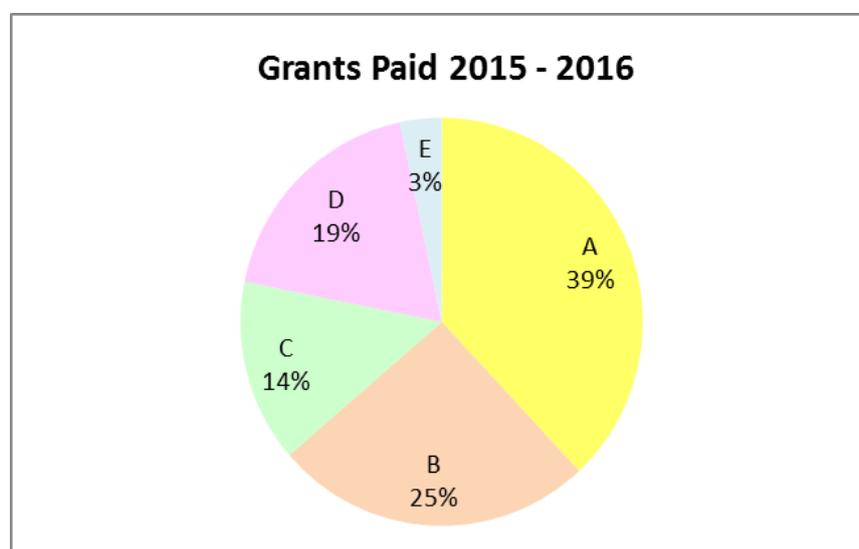
Objects

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

THE LINBURY TRUST – 5 APRIL 2016

Summary of grants paid: 2015 - 2016 and the last 10 years

	2015-16		2006-16	
	£m	%	£m	%
 A – Arts	2.9	39	20.4	33
 B – Education	1.9	25	11.2	18
 C – Museums and Heritage / Environment	1.1	14	21.8	35
 D – Social Welfare / Medical	1.4	19	6.7	10
 E – Developing Countries / Humanitarian Aid	0.2	3	2.6	4
	7.5	100	62.7	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.

Reserves Policy

The Trustees approve grants for payment over one or more years. These are brought into the accounts where there is a commitment to pay. The Trustees meet these commitments out of income; were there to be insufficient income, they are 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. The Trustees are satisfied that the totality and composition of the Trust's resources are sufficient for this purpose.

As shown on page 14, at the year end the total funds of the Trust consisted of Expendable Endowment of £142.4m (2015: £140.5m)

Risk Assessment

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

Investment Powers, Policy and Performance

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

The Trustees' investment policy is to maximise funds available for grant-making while preserving the real value of the endowment over the medium term. In addition, the Trustees have recently taken steps to broaden the diversification of the investment portfolio: at the year-end the Trust's shares in J Sainsbury plc represented 54% of the total value of the endowment (2015: 58%).

The major part of the Trust's endowment continues to be invested in stock markets. The endowment grew in value by 3.2% during the year.

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

Review of the Past Year

The Trust's income for the year, excluding donations, declined by 26% to £5.3 million (2015: £7.2 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 2016 the Trustees paid grants totalling £7.52 million (2015: £7.45 million); they approved 70 grants (2015: 56) amounting to £6.9 million (2015: £16.6 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; 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 5.3% (2015: 5.0%).

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.

ARTS

Grants Paid in Year	£ 2,860,131
----------------------------	------------------------

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 ‘Open-Up’ project being undertaken at the Royal Opera House will, as referred to in last year’s report, 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 made a grant of £150,000 towards the new Rockvilla project being undertaken by the National Theatre of Scotland. This is the first grant made by the Trustees towards an important arts-related capital project in Scotland. The Trustees also made a number of other grants towards projects to refurbish buildings or equipment used by major arts companies for performance and / or rehearsal, including Birmingham Royal Ballet, English Touring Opera, and the Rosehill Theatre, on the coast of Cumbria.

