

THE WOOD FOUNDATION
(Charity Number: SC037957)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

31 MARCH 2019

THE WOOD FOUNDATION
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

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THE WOOD FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

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Lady Helen Wood
Garreth R C Wood
Graham Good

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THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

The Trustees submit their report and the audited accounts of The Wood Foundation for the year ended 31 March 2019.

Legal and administrative information set out on the previous page forms part of this report. The accounts comply with current statutory requirements, the Trust Deed and the Statement of Recommended Practice - Accounting and Reporting by Charities (FRS102).

The Wood Foundation was established by Sir Ian Wood and family and was officially launched on 14 September 2007. The Trust is a Scottish based charity with a global outlook.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of Governing Document

The Wood Foundation is a recognised charity in Scotland (charity number SC037957) governed by its Trust Deed.

Organisational Structure

The Board of Trustees administer the charity. The Executive Chairman manages the day to day operations of the charity.

The Trust's governing document is its Trust Deed.

Recruitment and Appointment of Trustees

The powers of appointment and removal of Trustees are set out in the Trust Deed.

It is the Trust's policy to seek to appoint Trustees who have a specific interest in its objects or whose skills can complement those already in place.

Induction and Training of Trustees

The Trustees have been given appropriate information and training regarding their legal roles and responsibilities upon appointment to the Board.

TRUST OBJECTIVES AND ACTIVITIES

The Trust Deed empowers the Trustees to apply the Trust Fund for the benefit of such purposes, objects or institutions, charitable in law, as the Trustees think fit.

The Wood Foundation's chosen objectives are (1) making markets work for the poor in Sub-Saharan Africa; (2) encouraging young people in Scotland to become enterprising, independent, tolerant and caring members of society; and (3) promotion of education and economic development in Scotland. The Trust achieves these objectives by applying the principles of venture philanthropy - investing both money and expertise to its chosen project areas to achieve its objectives. Whether as project leader or by taking an active supporting role with strategic partners, we are generally involved in the research and design, implementation and performance evaluation stages of each project to enable sustained and successful programmes.

The Trust's objectives in Sub-Saharan Africa are implemented by its subsidiary charitable company, The Wood Foundation Africa ('TWFA') (charity number SC040580).

CHAIRMAN'S REVIEW

The Trustees present their report for the year ended 31 March 2019.

Assessment of Principal Risks and Uncertainties

There are risks associated with our tea related activities through our subsidiary, The Wood Foundation Africa, particularly climatic conditions; global tea prices; and political stability. These risks are mitigated by choosing areas with a good history of tea-growing conditions; partnering with reputable tea producers where applicable; and by recruiting high quality, suitably qualified and experienced management as our operations expand. Financial controls and systems are also in place to manage exposure to major risks, including ensuring that adequate levels of free reserves are maintained to withstand any downturn.

Executive Summary

The Wood Foundation, founded in 2007, continues to make strong progress and further expand its activities both in the UK and in Sub-Saharan Africa. Our funds continue to be focussed on three main areas – Making Markets Work for the Poor in Sub-Saharan Africa; Developing Young People in Scotland; and Facilitating Economic and Education Development in Scotland.

Making Markets Work for the Poor in Sub-Saharan Africa is implemented through our subsidiary charity, The Wood Foundation Africa ('TWFA') with the main projects in partnership with Lord David Sainsbury's Gatsby Africa charity ('Gatsby'), Unilever and, more recently, with Luxmi Tea Company Private Limited ('Luxmi'), an eminent family tea business based in India. Our smallholder-supplied factories in Rwanda currently produce approximately one third of the total tea produced in that country. Our three large-scale planting projects are developing 10,000 hectares of tea owned by smallholder farmers. This enables us to positively impact approximately 65,000 smallholder tea farmers – approximately 400,000 of the rural population including dependents. We have been given good support in a number of our smallholder tea development projects by the UK Department for International Development ('DFID') UKAid programme.

Our Developing Young People in Scotland portfolio continues to grow.

The Youth & Philanthropy Initiative Scotland (YPI) is now one of the largest independent education programmes being delivered through the curriculum in Scottish schools, engaging more than 34,000 young people in 246 secondary schools this academic year. The programme continues to be an outstanding success in equipping young people with the skills, time and opportunity required to engage meaningfully with their wider communities, understand the social issues affecting them, and realise their potential to make a positive impact. Our Global Learning Partnerships programme (GLP) has grown to become a national opportunity for Scottish schools, providing immersive, ongoing professional learning opportunities to education practitioners. This experience enhances the delivery of global and sustainable education.

Both YPI and GLP are endorsed by Education Scotland as offering high quality professional learning and leadership opportunities for Scottish educators. The RAiSE (Raising Aspirations in Science Education) pilot continues to evidence strong impact on the learning and teaching of primary science, as supported by an external evaluation currently underway led by the Robert Owen Centre for Educational Change. It is active in 10 local authorities in Scotland.

Our commitment to Facilitating Economic and Education Development in Scotland is implemented by Opportunity North East ('ONE'), a private sector led initiative aimed at maximising opportunities from North Sea oil and strengthening other key industry sectors. Our commitment to ONE is £29.25 million over five years to 31 March 2021 with a conditional commitment to increase this by a further £33 million for the five-year period from 1 April 2021 to 31 March 2026.

CHAIRMAN'S REVIEW (continued)

During the year we agreed a revision to the £5 million funding commitment to Robert Gordon University with the remaining amounts payable to focus more on Digital & Entrepreneurship activities, alongside Oil & Gas. Feedback on the benefits of the Lady Helen Parking Centre - the £10.7m multi-storey car park funded by The Wood Foundation and officially opened by my wife last year at Aberdeen's Foresterhill Health Campus for patients and visitors, continues to be very positive.

Our commitment to Kids Operating Room ('KidsOR'), a separate charity set up by my son Garreth in 2018 developing paediatric operating theatres in developing countries around the world, is £4.5 million.

Charitable Activities During the 2018/19 Year

Making Markets Work for the Poor in Sub-Saharan Africa

During the year we were involved in the operation of four tea processing factories in Rwanda. Two were acquired in partnership with Gatsby during Government privatisations. Having invested significantly in the infrastructure, management and farmer training, these are performing well and we progress towards our intention to eventually pass our shares over to smallholder ownership once we recover our original investment at nil return and the smallholder farmers achieve certain capacity and governance KPIs. Discussions on the first handover have commenced at one factory. Two additional factories were acquired in partnership with Luxmi (75% Luxmi, 25% TWFA) towards the end of the financial year, giving TWFA direct access to support the development of a further 5,000 smallholder farmers. These four factories, all majority supplied by smallholder tea farmers, now produce one third of the tea produced in that country.