MAJOR GRANTS PAID IN 2015 / 16:

	£
Royal Opera House Foundation Towards the ‘Open-Up’ project	2,105,000
Linbury Prize for Stage Design Towards the 2013 and 2015 Prizes	156,256
National Theatre of Scotland Part of a grant of £150,000 towards the company’s new premises at Rockvilla	100,000
English Touring Opera Towards replacement of technical equipment	65,000
Rosehill Theatre, Cumbria Final instalment of a grant of £100,000 towards refurbishment	50,000
Birmingham Royal Ballet Final instalment of a grant of £100,000	50,000
Grange Festival First instalment of a grant towards start-up costs	50,000

ARTS – continued

Other organisations receiving grants included:

Federation of British Artists – Mall Galleries
 National Museum Wales
 Victoria & Albert Museum

EDUCATION

Grants Paid in Year	£ 1,928,282
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Trustees have over many years been stalwart supporters of 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 fulfilled their major pledge to the Royal Ballet School towards the acquisition and fit-out of a building in Pimlico which may, in time, accommodate all students of the Upper School. This building will allow the School to make operational efficiencies while providing an improved level of pastoral care and support.

The British School at Rome concluded its major ‘Sustainable Building’ refurbishment project; this will deliver significant energy and, hence, cost savings while also improving facilities.

MAJOR GRANTS PAID IN 2015 / 2016:

Royal Ballet School

Final instalment of a major grant towards Aud Jebsen Hall, the School’s new accommodation building in Pimlico

**£
1,250,000**

British School at Rome

Final instalment of a grant of £300k towards the ‘Sustainable Building’ project; and towards the Sainsbury Scholarship in Painting and Sculpture

270,297

Bodleian Library

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

50,000

Springboard for Children

Second instalment of a 3-year grant towards core costs

50,000

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EDUCATION – continued

Other organisations receiving grants included:

Black Cultural Archives
Royal Welsh College of Music and Drama

ENVIRONMENT

Grants Paid in Year

£
323,725

Innovation for Agriculture seeks to improve the productivity of British agriculture through better application of research in ways that are both efficient and sustainable. Trustees pledged a grant of £90,000 towards an initiative to improve productivity of soils.

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 2015 / 2016:

Ashden sustainable solutions, better lives

Towards the 2015 Ashden Awards for Sustainable Energy

Royal Botanic Gardens, Kew

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

Innovation for Agriculture

First instalment of a grant of £90,000 towards the Soils programme

£

100,000

100,000

60,000

MUSEUMS & HERITAGE

Grants Paid in Year	£ 764,500
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Westminster Abbey is in the process of providing public access to the Triforium. This will become the home of the Queen’s Diamond Jubilee Galleries, in which the Abbey will display its important collection of treasures and historic artefacts. Trustees have pledged £1 million towards this project.

Auckland Castle is the centrepiece of a bold and visionary example of urban regeneration. Using the acquisition of a collection of paintings by the Spanish baroque artist Zurbarán as the catalyst, Auckland Castle Trust is seeking not only to transform Auckland Castle, the former home of the Prince-Bishops of Durham, but also, and in so doing, to revitalise the economy of Bishop Auckland, Co. Durham. Trustees have pledged a grant of £1 million towards this project.

Shoreditch Town Hall, a fine example of Victorian civic architecture, has been re-invented as an independent arts and events venue, providing a flexible creative, performance and rehearsal space. Trustees completed payment of their grant of £150,000 towards the refurbishment of the building. 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 2015 / 2016:

Westminster Abbey

First instalment of a £1 million grant towards the creation of the Queen’s Diamond Jubilee Galleries in the Triforium of the Abbey

**£
350,000**

Auckland Castle Trust

First instalment of a grant of £1 million towards the restoration of Auckland Castle and associated regeneration of Bishop Auckland

200,000

Shoreditch Town Hall Trust

Final instalment of a grant of £150,000 towards the refurbishment of Shoreditch Town Hall

75,000

Winchester Cathedral

First instalment of a grant of £500,000 towards the major conservation and development project

50,000

Other organisations receiving grants included:

Handel House Museum

SOCIAL WELFARE

Grants Paid in Year	£ 813,500
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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 £200,000, payable over several years, to St Michael’s Hospice, Basingstoke towards an extension of its work in the community. They also supported, for the first time, Claremont Project in Islington, which encourages its users to engage in creative activities, and in particular dance. 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.