We continue to operate three tea development services companies - one in Tanzania and two in Rwanda - each providing a full suite of financial and operational support to enable smallholders to plant out tea and develop into a small business. Each of these are 25+ year tea development projects involving a partnership with an international tea production company who are building new state of the art tea processing factories to be supplied by the smallholder tea farmers. Two of the three new factories are now open.

In Tanzania, we are more than halfway through the 2,500 hectares Njombe development and will be working with around 3,500 farmers on completion of the programme. Each farmer is trained in good agronomic practices and it is encouraging to see them now able to consistently supply good quality Greenleaf to the new Unilever factory, and be motivated by the quality premium being paid above the basic tea price.

Our other two greenfield developments are located in Southern Rwanda where we have partnered with Unilever at Nyaruguru and with Luxmi at Rugabano. Luxmi opened their factory in August 2019 (which we have also taken a stake in since the year end) and the high quality of the tea produced to date gives us every reason to be confident that these projects will transform the local economies and have a very significant positive impact on the income and general livelihood of what were extremely poor farmers. These are larger scale projects compared to Tanzania and together will plant out about 8,000 hectares of new smallholder tea in areas which were very badly affected by the genocide and are among the highest poverty areas in the country.

THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

CHAIRMAN'S REVIEW (continued)

Developing Young People in Scotland

During the past academic year we continued to grow our outstanding Youth & Philanthropy Initiative (YPI) programme which engaged 34,000 secondary school pupils in philanthropy in 246 schools, across all 32 local authorities. YPI is now the largest active citizenship programme being delivered through the Scottish curriculum and contributed £735,000 to 220 local charities across Scotland. There is no doubt this is having an impact on young people's skill development as well as their attitudes towards social issues, community responsibility and enhancing their capacity to make a positive difference. It is providing a unique level of delegated responsibility to young people and giving them the opportunity to raise awareness and funds for causes they care about.

Our Global Learning Partnership (GLP) programme this year facilitated 27 education practitioners from nine local authorities spending four weeks during the Scottish school holidays working with schools in Rwanda and Uganda. In addition to developing and delivering professional training for Rwandan and Ugandan educators, a key priority on their return to Scotland is that they share their experience and learning with their schools to support their students towards a better understanding of their place in the world and their responsibilities as future citizens in a global community. It is also enhancing the resourcefulness, innovation and leadership skills of the participants and is subject to pre and post-departure support from The Wood Foundation.

Our commitment to addressing the lack of primary science learning and teaching across Scotland continues through the RAiSE (Raising Aspirations in Science Education) pilot, now working with 10 Local Authorities. Through appointing Primary Science Development Officers into local education teams we aim to enhance primary practitioner confidence and competencies in their delivery of science education, thus improving the consistency of high-quality science learning and teaching. If the approach evidences success, and there are clear plans in place locally for the embedding and legacy of the improvements catalysed by RAiSE funding, we are committed to supporting national roll out of RAiSE over seven years.

We also have partnership initiatives with the STV Children's Appeal and Cash for Kids, addressing the issue of child poverty in Scotland. These continue alongside a number of other smaller projects directly impacting upon the life chances and opportunities for Scotland's young people.

Facilitating Economic and Education Development in Scotland

Opportunity North East (ONE) is a private sector led body helping the North East of Scotland maximise the economic recovery of the North Sea oil and gas reserves and balancing the economy by supporting development of our other industry sectors. Our commitment to ONE is £29.25 million over five years to 31 March 2021 with a conditional commitment to increase this by a further £33 million for the five-year period from 1 April 2021 to 31 March 2026. ONE is on track to source matched funding from the public and private sector which, if the additional £33 million is subsequently approved by us, would result in a total investment of approximately £125 million into the development of five key industry sectors in the North East of Scotland - Oil and Gas; Food, Drink and Agriculture; Life Sciences; Tourism; and Digital & Entrepreneurship over 10 years.

THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

CHAIRMAN'S REVIEW (continued)

After charitable spend and commitment to date of £98 million, uncommitted funds and investments in The Wood Foundation are approximately £125 million.

Plans for Future

TWF is benefitting from focusing our funding and people resources on three or four key areas of development and that will continue to be the strategy. TWFA continues to focus on smallholder farmer development. We are progressing discussions on other possible major tea developments in Sub-Saharan Africa and are also looking at potential opportunities in other sectors.

We are continuing to develop YPI very successfully. The programme has grown into an outstanding educational and community project significantly enhancing delivery of Curriculum for Excellence across Scotland. We are developing our Global Learning Partnership Programme in Uganda and Rwanda while closely evaluating the programme's impact upon the attitudes and perspectives of Scottish learners on global challenges and contexts. Our RAiSE programme, which we believe is critical in strengthening Scotland's STEM capital will depend on undertakings from Scottish Government and Local Authorities to provide ongoing commitment and financial support. Should the external evaluation into RAiSE evidence positive, sustainable impacts in primary science learning and teaching, we are committed to widening the offer to a national invitation. We are also researching and in discussions to launch a pilot programme which will support the introduction of project-based learning to schools in order to better prepare young people for the world of work.

Opportunity North East continues to progress well and has the potential to leverage the significant TWF funding to make a very positive economic development impact in the North East of Scotland. It has got wide backing and participation across the region and we will continue to invest to make a difference in each of our chosen industry sectors.

FINANCIAL REVIEW

Incoming resources and gains on investments exceeded charitable activities in the year which resulted in net incoming/(outgoing) resources for the year, amounting to £14.5 million (2018 - £(10.2) million) and have been dealt with as shown in the Consolidated Statement of Financial Activities.

The Trustees have prepared the financial statements in accordance with current statutory requirements, the Trust Deed and the Statement of Recommended Practice (FRS102) - Accounting and Reporting by Charities.

The income of the Group for the year ended 31 March 2019 was £15.7 million (2018 - £5.4 million) which includes £11.2 million (2018 - £Nil) of donations from Sir Ian Wood and family trusts; £2.9 million (2018 - £3.6 million) grants from The Department of International Development ('DFID') in connection with the Chai Project, the new tea development in the southern highlands of Tanzania and the new tea developments in the Nyaruguru & Rugabano regions of Rwanda; and £125,000 (2018 - £70,000) received from trading activities. In addition, investment income of £1.1 million (2018 - £1.4 million) was earned during the year.