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 2015 / 2016:

	£
Onside Foundation First instalment of a grant of £400,000 towards the Wirral Youth Zone	200,000
Treloar Trust First instalment of a grant of £150,000 towards the refurbishment of Gauvain House	100,000
St Michael’s Hospice, Basingstoke First instalment of a grant of £200,000 towards an extension of work in the community	100,000
Crisis Towards the Christmas 2015 appeal	50,000
Hampshire and Isle of Wight Air Ambulance Final instalment of a grant of £175,000	50,000
Marine Society and Sea Cadets Final instalment of a grant of £250,000 towards a new ocean-going sail training yacht, TS Royalist	50,000

SOCIAL WELFARE – continued

Other organisations receiving grants included:

Claremont Project
Gingerbread

MEDICAL

Grants Paid in Year

**£
576,000**

Trustees have 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 the Northampton site of St Andrew's Healthcare.

MAJOR GRANTS PAID IN 2015 / 2016:

St Andrew's Healthcare

Towards the construction and fit-out of Fitzroy House

**£
300,000**

SMA Trust

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

50,000

Other organisations receiving grants included:

Teenage Cancer Trust

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DEVELOPING COUNTRIES AND HUMANITARIAN AID

Grants Paid in Year	£ 252,940
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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 made to St John of Jerusalem Eye Hospital towards the acquisition and fit-out of a new regional clinic in Hebron.

MAJOR GRANTS PAID IN 2015 / 2016:

St John of Jerusalem Eye Hospital

Towards the new clinic in Hebron

Gurkha Welfare Trust

Grant in response to the earthquake in Nepal

£

100,000

50,000

Other organisations receiving grants included:

Butrint Foundation

Orbis International

Approved by the Board of Trustees on 13 October 2016 and signed on their behalf by

Lord Sainsbury of Preston Candover KG

.....TRUSTEE

THE LINBURY TRUST – 5 APRIL 2016

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2016

		Total Funds	Total Funds
	<i>Notes</i>	2016	2015
		£'000	£'000
INCOME AND ENDOWMENTS from:			
Donation received including gift aid		900	943
Investments	2	5,318	7,129
Bank deposit interest and other income		24	61
Total Income		6,242	8,133
 EXPENDITURE on:			
Cost of generating funds:			
Investment management fees		129	119
Charitable activity			
Grant-making - Costs of administration	3	401	376
- Grants payable	4	8,321	7,572
Total Expenditure		8,851	8,067
Gains / (Losses) on investment assets:	5	4,503	(12,133)
Net income / expenditure and net movement in funds		1,894	(12,067)
 Reconciliation of funds:			
Total funds brought forward		140,473	152,540
Total funds carried forward		142,367	140,473

The notes on pages 16 to 21 form part of these accounts.

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

THE LINBURY TRUST – 5 APRIL 2016

BALANCE SHEET AS AT 5 APRIL 2016

	Notes	2016	2015
		£'000	£'000
FIXED ASSETS			
Investments	5	140,780	135,947
Loans to beneficiaries	6	1,745	1,800
		142,525	137,747
CURRENT ASSETS			
Debtors	7	148	149
Cash at bank and in hand		5,029	6,805
		5,177	6,954
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	8	(5,285)	(4,178)
NET CURRENT ASSETS		(108)	2,776
Creditors - amounts falling due after one year	9	(50)	(50)
NET ASSETS		142,367	140,473
EXPENDABLE ENDOWMENT		142,367	140,473

The notes on pages 16 to 21 form part of these accounts.