Group charitable expenditure was £5.7 million (2018 - £14.8 million) which includes £2.3 million (2018 - £11.1 million) of grants committed to during the year ended 31 March 2019. The total value of grant commitments outstanding at 31 March 2019 was £24.9 million (2018 - £34.7 million) and these are scheduled to be paid over the next five years.

The portfolio of The Wood Foundation investments at 31 March 2019 had a total value of £83 million (2018 - £77 million) with a further £59.8 million (2018 - £68.1 million) held in cash deposits.

**THE WOOD FOUNDATION
TRUSTEES' ANNUAL REPORT**

FINANCIAL REVIEW (continued)

The objective of the investment portfolio continues to be to obtain capital growth over the long term. We have now commenced mixed motive investments in three Rwanda tea factories which we expect to generate returns to be used to further our charitable objects but which also positively impact 5,000 smallholder farmers. In addition, The Wood Foundation takes social, environmental and ethical considerations into account in its investments through East African Tea Investment, managing all of our philanthropic tea projects in Sub-Saharan Africa.

Reserves

The Reserves Policy of The Wood Foundation is to hold high cash reserves to develop and fund our philanthropic programmes.

Incoming resources and gains on investments exceeded charitable activities in the year which resulted in an overall increase in reserves of £14.5 million (2018 - Decrease £10.2 million) to £125.3 million (2018 - £110.8 million) at 31 March 2019. Restricted funds at that date are £281,000 (2018 - £12,000), payable within one year, and committed unrestricted funds are £24.9 million (2018 - £34.7 million), payable over the next three years.

The Trustees are satisfied that the level of reserves held at 31 March 2019 is in line with the Reserves Policy and will be used for ongoing project expenditure.

With uncommitted and unrestricted reserves of £125 million at 31 March 2019 and ongoing input of funds from my family, we will continue to maintain high levels of cash reserves and adequate funds to develop our philanthropic programmes and objectives.

PROVISION OF INFORMATION TO AUDITORS

As far as the Trustees are aware, there is no relevant audit information of which The Wood Foundation's auditors are unaware and we have taken all the steps we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that The Wood Foundation's auditors are aware of that information.

AUDITORS

Anderson, Anderson & Brown Audit LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Signed on behalf of the Board of Trustees


.....
Trustee Sir Ian Wood

.....
Date 18 December 2019

THE WOOD FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 Scotland requires 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. 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.

THE WOOD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION

Opinion

We have audited the financial statements of The Wood Foundation (the 'charity') for the year ended 31 March 2019 which comprises the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheet, the Group Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

THE WOOD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION

Other information - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) 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
- proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE WOOD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Anderson Anderson & Brown Audit LLP

Anderson Anderson & Brown Audit LLP
Statutory Auditor
Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: *18 DECEMBER 2019*
Anderson Anderson & Brown Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE WOOD FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	11,209	3,291	14,500	3,938
Investments	4	1,088	-	1,088	1,409
Other trading activities	5	125	-	125	70
TOTAL		<u>12,422</u>	<u>3,291</u>	<u>15,713</u>	<u>5,417</u>
EXPENDITURE ON:					
Charitable activities	6	<u>2,665</u>	<u>3,022</u>	<u>5,687</u>	<u>14,815</u>
TOTAL		<u>2,665</u>	<u>3,022</u>	<u>5,687</u>	<u>14,815</u>
Gain/(loss) on investments	13	4,425	-	4,425	(850)
NET MOVEMENT IN FUNDS	10	<u>14,182</u>	<u>269</u>	<u>14,451</u>	<u>(10,248)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		110,834	12	110,846	121,094
Total funds carried forward	21	<u>125,016</u>	<u>281</u>	<u>125,297</u>	<u>110,846</u>

The Trust has made no gains or losses other than as reported above.

The notes on pages 17 to 37 form part of these financial statements.

THE WOOD FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000	2018 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	11,209	234	11,443	219
Investments	4	1,062	-	1,062	1,407
TOTAL		<u>12,271</u>	<u>234</u>	<u>12,505</u>	<u>1,626</u>
EXPENDITURE ON:					
Charitable activities	6	5,893	182	6,075	11,402
TOTAL		<u>5,893</u>	<u>182</u>	<u>6,075</u>	<u>11,402</u>
Gain/(loss) on investments	13	4,425	-	4,425	(850)
NET MOVEMENT IN FUNDS	10	<u>10,803</u>	<u>52</u>	<u>10,855</u>	<u>(10,626)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		105,669	-	105,669	116,295
Total funds carried forward	21	<u>116,472</u>	<u>52</u>	<u>116,524</u>	<u>105,669</u>

The Trust has made no gains or losses other than as reported above.

The notes on pages 17 to 37 form part of these financial statements.

THE WOOD FOUNDATION
CONSOLIDATED BALANCE SHEET - 31 MARCH 2019

	Note	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	14	82,923	77,191
Intangible fixed assets	15	20	-
Tangible fixed assets	16	33	20
		<u>82,976</u>	<u>77,211</u>
CURRENT ASSETS			
Debtors	17	8,607	1,320
Cash at bank and in hand		59,771	68,101
		<u>68,378</u>	<u>69,421</u>
CREDITORS: <i>amounts falling due within one year</i>	18	(18,900)	(19,959)
NET CURRENT ASSETS		<u>49,478</u>	<u>49,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		132,454	126,673
CREDITORS: <i>amounts falling due after more than one year</i>	19	(7,157)	(15,827)
NET ASSETS		<u>125,297</u>	<u>110,846</u>
FUNDS			
Unrestricted funds	21	125,016	110,834
Restricted funds	21	281	12
		<u>125,297</u>	<u>110,846</u>

Signed on behalf of the Board of Trustees



 Trustee - Sir Ian Wood

12 December 2019

 Date

The notes on pages 17 to 37 form part of these financial statements.

THE WOOD FOUNDATION
BALANCE SHEET - 31 MARCH 2019

	Note	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	14	82,072	77,191
Intangible fixed assets	15	20	-
Tangible fixed assets	16	14	1
		<u>82,106</u>	<u>77,192</u>
CURRENT ASSETS			
Debtors	17	4,278	147
Cash at bank and in hand		55,601	63,376
		<u>59,879</u>	<u>63,523</u>
CREDITORS: amounts falling due within one year	18	<u>(18,304)</u>	<u>(19,219)</u>
NET CURRENT ASSETS		<u>41,575</u>	<u>44,304</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		123,681	121,496
CREDITORS: amounts falling due after more than one year	19	<u>(7,157)</u>	<u>(15,827)</u>
NET ASSETS		<u>116,524</u>	<u>105,669</u>
FUNDS			
Unrestricted funds	21	116,472	105,669
Restricted funds	21	52	-
		<u>116,524</u>	<u>105,669</u>

Signed on behalf of the Board of Trustees



 Trustee - Sir Ian Wood

18 December 2019

 Date

The notes on pages 17 to 37 form part of these financial statements.

THE WOOD FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
Note	£'000	£'000
Net cash (outflow)/inflow from operating activities		
Net outgoing resources for the year	10,026	(9,398)
Investment income	(1,088)	(1,409)
Taxation charge	21	20
Amortisation of intangible fixed assets	5	-
Depreciation of tangible fixed assets	12	13
Decrease in debtors	(7,287)	(91)
(Decrease)/Increase in creditors	(9,729)	(4,000)
Taxation paid	(21)	(18)
Net cash (used in)/provided by operating activities	<u>(8,061)</u>	<u>(14,883)</u>
Cash flow from investing activities		
Interest receivable & income on fixed asset investments	1,088	1,409
Purchase of fixed assets	(50)	(11)
Disposal proceeds of fixed assets	-	-
Investments acquired	(5,114)	-
Investment disposals	3,807	-
Net cash provided by/(used in) investing activities	<u>(269)</u>	<u>1,398</u>
Increase(decrease) in cash and cash equivalents	22 <u><u>(8,330)</u></u>	<u><u>(13,485)</u></u>

The notes on pages 17 to 37 form part of these financial statements.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The financial statements are prepared under the historical cost convention, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts 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)).

(b) *Going concern*

The Trustees, having made due and careful enquiry and preparing forecasts, are of the opinion that the charity has adequate working capital to execute its operations over the next 12 months. The Trustees, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. As a result, the Trustees have continued to adopt the going concern basis of accounting in preparing the financial statements.

(c) *Consolidation*

These accounts consolidate the results of The Wood Foundation Africa, a Scottish charity under common control, and WFT Trading Limited.

(d) *Income*

i) Donations and legacies

Donations and legacies are included in the Statement of Financial Activities in the year in which they are receivable.

ii) Investment income

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable. Investment income includes the computed tax credit and tax deducted at source.

(e) *Expenditure*

Liabilities are recognised when the charity has an obligation to make a payment to a third party.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis based on the anticipated allocation between the three main areas of investment.

Grants or instalments of grants offered in connection with projects with institutions are charged to the Statement of Financial Activities in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional and the conditions are within the control of the charity, such grants being recognised as expenditure when payment is made.

Conditional grants where the conditions are outwith the control of the charity are charged to the Statement of Financial Activities in full in the year in which the offer is conveyed.

Grants which have been conveyed in the year but not recognised as expenditure are disclosed as contingent liabilities in the financial statements.

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

(e) *Expenditure (continued)*

Governance costs are included within support costs and include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

(f) *Taxation*

The Trust is recognised by HM Revenue & Customs as a charity and, as a consequence of the tax reliefs available in relation to the current year, certain income streams are not liable to taxation. For surpluses which are outwith this exemption, the income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

(g) *Intangible fixed assets and amortisation*

Software purchased is capitalised at cost and amortised over its estimated useful economic life of 5 years.

(h) *Tangible fixed assets and depreciation*

Fixed assets are capitalised at cost and written off over their expected useful lives as follows:

Plant and equipment	30% and 12.5% reducing balance
Motor vehicles	25% straight line
Software	20% straight line

(i) *Fixed asset investments*

Fixed asset investments are included at market value at the year end. Gains and losses on disposal or revaluation of investments are charged or credited to the Statement of Financial Activities and form part of the fund in which the asset is held.

(j) *Social investments - mixed motive*

Shares held as mixed motive investments are initially valued at cost with the carrying amount subsequently adjusted through the Statement of Financial Activities to reflect the trust's share of the associates results.

(k) *Foreign currencies*

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

(l) *Joint arrangements*

Where the charity enters into a joint arrangement, such that it carries out activities in partnership with other bodies, without forming a separate legal partnership, then the charity's share of the incoming resources and resources expended and the assets and liabilities are included in the accounts.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

(m) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor.

(n) *Pensions*

Eligible employees are members of defined contribution pension schemes. Pension costs charged to the Statement of Financial Activities represents the contributions payable by the Trust in the year.

(o) *Joint ventures*

The Trust has entered into a joint arrangement with a fellow charity to establish a charitable company limited by guarantee to further the trust's charitable objectives in East Africa. The trust has invested in the charitable company in the form of grants with no financial return anticipated as a result of this investment. Given this the trustees believe the inclusion of the results of the charitable company in the SOFA and balance sheet would not present a true and fair view and as such have excluded this from the results. Detailed disclosure on this including the results of the charitable company are included at note 26.

(p) *Financial instruments*

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related and third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE WOOD FOUNDATION**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019****2 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported during the year for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 DONATIONS AND LEGACIES

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Donations - unrestricted	11,209	-	11,209	14
Donations - restricted	3,291	3,938	234	205
	<u>14,500</u>	<u>3,938</u>	<u>11,443</u>	<u>219</u>

In addition to the above the Trust benefited from certain administrative functions from JW Holdings Limited which were provided without charge.

4 INCOME FROM INVESTMENTS

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Investment income	431	873	489	873
Bank interest receivable	657	534	573	533
Other interest receivable	-	2	-	1
	<u>1,088</u>	<u>1,409</u>	<u>1,062</u>	<u>1,407</u>

In 2019 and 2018, all income from investments was for unrestricted funds.

5 OTHER TRADING ACTIVITIES

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Commercial trading operations	<u>125</u>	<u>70</u>	<u>-</u>	<u>-</u>

In 2019 and 2018, all income from other trading activities was for unrestricted funds.

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019
6 EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2019 Total £'000
Grants payable (note 8)	64	1,238	32	971	2,305
Direct costs:					
Staff	-	1,411	-	-	1,411
Consultancy	-	833	-	-	833
Travel	-	108	-	-	108
	<u>-</u>	<u>2,352</u>	<u>-</u>	<u>-</u>	<u>2,352</u>
YPI Programme:					
Staff	-	-	-	207	207
Consultancy	-	-	-	88	88
Travel	-	-	-	37	37
Press & publicity	-	-	-	56	56
Miscellaneous expenses	-	-	-	6	6
	<u>-</u>	<u>-</u>	<u>-</u>	<u>394</u>	<u>394</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	78	-	78
Consultancy	-	-	42	-	42
Travel	-	-	47	-	47
Press & publicity	-	-	18	-	18
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>185</u>	<u>-</u>	<u>185</u>
Support costs:					
Staff	167	296	-	-	463
Training & development	5	5	3	3	16
Insurance	2	12	1	1	16
Travel	7	61	3	3	74
Press & publicity	2	-	1	1	4
Database	2	3	1	1	7
Miscellaneous expenses	13	168	6	6	193
Depreciation	6	5	3	3	17
Exchange gains	-	(395)	-	-	(395)
Governance costs	3	32	5	5	45
Taxation (note 7)	-	11	-	-	11
	<u>207</u>	<u>198</u>	<u>23</u>	<u>23</u>	<u>451</u>
	<u>271</u>	<u>3,788</u>	<u>240</u>	<u>1,388</u>	<u>5,687</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Trust	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2019 Total £'000
Grants payable (note 8)	64	4,289	32	971	5,356
Direct costs:					
Staff	-	-	-	-	-
Consultancy	-	-	-	-	-
Travel	-	-	-	-	-
	-	-	-	-	-
YPI Programme:					
Staff	-	-	-	207	207
Consultancy	-	-	-	88	88
Travel	-	-	-	37	37
Press & publicity	-	-	-	47	47
Miscellaneous expenses	-	-	-	6	6
	-	-	-	385	385
Global Learning Partnership:					
Programme:					
Staff	-	-	78	-	78
Consultancy	-	-	42	-	42
Travel	-	-	46	-	46
Press & publicity	-	-	17	-	17
Miscellaneous expenses	-	-	-	-	-
	-	-	183	-	183
Support costs:					
Staff	167	-	-	-	167
Training & development	5	-	3	3	11
Insurance	2	-	1	1	4
Travel	7	-	3	3	13
Press & publicity	2	-	1	1	4
Database	3	-	1	1	5
Miscellaneous expenses	14	-	6	6	26
Depreciation	6	-	3	3	12
Exchange gains	-	(104)	-	-	(104)
Governance costs	3	-	5	5	13
	209	(104)	23	23	151
	273	4,185	238	1,379	6,075

Grants payable by the Trust includes £4,289,000 (2018: £1,759,000) payable to The Wood Foundation Africa.

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

The comparative figures for 2018 were:

Group	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2018 Total £'000
Grants payable (note 8)	8,101	2,368	40	580	11,089
Direct costs:					
Staff	-	1,279	-	-	1,279
Consultancy	26	590	-	-	616
Travel	-	108	-	-	108
	<u>26</u>	<u>1,977</u>	<u>-</u>	<u>-</u>	<u>2,003</u>
YPI Programme:					
Staff	-	-	-	181	181
Consultancy	-	-	-	80	80
Travel	-	-	-	32	32
Press & publicity	-	-	-	39	39
Miscellaneous expenses	-	-	-	11	11
	<u>-</u>	<u>-</u>	<u>-</u>	<u>343</u>	<u>343</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	69	-	69
Consultancy	-	-	63	-	63
Travel	-	-	26	-	26
Press & publicity	-	-	7	-	7
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>165</u>	<u>-</u>	<u>165</u>
Support costs:					
Staff	97	199	-	-	296
Training & development	4	10	2	2	18
Insurance	2	12	1	1	16
Travel	8	68	4	4	84
Press & publicity	5	-	2	2	9
Database	5	9	2	2	18
Miscellaneous expenses	11	156	6	6	179
Depreciation	-	12	-	-	12
Exchange gains	-	527	-	-	527
Governance costs	3	31	6	6	46
Taxation (note 7)	-	10	-	-	10
	<u>135</u>	<u>1,034</u>	<u>23</u>	<u>23</u>	<u>1,215</u>
	<u>8,262</u>	<u>5,379</u>	<u>228</u>	<u>946</u>	<u>14,815</u>

In 2018, of the total charitable expenditure, £10,653,000 was from unrestricted funds and £4,162,000 was from restricted funds.

The gain on investments was attributable in full to unrestricted funds.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Trust	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2018 Total £'000
Grants payable (note 8)	8,101	1,759	40	580	10,480
Direct costs:					
Staff	-	-	-	-	-
Consultancy	26	-	-	-	26
Travel	-	-	-	-	-
	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
YPI Programme:					
Staff	-	-	-	181	181
Consultancy	-	-	-	80	80
Travel	-	-	-	32	32
Press & publicity	-	-	-	39	39
Miscellaneous expenses	-	-	-	10	10
	<u>-</u>	<u>-</u>	<u>-</u>	<u>342</u>	<u>342</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	69	-	69
Consultancy	-	-	63	-	63
Travel	-	-	25	-	25
Press & publicity	-	-	6	-	6
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>163</u>
Support costs:					
Staff	97	-	-	-	97
Training & development	4	-	2	2	8
Insurance	2	-	1	1	4
Travel	8	-	4	4	16
Press & publicity	5	-	2	2	9
Database	6	-	2	2	10
Miscellaneous expenses	11	-	6	6	23
Depreciation	-	-	-	-	-
Exchange gains	-	209	-	-	209
Governance costs	3	-	6	6	15
	<u>136</u>	<u>209</u>	<u>23</u>	<u>23</u>	<u>391</u>
	<u>8,263</u>	<u>1,968</u>	<u>226</u>	<u>945</u>	<u>11,402</u>

In 2018, of the total charitable expenditure, £11,155,000 was from unrestricted funds and £247,000 was from restricted funds. The loss on investments was attributable in full to unrestricted funds.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

7 TAXATION

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
UK corporation tax for the current year	<u>11</u>	<u>10</u>	<u>-</u>	<u>-</u>
	<u>11</u>	<u>10</u>	<u>-</u>	<u>-</u>

The charity is recognised by HM Revenue and Customs as a charity and is therefore entitled to certain reliefs on income received. Certain income streams received in the current and prior year have however been deemed to be outwith these reliefs and have been taxed at the standard rate of corporation tax payable in the UK (19%). A reconciliation of this obligation is as follows:

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Net incoming resources not subject to taxation reliefs	113	107	-	-
Taxation charges at 19% (2018-19%)	23	21	-	-
Share of agreed cost with Gatsby Charitable Foundation (note 17)	<u>(12)</u>	<u>(11)</u>	<u>-</u>	<u>-</u>
Total tax charge recognised in the year	<u>11</u>	<u>10</u>	<u>-</u>	<u>-</u>

8 GRANTS

Group	Grants Awarded No.	2019 £'000	Grants Awarded No.	2018 £'000
	Grants to institutions:			
Making markets work for the poor	3	1,238	6	2,368
Volunteering overseas	20	16	7	25
Developing young people in Scotland	<u>253</u>	<u>971</u>	<u>232</u>	<u>580</u>
	276	2,225	245	2,973
Miscellaneous grants:				
Other miscellaneous grants	<u>4</u>	<u>64</u>	<u>12</u>	<u>8,101</u>
	280	2,289	257	11,074
Grants to individuals:				
Volunteering overseas	4	16	21	15
	<u>284</u>	<u>2,305</u>	<u>278</u>	<u>11,089</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

8 GRANTS (continued)

Trust	Grants Awarded No.	2019 £'000	Grants Awarded No.	2018 £'000
Grants to institutions:				
Making markets work for the poor	1	4,289	1	1,759
Volunteering overseas	20	16	7	25
Developing young people in Scotland	253	971	232	580
	<u>274</u>	<u>5,276</u>	<u>240</u>	<u>2,364</u>
Miscellaneous grants:				
Other miscellaneous grants	4	64	12	8,101
	<u>278</u>	<u>5,340</u>	<u>252</u>	<u>10,465</u>
Grants to individuals:				
Volunteering overseas	4	16	21	15
	<u>282</u>	<u>5,356</u>	<u>273</u>	<u>10,480</u>

9 GOVERNANCE COSTS

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Auditors' remuneration	22	21	13	13
Legal	8	7	2	2
Overseas Compliance Services	16	18	-	-
	<u>46</u>	<u>46</u>	<u>15</u>	<u>15</u>

10 NET MOVEMENT IN TOTAL FUNDS FOR THE YEAR is stated after charging:

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Auditors' remuneration				
Audit fees	22	21	13	13
Non-audit fees	2	2	2	2
	<u>24</u>	<u>23</u>	<u>15</u>	<u>15</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

11 STAFF COSTS AND NUMBERS

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Staff costs				
Wages and salaries	2,767	2,315	341	278
Social security	51	29	51	29
Other pension costs	91	105	37	33
Gatsby share of costs	(190)	(76)	-	-
Staff cost recharge (note 23)	(583)	(555)	-	-
	<u>2,136</u>	<u>1,818</u>	<u>429</u>	<u>340</u>

The average number of persons employed by the Trust during the year was as follows:

	Group		Trust	
	2019 No.	2018 No.	2019 No.	2018 No.
Trustees	4	4	4	4
Management & administration	31	28	13	11
	<u>35</u>	<u>32</u>	<u>17</u>	<u>15</u>

During the year 12 employees within the group received emoluments of over £60,000 (2018: 12). Pension contributions totalling £62,000 were paid into direct contribution pension schemes in respect of of these individuals (2018: £70,000, 8 individuals). The Trustees consider that it would be operationally sensitive to disclose any further remuneration information in respect of these individuals.

12 TRUSTEES' EMOLUMENTS AND EXPENSES

The Trustees received no remuneration from the Trust during the year.

No Trustees received expenses from the Trust during the current or previous year.

No employees other than the Trustees are considered to be key management personnel.

13 GAINS/(LOSSES) ON INVESTMENT ASSETS

	Group & Trust	
	2019 £'000	2018 £'000
Realised gain/(loss) arising on disposals	774	-
Unrealised gains/(losses) on revaluation	3,651	(850)
	<u>4,425</u>	<u>(850)</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

14 INVESTMENTS

	Group & Trust	
	£'000	£'000
Market value at 1 April 2018	77,191	78,041
Additions at cost	4,263	-
Disposals at opening value	(3,033)	-
Net unrealised investment gains/(losses) on revaluation	3,651	(850)
Market value at 31 March 2019	<u>82,072</u>	<u>77,191</u>

The market value of investments at 31 March 2019 comprises:

	Group & Trust	
	2019	2018
	£'000	£'000
Listed equity investments	584	-
Managed funds	81,488	77,191
	<u>82,072</u>	<u>77,191</u>

	Trust	
	2019	2018
	£	£
Investment in subsidiary undertakings	<u>1</u>	<u>1</u>

WFT Trading Ltd, a wholly owned subsidiary company, was incorporated on 19 December 2011 and is registered under the company number SC413410. There is one ordinary share in issue acquired by The Wood Foundation for £1. The net assets of the company at 31 March 2019 were £1 (2018: £1), profit for the year was £nil (2018: £nil).

	Group		Trust	
Social investment - mixed motive	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Additions at cost	<u>851</u>	<u>-</u>	<u>-</u>	<u>-</u>
Market value at 31 March 2019	<u>851</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year The Wood Foundation Africa purchased 25% equity in Rwanda Tea Investments Limited ("RTIL") who subsequently used these funds to acquire interests in two tea factories in Rwanda; Gisovu Tea Company Limited and Pfunda Tea Company Limited. RTIL investments will positively impact 5,000 smallholder tea farmers in Rwanda and all future income realised from TWFA's investment will be used to further our charitable objects.

	Group		Trust	
TOTAL INVESTMENTS	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
At 31 March 2019	<u>82,923</u>	<u>77,191</u>	<u>82,072</u>	<u>77,191</u>

East African Tea Investments, a company limited by guarantee, was incorporated on 26 January 2013 and is a joint venture between The Wood Foundation and Gatsby Africa. Further details are provided in note 25.

The Wood Foundation Africa is a wholly owned subsidiary charitable company, limited by guarantee. The Wood Foundation Africa is registered with the company number SC361033, and the charity number SC040580. The net assets of the company at 31 March 2019 were £8,774,000 (2018: £5,176,000), net movement in funds for the year was £3,598,000 (2018: £379,000).

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

15 INTANGIBLE FIXED ASSETS

Software	Group & Trust	
	2019	2018
	£'000	£'000
COST		
Additions at cost	25	-
At 31 March 2019	<u>25</u>	<u>-</u>
AMORTISATION		
Charge for year	5	-
At 31 March 2019	<u>5</u>	<u>-</u>
NET BOOK VALUES		
At 31 March 2019	<u>20</u>	<u>-</u>
At 1 April 2018	<u>-</u>	<u>-</u>

16 TANGIBLE FIXED ASSETS

Group	Plant & equipment	Motor vehicles	Total
	£'000	£'000	
COST			
At 1 April 2018	43	88	131
Additions	25	-	25
At 31 March 2019	<u>68</u>	<u>88</u>	<u>156</u>
DEPRECIATION			
At 1 April 2018	23	88	111
Charge for year	12	-	12
At 31 March 2019	<u>35</u>	<u>88</u>	<u>123</u>
NET BOOK VALUES			
At 31 March 2019	<u>33</u>	<u>-</u>	<u>33</u>
At 1 April 2018	<u>20</u>	<u>-</u>	<u>20</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

16 TANGIBLE FIXED ASSETS (continued)

	Plant & equipment £'000	Total £'000
Trust		
COST		
At 1 April 2018	5	5
Additions	19	19
Disposals	-	-
At 31 March 2019	<u>24</u>	<u>24</u>
DEPRECIATION		
At 1 April 2018	4	4
Charge for year	6	6
Appropriated on disposal	-	-
At 31 March 2019	<u>10</u>	<u>10</u>
NET BOOK VALUES		
At 31 March 2019	<u>14</u>	<u>14</u>
At 1 April 2018	<u>1</u>	<u>1</u>

17 DEBTORS

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts due from related undertakings	4,310	694	871	-
Other debtors	868	433	-	-
Prepayments and accrued income	3,429	193	3,407	147
	<u>8,607</u>	<u>1,320</u>	<u>4,278</u>	<u>147</u>

The Wood Foundation Africa and Gatsby Africa have entered into a partnership to develop the Tea Sectors in Tanzania and Rwanda. The parties are to contribute equally to the agreed share of the costs of the projects.

Other debtors at the year end includes £593,000 (2018: £257,000), of expenditure incurred in excess of amounts received from Gatsby in respect of the Imbarutso project, as follows:

	2019 £'000	2018 £'000
Imbarutso Project		
Debtor brought forward	257	26
Share of agreed costs of Imbarutso project	381	273
Share of management fee receivable	(57)	(53)
Share of taxation obligation (note 7)	12	11
Debtor carried forward	<u>593</u>	<u>257</u>

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17 DEBTORS (continued)

Other debtors at the year end includes £226,000 (2018: Creditor of £13,000), of expenditure incurred in excess of amounts received from Gatsby in respect of the Chai project, as follows:

	2019 £'000	2018 £'000
Chai Project		
(Creditor)/debtor brought forward	(13)	(28)
Share of agreed costs of Chai project	165	15
Debtor/(creditor) carried forward	<u>152</u>	<u>(13)</u>

18 CREDITORS: *amounts falling due within one year*

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts due to related undertakings	484	505	-	-
Grants payable	17,760	18,881	17,759	18,734
Taxation and social security	26	20	26	20
Corporation tax	21	21	-	-
Trade creditors	68	54	21	43
Accruals and deferred income	541	465	498	422
Other creditors	-	13	-	-
	<u>18,900</u>	<u>19,959</u>	<u>18,304</u>	<u>19,219</u>

19 CREDITORS: *amounts falling due after more than one year*

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Grants payable	<u>7,157</u>	<u>15,827</u>	<u>7,157</u>	<u>15,827</u>

20 FINANCIAL INSTRUMENTS

	Group		Trust	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	59,771	68,101	55,601	63,376
Financial assets measured at amortised cost	8,522	1,061	4,258	89
	<u>68,293</u>	<u>69,162</u>	<u>59,859</u>	<u>63,465</u>
Financial liabilities				
Financial liabilities measured at amortised cost	18,853	19,918	18,278	19,199
Financial liabilities measured at fair value	7,157	15,827	7,157	15,827
	<u>26,010</u>	<u>35,745</u>	<u>25,435</u>	<u>35,026</u>

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21 MOVEMENT IN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000
Group			
At 1 April 2018	110,834	12	110,846
Income	12,422	3,291	15,713
Expenditure	(2,665)	(3,022)	(5,687)
Other gains	4,425	-	4,425
At 31 March 2019	<u>125,016</u>	<u>281</u>	<u>125,297</u>
Trust			
At 1 April 2018	105,669	-	105,669
Income	12,271	234	12,505
Expenditure	(5,893)	(182)	(6,075)
Other gains	4,425	-	4,425
At 31 March 2019	<u>116,472</u>	<u>52</u>	<u>116,524</u>

Restricted funds are for the YPI project and tea projects in Africa.

The comparative figures for 2018 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000
Group			
At 1 April 2017	120,858	236	121,094
Income	1,479	3,938	5,417
Expenditure	(10,653)	(4,162)	(14,815)
Other (losses)/gains	(850)	-	(850)
At 31 March 2018	<u>110,834</u>	<u>12</u>	<u>110,846</u>
Trust			
At 1 April 2017	116,253	42	116,295
Income	1,421	205	1,626
Expenditure	(11,155)	(247)	(11,402)
Other (losses)/gains	(850)	-	(850)
At 31 March 2018	<u>105,669</u>	<u>-</u>	<u>105,669</u>

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21 MOVEMENT IN FUNDS (continued)

Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000
Group			
Investments	82,923	-	82,923
Fixed assets	38	15	53
Current assets	67,392	986	68,378
Current liabilities	(18,180)	(720)	(18,900)
Non-current liabilities	(7,157)	-	(7,157)
At 31 March 2019	<u>125,016</u>	<u>281</u>	<u>125,297</u>
Trust			
Investments	82,072	-	82,072
Fixed assets	34	-	34
Current assets	59,827	52	59,879
Current liabilities	(18,304)	-	(18,304)
Non-current liabilities	(7,157)	-	(7,157)
At 31 March 2019	<u>116,472</u>	<u>52</u>	<u>116,524</u>

The comparative figures for 2018 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000
Group			
Investments	77,191	-	77,191
Tangible fixed assets	4	16	20
Current assets	68,735	686	69,421
Current liabilities	(19,269)	(690)	(19,959)
Long term liabilities	(15,827)	-	(15,827)
At 31 March 2018	<u>110,834</u>	<u>12</u>	<u>110,846</u>
Trust			
Investments	77,191	-	77,191
Tangible fixed assets	1	-	1
Current assets	63,523	-	63,523
Current liabilities	(19,219)	-	(19,219)
Long term liabilities	(15,827)	-	(15,827)
At 31 March 2018	<u>105,669</u>	<u>-</u>	<u>105,669</u>

22 ANALYSIS OF CHANGES IN CASH IN YEAR

	Group	
	2019 £'000	2018 £'000
Cash at bank and in hand at 1 April 2018	68,101	81,586
Increase/(decrease) in cash and cash equivalents	<u>(8,330)</u>	<u>(13,485)</u>
At 31 March 2019	<u>59,771</u>	<u>68,101</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

23 RELATED PARTY TRANSACTIONS

Control

Throughout the year the Trust was controlled by the Board of Trustees.

Transactions

The charity has taken advantage of the exemption contained in Financial Reporting Standard 102 S33.1A from disclosing transactions with parties wholly owned within the same group.

During the year donations totalling £Nil (2018: £50,000) were awarded by the Speratus Group Limited to the group. Garreth Wood is a shareholder and director of this company. The total amount outstanding in relation to this donation as at 31 March 2019 was £Nil (2018: £Nil).

During the year, the trust made grant commitments totalling £Nil (2018 - £4,000,000) to Opportunity North East, a company of which Sir Ian Wood is a director. There remains £19,963,000 (2018 - £24,164,000) outstanding in respect of these commitments at the year end.

During the year, the trust made a grant commitment of £Nil (2018 - £4,500,000) to Kids Operating Room, a charity of which Garreth Wood and Graham Good are also Trustees. There remains £2,412,000 (2018 - £4,293,000) outstanding in respect of this commitment at the year end.

At the year end the charity had amounts due totalling £449,000 (2018 - £418,000) from Mulindi Factory Company Limited and £316,000 (2018 - £276,000) from Shagasha Tea Company Limited, subsidiaries of East African Tea Investments (note 25). The balances arose as a result of certain cost recharges and management fees totalling £113,000 (2018 - £107,000) charged to the companies. In addition, grants of £39,000 (2018 - £90,000) to Mulindi Factory Company Limited and £65,000 (2018 - £88,000) to Shagasha Tea Company Limited were paid in the year. The total of £104,000 (2018 - £178,000) relating to the grants was paid in full prior to the year end.

At the year end the charity owed amounts totalling £256,000 (2018 - £150,000) to Mulindi Factory Company Limited and £228,000 (2018 - £158,000) to Shagasha Tea Company Limited, subsidiaries of East African Tea Investments, a joint venture of parent charity The Wood Foundation. The balances arose as a result of certain cost recharges totalling £176,000 (2018 - £308,000) being charged by the companies.

During the year the trust made a grant commitment of £70,000 (2018 - £Nil) to The Chester Hotel Limited, a company of which Graham Good is a Director, in support of a charitable fundraising event. The amount outstanding in relation to this commitment at the year end was £70,000 (2018 - £Nil).

During the year the trust received donations from Sir Ian Wood and family trusts amounting to £11.2 million (2018 - £Nil).

During the year The Trust, through its subsidiary company The Wood Foundation Africa advanced loans to Rwanda Tea Investments Limited, a company in which it owns a 25% equity stake, amounting to £3.5 million (2018 - £Nil).

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

24 CONTINGENT LIABILITIES

During the year the group provided a guarantee in respect of lease obligations to a third party in connection with a charitable project in Africa, the total contingent liability in respect of this guarantee at 31 March 2019 was £80,000 (2018 - £80,000).

During the prior year the charity committed to a further £33,000,000 of grant payments to ONE to extend their funding from 5 years to 10 years. These have not been recognised as liabilities as they are subject to certain terms and conditions that remain within the control of the charity. Any payment relating to the commitment would take place over a period of five years commencing in 2021 and would be funded from existing and future accumulated funds.

THE WOOD FOUNDATION**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019****25 JOINT VENTURE**

East African Tea Investments (EATI) (formerly Rwanda Tea Investments) is a charitable company limited by guarantee and jointly controlled by The Wood Foundation (TWF) and the Gatsby Africa (Gatsby). In December 2012 EATI purchased the majority shareholdings in two tea factories in Rwanda. In addition, EATI also control three services companies which have been incorporated to support smallholder farmers in three large-scale greenfield tea developments - one in Tanzania and two in Rwanda.

During the year, the charity made grants totalling £1,441,526 (2018 - £2,172,240) to EATI. A balance of £Nil (2018 - £196,509) remains outstanding in relation to these grants at the year end.

EATI produced consolidated accounts for the year to 31 March 2019 incorporating the 12 month trading period of those factories.

The consolidated balance sheets to 31 March 2019 show:

	2019 £'000	2018 £'000
FIXED ASSETS		
Tangible fixed assets	<u>7,998</u>	<u>8,390</u>
	7,998	8,390
CURRENT ASSETS		
Stock	2,010	2,252
Debtors	9,139	8,045
Cash at bank and in hand	<u>8,539</u>	<u>6,463</u>
	19,688	16,760
CREDITORS: amounts falling due within one year	<u>(2,537)</u>	<u>(2,645)</u>
	17,151	14,115
NET CURRENT ASSETS	<u>17,151</u>	<u>14,115</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	25,149	22,505
CREDITORS: amounts falling due after more than one year	(5)	(8)
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	(147)	(157)
NET ASSETS	<u>24,997</u>	<u>22,340</u>
FUNDS		
Unrestricted funds		
General	1,094	734
Minority interests	<u>357</u>	<u>466</u>
	1,451	1,200
Restricted funds		
Tea Investment Fund	20,280	18,162
Minority interests	4,187	4,034
Exchange reserve	<u>(921)</u>	<u>(1,056)</u>
	23,546	21,140
TOTAL FUNDS	<u>24,997</u>	<u>22,340</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2019

25 JOINT VENTURE (continued)

The Trustees believe that the inclusion of TWF's share of the EATI results and financial position in the consolidated accounts of TWF would not provide a realistic view of the nature of the investment in EATI. In line with the charitable aims of the Chai and Imbarutso projects, TWF's investment in EATI is focussed on improving the smallholder farmers' performance and earnings in the tea industry, thus increasing their livelihoods and reducing poverty. The investment is not geared towards generating a return to TWF, and the Trustees intend to recycle any realised return from the investment into further such investments. Any return of value from the EATI investment will be treated as income in the TWF accounts at the time it is received.