The financial statements were approved and authorised for issue by the Trustees on 13 October 2016 and were signed on their behalf by:

Lord Sainsbury of Preston Candover KG

..... TRUSTEE

THE LINBURY TRUST – 5 APRIL 2016

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2016

RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH INFLOW FR OPERATING ACTIVITIES

	Notes	2016 £'000	2015 £'000
Net cash used in operating activities	10	<u>(7,690)</u>	<u>(7,113)</u>
Cash flows from investing activities:			
Interest and dividends		5,343	7,160
Proceeds from sale of investments		10,508	7,847
Purchase of investment		<u>(10,837)</u>	<u>(11,070)</u>
Net cash provided by investing activities		5,014	3,937
Cash flows from financing activities:			
Receipt of expendable endowment		900	943
Net cash provided by financing activities		<u>900</u>	<u>943</u>
Change in cash and cash equivalents in the year		(1,776)	(2,233)
Cash and cash equivalent brought forward		<u>6,805</u>	<u>9,038</u>
Cash and cash equivalent carried forward		<u>5,029</u>	<u>6,805</u>

The notes on pages 16 to 21 form part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared to give a true and fair view and have only departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

These financial statements for the year ended 5 April 2016 are the first financial statements that comply with FRS 102 and the Charities SORP (FRS102). The date of transition is 6 April 2014.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP (FRS 102) a restatement of comparative items was needed. Loans to beneficiaries have been reclassified from debtors to fixed asset investments on the balance sheet. No restatements were otherwise required.

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income / (expenditure) for the year is provided with the net income / (expenditure) under previous GAAP adjusted for the presentation of investment gains / (losses) as a component of reported income.

2015 net income reconciliation	£'000
2015 net income / (expenditure) as previously stated	66
Adjustment for gains / (losses) on investments now treated as a component of net income	<u>(12,133)</u>
2015 net income as restated under the Charities SORP (FRS102)	<u>(12,067)</u>

The principal accounting policies adopted are as follows:

- a) Income Recognition
 - (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) Expenditure on Charitable Activities
 - (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.
 - (v) Loans to beneficiaries represent loans made at less than a market rate of interest for charitable purposes. They are included at the amount advanced less any repayments and impairments.

d) **Costs of Administration**

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

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

e) **Loans to beneficiaries**

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

f) **Fund accounting**

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

2. INVESTMENT INCOME

Income received on investments is analysed as follows:

Quoted	2016		2015	
	£'000	%	£'000	%
UK Government Fixed Interest	27	0.5	27	0.4
Other fixed interest	25	0.5	25	0.4
U.K. Equities	4,905	92.2	6,840	95.9
Overseas Equities	361	6.8	237	3.3
	5,318	100.0	7,129	100.0

3. COSTS OF ADMINISTRATION

	2016	2015
	£'000	£'000
Salaries and associated costs	217	207
Office costs	175	160
Auditor's remuneration	9	9
	401	376

The auditor's remuneration includes the audit fee of £8,820 (2015: £8,640)

THE LINBURY TRUST – 5 APRIL 2016

NOTES TO THE ACCOUNTS (continued)

4. ANALYSIS OF GRANTS

	2016	2015
	£'000	£'000
Reconciliation of grants payable:		
Grants committed but unpaid at 6 April 2015	3,512	3,390
Grants conditionally approved at 6 April 2015	15,117	7,112
Grants approved in the year	6,901	16,598
Grants cancelled, amended or refunded	(16)	(1,022)
Grants conditionally approved at 5 April 2016	(13,681)	(15,117)
Grants payable for the year	8,321	7,571
GRANTS PAID IN THE YEAR	(7,519)	(7,449)
Grants committed but unpaid at 5 April 2016	4,314	3,512
Commitments at 5 April 2016 are payable as follows:	2016	2015
	£'000	£'000
Within one year (note 6)	4,314	3,512

Further to the amounts committed and included above, the Trustees have also authorised grants subject to the respective beneficiaries satisfying specified conditions. The total amount authorised but not included as expenditure at 5 April 2016 was £13.681m (2015: £15.117m).

	£'000
The total of grants paid in the year can be classified as follows:	
ARTS	2,860
EDUCATION	1,928
ENVIRONMENT	324
MUSEUMS & HERITAGE	764
SOCIAL WELFARE	814
MEDICAL	576
DEVELOPING COUNTRIES AND HUMANITARIAN AID	253
	7,519

For information on individual grants within each of these categories, please refer to pages 6-12.

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NOTES TO THE ACCOUNTS (continued)

5. FIXED ASSETS INVESTMENTS

	2016	2015
	£'000	£'000
Market value at 6 April 2015	135,948	144,858
Less: Disposals at book value	(10,824)	(8,421)
Add: Acquisitions at cost	10,837	11,070
Net gains / (losses) on revaluation at 5 April 2016	4,819	(11,560)
Market value at 5 April 2016	140,780	135,947
Historical cost at 5 April 2016	117,417	115,983

The investments held as at 5 April 2016 were as follows:

	2016		2015	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Direct investment in listed UK and overseas securities				
UK equities - quoted	94,787	115,334	101,350	117,712
UK equities - unquoted	14,381	15,344	7,312	8,050
Overseas equities - quoted	6,893	8,463	6,084	8,676
Overseas equities - unquoted	297	582	298	502
UK Government fixed interest	1,059	1,057	939	1,007
	117,417	140,780	115,983	135,947

6. LOANS TO BENEFICIARIES

	2016	2015
	£'000	£'000
Balance at beginning of year	1,800	1,619
Repayments in year	(56)	(19)
New loan	1	200
Balance at end of year	1,745	1,800

The loans are interest free and receivable after more than one year.

THE LINBURY TRUST – 5 APRIL 2016

NOTES TO THE ACCOUNTS (continued)

7. DEBTORS

Debtors consist of the following:	2016	2015
	£'000	£'000
Income tax repayment	4	6
Prepayments	118	123
Other debtors	26	20
	148	149

8. CREDITORS - amounts falling due within 1 year

	2016	2015
	£'000	£'000
Grants payable within one year	4,314	3,512
Accruals	867	563
Taxation and social security	95	94
Professional charges	9	9
	5,285	4,178

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

	2016	2015
	£'000	£'000
Long term liability	50	50
	50	50

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

	2016	2015
	£'000	£'000
Net movement in funds	1,894	(12,067)
Deduct gift of endowment	(900)	(943)
Deduct interest income shown in investing activities	(5,343)	(7,160)
Deduct gains / add back losses on investments	(4,504)	12,133
Decrease / (increase) in debtors	56	193
(Decrease) / increase in creditors	1,107	731
	(7,690)	(7,113)

NOTES TO THE ACCOUNTS (continued)

11. ANALYSIS OF STAFF COSTS

	2016	<i>2015</i>
	£'000	<i>£'000</i>
Staff costs:		
Wages and salaries	175	167
Social security costs	20	19
Other pension costs	22	21
	217	<i>207</i>

As mentioned in Accounting Policies note 1d, the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 5.4% 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 2016.

The average total number of staff employed during the year was 8, most of whom worked for the Linbury Trust on a part-time basis (2015: 7). This was equivalent to 1.9 full-time employees (2015: 1.9).

The Trust considers its key management personnel to comprise the Principal Officers. The total employment benefits, including employer pension contributions, of these personnel, were £157,185 (2015: £151,478). One employee earned between £100,001 and £110,000 (2015: £90,001-£100,000).

12. RELATED PARTY TRANSACTIONS

A grant of £37,500 was made to the Butrint Foundation, of which Lord Sainsbury is a Trustee. A donation in the sum of £900,000 (including Gift Aid) was received from the Settlor. The Trustees all give freely of their time and expertise without remuneration or other benefit in cash or kind (2015: £nil).

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the financial statements of The Linbury Trust for the year ended 5 April 2016 set out on pages 13 to 21. 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), including Financial Reporting Standard 102.

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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2016 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.

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

Date: