

THE WOOD FOUNDATION
(Charity Number: SC037957)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

31 MARCH 2021

THE WOOD FOUNDATION
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS	PAGE
LEGAL AND ADMINISTRATIVE INFORMATION	1
TRUSTEES' ANNUAL REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	9
REPORT OF THE AUDITORS	10
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	13
STATEMENT OF FINANCIAL ACTIVITIES	14
CONSOLIDATED BALANCE SHEET	15
BALANCE SHEET	16
CONSOLIDATED CASH FLOW STATEMENT	17
NOTES ON THE CONSOLIDATED ACCOUNTS	18

THE WOOD FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Sir Ian C Wood	Executive Chairman
Lady Helen Wood	
Garreth R C Wood	(resigned 15 December 2021)
Graham Good	

NON EXECUTIVE DIRECTORS

David Knopp	Director of Africa
Alison MacLachlan	UK Director

PRINCIPAL ADDRESS

Blenheim House
Fountainhall Road
ABERDEEN
Scotland
AB15 4DT

AUDITOR

Anderson Anderson & Brown Audit LLP
Kingshill View
Prime Four Business Park
Kingswells
ABERDEEN
Scotland
AB15 8PU

BANKERS

Clydesdale Bank plc
St Nicholas Branch
62 Union Street
ABERDEEN
Scotland
AB10 1WD

SOLICITORS

Turcan Connell
Princes Exchange
1 Earl Grey Street
EDINBURGH
Scotland
EH3 9EE

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 2021.

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) venture philanthropy transforming livelihoods in 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 investing both money and expertise in 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 2021.

Assessment of Principal Risks and Uncertainties

There are risks associated with our tea and other smallholder farmer related activities through our subsidiary, The Wood Foundation Africa, particularly climatic conditions; market prices; and political stability. These risks are mitigated by choosing areas with a good history of growing conditions; partnering with reputable 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.

In addition, the ongoing global COVID-19 pandemic is recognised as a risk to our activities both in Africa and the UK. However, these are mitigated by applying recommended mitigation protocols throughout the organisation and by increased use of online communication.

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 – Venture Philanthropy Transforming Livelihoods in Africa; Developing Young People in Scotland; and Facilitating Economic and Education Development in Scotland.

The global COVID-19 pandemic continues and the recent Omicron variant brings further challenges to The Wood Foundation in its various activities both in Africa and in UK. However, it is pleasing to report that in Africa the factory operations and new tea development projects have continued another year largely unaffected by the pandemic as host country governments recognise and manage agriculture as a critical industry, and by various mitigation protocols implemented by TWFA and its partners. At home, our team have adapted admirably and continue to deliver the various projects online as necessary.

Venture Philanthropy Transforming Livelihoods in Africa is implemented through our subsidiary charity, The Wood Foundation Africa ('TWFA'). The majority of our main projects were initially implemented in partnership with Lord David Sainsbury's Gatsby Africa charity ('Gatsby') through our joint-venture charitable company East African Tea Investments and they continue to make progress. However, TWFA also has a number of other tea projects with Unilever, and Luxmi Tea Company Private Limited ('Luxmi'), an eminent family tea business based in India, and a smallholder sugar cane development project in south western Kenya with Transmara Sugar Company Limited. We are now involved in five smallholder-supplied tea factories in Rwanda and have four large-scale planting projects to develop a total of 13,000 hectares of tea owned by smallholder farmers impacting approximately 75,000 smallholder tea farmers – directly benefiting approximately 450,000 of the rural population including dependents. We have been given good support in three of our smallholder tea development projects by the UK Government's UKAid programme. The impact of COVID-19 on the UK Government finances caused a temporary delay to some of UKAid funding but payments have recently recommenced and we expect to receive all funding previously agreed, albeit over a slightly longer period than originally planned. The Government of Rwanda committed significant funding for our latest smallholder tea development project during the year.

Our Developing Young People in Scotland portfolio continues to grow.

The Youth & Philanthropy Initiative Scotland (YPI) is now the largest independent initiative being delivered through the Scottish curriculum. This year we worked closely with 220 schools to adapt the programme with innovative delivery models that ensured it continued during the disruption of the 2020/21 academic year.

CHAIRMAN'S REVIEW (continued)

The programme continues to be an outstanding success in supporting young people to develop key skills, and 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 (GLP) programme has grown to become a national opportunity for Scottish schools, providing immersive, ongoing professional learning opportunities to education practitioners. While there will be no new cohorts this year due to the ongoing restrictions of Covid-19, the network of over 100 Scottish teachers continues to collaborate and enhance the delivery of global and sustainable education across Scotland's learning communities.

The RAISE (Raising Aspirations in Science Education) programme continues to grow and has been of national significance during the last year. It has directly engaged with primary schools in 16 local authorities in Scotland.

We continue in partnership with Aberdeenshire Council to deliver a pilot educational offering, Excelerate, with ambition for system-level change in education. Excelerate will support the development of young people's readiness for work by enabling schools and partners to deliver high-quality, diverse pathways that further realise the opportunities of Scotland's curriculum through interventions such as project based learning.

During the year we reviewed opportunities to fund new health and wellbeing activity which we believe is critical in supporting young people to transition out of lockdown and so have established North East Wellbeing Fund (NEW Fund) offering service design training to local organisations encouraging their engagement with communities.

Our commitment to Facilitating Economic Development in Scotland is implemented by Opportunity North East ('ONE'), a private sector led initiative aimed at maximising opportunities from North Sea oil, supporting the diversification into energy transition and strengthening our key industry sectors. Our commitment to ONE was £29.25 million for the five years to 31 March 2021. A further £33 million was committed during the year for the five-year period from 1 April 2021 to 31 March 2026.

Also during the year, with the traditional industries performing well and the new oil and gas activities showing promise of significant development, we agreed to split ONE's oil, gas and energy activities into the new company, Energy Transition Zone Ltd. This is an independent company with its own Board of Directors and is focused on maximising the recovery from North Sea oil and gas, developing major new offshore wind activities in the North Sea, hydrogen as a significant fuel and also carrying out carbon capture and storage activities. This non-profit company is now receiving financial backing from both the UK and Scottish Governments.

Charitable Activities During the 2020/21 Year

Venture Philanthropy Transforming Livelihoods in Africa

During the year we continued our involvement in the operation of five tea processing factories in Rwanda – all majority supplied by local smallholder tea farmers. Two were originally acquired in partnership with Gatsby during Government privatisations 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. The first such handover is planned for early in 2021.

In partnership with Luxmi (75% Luxmi, 25% TWFA), we are involved in a further three tea factories in Rwanda, all majority supplied by smallholder tea farmers. The smallholder tea farmers are the lifeblood of the Rwandan tea industry as these five factories alone now produce one third of the tea produced in that country and some of them now consistently produce some of the highest quality teas in Africa. Our focus to improve quality and yield directly benefits the smallholder farmer income levels.

THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

CHAIRMAN'S REVIEW (continued)

Venture Philanthropy Transforming Livelihoods in Africa (continued)

In Tanzania, we are more than half way through the 2,500 hectares planting programme at Njombe. Tea has a four year gestation from planting to commercial production and farmers harvesting already are consistently supplying good quality Greenleaf to the new Unilever factory. However, rainfall patterns in recent years means yields are not increasing as quickly as expected and so we are continuing to monitor this closely to assess any longer-term impact on the development. As well as loan finance, high quality planting material and training, TWFA are also bringing technological advances to smallholder tea farming in the form of machine harvesting.

Our other three greenfield developments are located in Southern Rwanda where we have partnered with Unilever at Nyaruguru and with Luxmi at Rugabano. The latest development committed to during the year is a 3,000 hectare expansion of the project with Unilever at Nyaruguru. The willingness of the Government of Rwanda to co-finance this further 3,000 hectare development with \$10 million over 10 years is a testament to both their commitment to smallholder tea farming as a means of transforming local economies and to their appreciation of the effectiveness of TWFA's services company model to facilitate large scale developments. TWFA and Unilever have committed \$5 million each to the project.

Also during the year TWFA commenced an 8 year sugar cane project with Transmara Sugar Company Limited in south western Kenya both to expand the number of smallholder sugar cane farmers supplying the Transmara factory. This is an action research project to determine the potential to increase yields achieved by the new smallholder farmers and, together with the existing farmers supplying the Transmara factory, 24,000 smallholder sugar cane farmers will be trained in agronomic practices to improve the viability of their small businesses. However, unexpectedly favourable weather has increased yields earlier than expected and so we are currently reassessing the potential impact on the project objectives.

Developing Young People in Scotland

During the past academic year, we continued to invest in our outstanding Youth & Philanthropy Initiative (YPI) programme which engaged secondary school pupils in philanthropy across all 32 local authorities. 220 schools successfully completed YPI this year, many opting for a digital delivery model which empowered young people with the agency to use their voice and affect social change at a time when a sense of isolation and lack of control impacted heavily upon young people enduring restrictions associated with the pandemic. Moreover, £660,000 was committed this year to support local social service charities who were directly supporting the resilience and recovery of Scotland's communities.

YPI 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. More than 90% of teachers report that students are developing a range of essential skills in areas such as communication, teamwork, and creativity. The contextualised learning experience offered by YPI creates a schoolwide opportunity and community legacy.

Our commitment to addressing the lack of equitable primary science learning and teaching across Scotland continues through the RAiSE (Raising Aspirations in Science Education) programme, now working with 16 local authorities. Through appointing Primary Science Development Officers (PSDOs) 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. In 2020/21 academic year 500 professional learning opportunities were delivered nationally. The PSDOs in funded authorities, alongside the engaged STEM teams in legacy authorities, quickly adapted their offering to support lockdown, blended learning and recovery curriculum ensuring the effective use of STEM opportunities to excite and engage pupils.

THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

CHAIRMAN'S REVIEW (continued)

Developing Young People in Scotland (continued)

Through our Excelerate initiative, we are working in partnership with Aberdeenshire Council, four of its secondary schools, industry and communities to co-create and collaborate in the delivery of innovative project based learning opportunities driven by the local context. The immersive professional learning offered to education practitioners and partners are vital bedrocks to the programme, promoting confidence and inspirational new approaches. Early successes of the implementation of learning in school have included restructured timetabling, a curricular course focussed on skills and pathway development, co-delivered with industry partners, the introduction of small and supportive learning communities, and meaningful industry-connected interdisciplinary learning opportunities.

We also have continued partnership initiatives with the STV Children's Appeal and Cash for Kids, addressing the issue of child poverty in Scotland.

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 was £29.25 million over five years to 31 March 2021. A further £33 million was committed during the year for the five-year period from 1 April 2021 to 31 March 2026.

During the year, with the strong ongoing growth from the region's traditional activities and with the significant potential emerging from developing the new energy activities working with oil and gas, we split all ONE's energy activities out into a new non-profit making company, Energy Transition Zone Ltd. This company has already received financial backing from both UK and Scottish Governments.

Likewise, Energy Transition Zone is making a good start with a number of exciting opportunities being looked at.

After charitable spend and commitment to date of £149 million, uncommitted funds and investments in The Wood Foundation are approximately £103 million.

Plans for Future

TWFA continues to focus on smallholder farmer development in Africa, primarily in the tea industry. We expanded into sugar cane as our second smallholder crop during the year but we continue to seek other potential opportunities in Africa, including in other sectors.

After a challenging year in schools, we look forward to re-building our YPI school cohort with a focus on quality and rigour. It's resilience and prominence across school communities throughout the pandemic galvanises its positioning and standing as an outstanding educational and community project significantly enhancing delivery of Curriculum for Excellence across Scotland. High-quality enrichment opportunities within the curriculum, as well as local charity funding, are more critical than ever as our education system emerges from lockdown and the implications of a pandemic. Our RAiSE programme will continue to engage new local authorities and support the legacy of the investment in exited authorities. Four new partner authorities are already committed to engaging in 2021/22. Excelerate will continue in our initial pilot schools. Based upon the learning and achievements of pilot cohort, we have identified an additional six schools across Aberdeenshire and Aberdeen City to explore the opportunities for transformational system change.

THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

Plans for Future (continued)

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. Their work is increasingly necessary over the next few years given the current economic climate and the acceleration to net zero. It will continue to invest to make a difference to transform each of our chosen industry sectors.

FINANCIAL REVIEW

Charitable activities, net of a gain on investments, exceeded incoming resources in the year which resulted in net outgoing resources for the year, amounting to £13.5 million (2020 - £9.1 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 2021 was £4.4 million (2020 - £5.6 million) which includes £1.4 million (2020 - £1.26 million) of donations from Sir Ian Wood and family trusts; £1.1 million (2020- £1.8 million) grants from the UK Government's UKAid programme (now administered by the newly merged Foreign, Commonwealth and Development Office ('FCDO')) 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 £42,000 (2020 - £75,000) received from trading activities. In addition, investment income of £0.5 million (2020 - £1.6 million) was earned during the year.

Group charitable expenditure was £39.3 million (2020 - £11.4 million) which includes £35 million (2020 - £8.3 million) of grants committed to during the year ended 31 March 2021. The total value of grant commitments outstanding at 31 March 2021 was £44 million (2020 - £22.1 million) and these are scheduled to be paid over the next five years.

The portfolio of The Wood Foundation investments at 31 March 2021 had a total value of £103 million (2020 - £82 million) with a further £39 million (2020 - £52 million) held in cash deposits.

The objective of the investment portfolio continues to be to obtain capital growth over the long term. We have investments in three Rwanda tea factories through our 25% investment in Silverback Tea Company Limited ('STCL'). We expect to generate returns from STCL to be used to further our charitable objects but which already positively impacts 5,000 smallholder farmers and this number will increase by a further 8,000 smallholder farmers over time as the supply to the Rugabano factory increases from the Rugabano tea development project. In addition, The Wood Foundation takes social, environmental and ethical considerations into account in its other investments, including through East African Tea Investments.

Reserves

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

The significant charitable activities in the year resulted in an overall decrease in reserves of £13.6 million (2020 - £9 million) to £102.5 million (2020 - £116.1 million) at 31 March 2021. Restricted funds at that date are £Nil (2020 - £33,000), payable within one year, and committed unrestricted funds are £44.4 million (2020 - £22.1 million), payable over the next five years.

The Trustees are satisfied that the level of reserves held at 31 March 2021 is in line with the Reserves Policy and will be used for ongoing and long-term project expenditure.

**THE WOOD FOUNDATION
TRUSTEES' ANNUAL REPORT**

Reserves (continued)

With uncommitted and unrestricted reserves of £102.5 million at 31 March 2021 and ongoing likely 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.

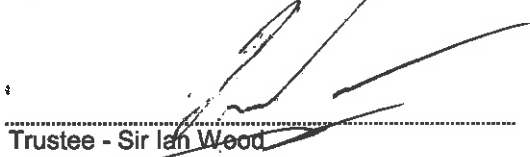
PROVISION OF INFORMATION TO AUDITOR

As far as the Trustees are aware, there is no relevant audit information of which The Wood Foundation's auditor is 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 auditor is aware of that information.

AUDITOR

Anderson, Anderson & Brown Audit LLP has expressed its 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

21 DECEMBER 2021

Date

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 AUDITOR'S 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 2021 which comprises the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheet, the Group Cash Flow 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 group and of the parent charity's affairs as at 31 March 2021 and of their 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 6 and 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 Auditor's 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 AUDITOR'S REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION (continued)

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.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud, is detailed below.

THE WOOD FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION

Auditor's responsibilities for the audit of the financial statements (continued)

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals. We discussed these risks with client management and designed audit procedures in respect of the timing of revenue and tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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: 21 December 2021

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 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,735	2,112	3,847	3,936
Investments	4	545	-	545	1,588
Other trading activities	5	42	-	42	75
TOTAL		<u>2,322</u>	<u>2,112</u>	<u>4,434</u>	<u>5,599</u>
EXPENDITURE ON:					
Charitable activities	6	37,085	2,179	39,264	11,398
Share of loss of associate	14	338	-	338	113
TOTAL		<u>37,423</u>	<u>2,179</u>	<u>39,602</u>	<u>11,511</u>
Gain/(loss) on investments	13	21,668	-	21,668	(3,171)
Gain on disposal of assets		-	34	34	-
NET MOVEMENT	10	<u>(13,433)</u>	<u>(33)</u>	<u>(13,466)</u>	<u>(9,083)</u>
CONSOLIDATED OTHER RECOGNISED GAINS AND LOSSES					
Foreign exchange movement on consolidation	22	<u>(159)</u>	<u>-</u>	<u>(159)</u>	<u>(79)</u>
		<u>(13,592)</u>	<u>(33)</u>	<u>(13,625)</u>	<u>(9,162)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>116,102</u>	<u>33</u>	<u>116,135</u>	<u>125,297</u>
Total funds carried forward	22	<u>102,510</u>	<u>-</u>	<u>102,510</u>	<u>116,135</u>

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

The notes on pages 18 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 2021**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	2020 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,735	248	1,983	2,115
Investments	4	359	-	359	1,331
TOTAL		<u>2,094</u>	<u>248</u>	<u>2,342</u>	<u>3,446</u>
EXPENDITURE ON:					
Charitable activities	6	36,048	248	36,296	8,881
TOTAL		<u>36,048</u>	<u>248</u>	<u>36,296</u>	<u>8,881</u>
Gain/(loss) on investments	13	21,668	-	21,668	(3,171)
NET MOVEMENT IN FUNDS	10	<u>(12,286)</u>	<u>-</u>	<u>(12,286)</u>	<u>(8,606)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		107,918	-	107,918	116,524
Total funds carried forward	22	<u>95,632</u>	<u>-</u>	<u>95,632</u>	<u>107,918</u>

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

The notes on pages 18 to 37 form part of these financial statements.

THE WOOD FOUNDATION
CONSOLIDATED BALANCE SHEET - 31 MARCH 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Investments	14	103,340	81,546
Intangible fixed assets	15	10	15
Tangible fixed assets	16	87	34
		<u>103,437</u>	<u>81,595</u>
CURRENT ASSETS			
Inventories	17	74	-
Debtors	18	4,805	5,046
Cash at bank and in hand		38,730	52,335
		<u>43,609</u>	<u>57,381</u>
CREDITORS: amounts falling due within one year	19	<u>(16,734)</u>	<u>(15,130)</u>
NET CURRENT ASSETS		<u>26,875</u>	<u>42,251</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		130,312	123,846
CREDITORS: amounts falling due after more than one year	20	<u>(27,802)</u>	<u>(7,711)</u>
NET ASSETS		<u>102,510</u>	<u>116,135</u>
FUNDS			
Unrestricted funds	22	102,510	116,102
Restricted funds	22	-	33
		<u>102,510</u>	<u>116,135</u>

Signed on behalf of the Board of Trustees



 Trustee - Sir Ian Wood

21 DECEMBER 2021

 Date

The notes on pages 18 to 37 form part of these financial statements.

THE WOOD FOUNDATION
BALANCE SHEET - 31 MARCH 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Investments	14	103,181	80,887
Intangible fixed assets	15	10	15
Tangible fixed assets	16	15	14
		<u>103,206</u>	<u>80,916</u>
CURRENT ASSETS			
Debtors	18	3	33
Cash at bank and in hand		36,870	49,205
		<u>36,873</u>	<u>49,238</u>
CREDITORS: amounts falling due within one year	19	<u>(16,645)</u>	<u>(14,525)</u>
NET CURRENT ASSETS		<u>20,228</u>	<u>34,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		123,434	115,629
CREDITORS: amounts falling due after more than one year	20	<u>(27,802)</u>	<u>(7,711)</u>
NET ASSETS		<u><u>95,632</u></u>	<u><u>107,918</u></u>
FUNDS			
Unrestricted funds	22	95,632	107,918
Restricted funds	22	-	-
		<u>95,632</u>	<u>107,918</u>

Signed on behalf of the Board of Trustees


 Trustee - Sir Ian Wood

Date

21 DECEMBER 2021

The notes on pages 18 to 37 form part of these financial statements.

THE WOOD FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
Note	£'000	£'000
Net cash (outflow)/inflow from operating activities		
Net outgoing resources for the year	(35,168)	(5,912)
Share of loss of associate	338	113
Investment income	(545)	(1,588)
Taxation charge	7	22
Amortisation of intangible fixed assets	5	5
Depreciation of tangible fixed assets	28	13
Increase in inventories	(74)	-
Decrease in debtors	241	3,561
Increase/(decrease) in creditors	21,709	(3,216)
Taxation paid	(22)	(22)
Foreign exchange arising on consolidation	4	-
Net cash used in operating activities	<u>(13,477)</u>	<u>(7,024)</u>
Cash flow from investing activities		
Interest receivable & income on fixed asset investments	545	1,588
Purchase of fixed assets	(81)	(14)
Disposal proceeds of fixed assets	34	-
Investments acquired	(626)	(1,986)
Investment disposals	-	-
Net cash used in investing activities	<u>(128)</u>	<u>(412)</u>
Decrease in cash and cash equivalents	23 <u><u>(13,605)</u></u>	<u><u>(7,436)</u></u>

The notes on pages 18 to 37 form part of these financial statements.

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

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) - (Charities SORP (FRS 102)).

(b) *Going concern*

The Trustees are pleased to report that the tea factories and new tea development projects in Africa have been largely unaffected by the global COVID-19 pandemic due to a combination of efforts by host country governments to stop the spread of transmission from the main cities to the rural areas and by various mitigation protocols implemented by TWFA and its partners. At home, our team have adapted admirably and continue to deliver the various projects online as necessary.

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, WFT Trading Limited, a trading subsidiary, and Services Company Outgrowers Nyaruguru South Limited, a company limited by guarantee registered in Rwanda. All transactions between entities within the consolidation are eliminated in full.

(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 where applicable.

(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.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

(e) *Expenditure (continued)*

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.

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.

The trust's share in Silverback Tea Company Limited is treated as such in the financial statements.

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

(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.

(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 25.

(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.

THE WOOD FOUNDATION**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021****(p) Financial instruments (continued)**

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.

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.

The trustees consider that there were no material judgements or estimations uncertainties in the current or prior year.

3 DONATIONS AND LEGACIES

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Donations - unrestricted	1,735	1,951	1,735	1,951
Donations - restricted	2,112	1,985	248	164
	<u>3,847</u>	<u>3,936</u>	<u>1,983</u>	<u>2,115</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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Investment income	192	758	192	768
Bank interest receivable	171	563	167	563
Other interest receivable	182	267	-	-
	<u>545</u>	<u>1,588</u>	<u>359</u>	<u>1,331</u>

In 2021 and 2020, all income from investments was for unrestricted funds.

5 OTHER TRADING ACTIVITIES

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Commercial trading operations	<u>42</u>	<u>75</u>	<u>-</u>	<u>-</u>

In 2021 and 2020, all income from other trading activities was for unrestricted funds.

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Miscellaneous grants & capacity support costs £'000	Venture philanthropy transforming livelihoods in Africa £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2021 Total £'000
Grants payable (note 8)	33,600	887	(3)	1,001	35,485
Direct costs:					
Administrative overheads	-	43	-	-	43
Field overheads	-	24	-	-	24
Staff	-	1,464	-	-	1,464
Consultancy	-	170	-	-	170
Travel	-	35	-	-	35
Miscellaneous expenses	-	3	-	-	3
	-	1,739	-	-	1,739
YPI Programme:					
Staff	-	-	-	195	195
Consultancy	-	-	-	46	46
Travel	-	-	-	1	1
Press & publicity	-	-	-	12	12
	-	-	-	254	254
Global Learning Partnership:					
Programme:					
Staff	-	-	39	-	39
	-	-	39	-	39
Excelerate:					
Programme:					
Staff	-	-	-	239	239
Consultancy	-	-	-	82	82
Press & publicity	-	-	-	9	9
	-	-	-	330	330
Support costs:					
Staff	206	207	-	-	413
Training & development	2	6	1	14	23
Insurance	3	13	1	2	19
Travel	-	9	-	-	9
Press & publicity	1	1	-	-	2
Miscellaneous expenses	8	178	2	6	194
Depreciation	6	10	1	4	21
Exchange gains	-	673	-	-	673
Governance costs	7	40	1	8	56
Taxation (note 7)	-	7	-	-	7
	233	1,144	6	34	1,417
	33,833	3,770	42	1,619	39,264

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Trust	Miscellaneous grants & capacity support costs £'000	Venture philanthropy transforming livelihoods in Africa £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2021 Total £'000
Grants payable (note 8)	33,600	598	(3)	1,001	35,196
Direct costs:					
YPI Programme:					
Staff	-	-	-	195	195
Consultancy	-	-	-	46	46
Travel	-	-	-	1	1
Press & publicity	-	-	-	7	7
	<u>-</u>	<u>-</u>	<u>-</u>	<u>249</u>	<u>249</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	39	-	39
	<u>-</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>39</u>
Excelerate:					
Programme:					
Staff	-	-	-	239	239
Consultancy	-	-	-	82	82
Press & publicity	-	-	-	9	9
	<u>-</u>	<u>-</u>	<u>-</u>	<u>330</u>	<u>330</u>
Support costs:					
Staff	206	-	-	-	206
Training & development	2	-	1	14	17
Insurance	3	-	1	2	6
Miscellaneous expenses	8	-	2	6	16
Depreciation	6	-	1	4	11
Exchange gains	-	212	-	-	212
Governance costs (note 9)	7	-	1	6	14
	<u>232</u>	<u>212</u>	<u>6</u>	<u>32</u>	<u>482</u>
	<u>33,832</u>	<u>810</u>	<u>42</u>	<u>1,612</u>	<u>36,296</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

The comparative figures for 2020 were:

Group	Miscellaneous grants & capacity support costs £'000	Venture philanthropy transforming livelihoods in Africa £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2020 Total £'000
Grants payable (note 8)	4,582	1,098	15	2,590	8,285
Direct costs:					
Staff	-	1,356	-	-	1,356
Consultancy	-	387	-	-	387
Travel	-	91	-	-	91
	<u>-</u>	<u>1,834</u>	<u>-</u>	<u>-</u>	<u>1,834</u>
YPI Programme:					
Staff	-	-	-	190	190
Consultancy	-	-	-	86	86
Travel	-	-	-	32	32
Press & publicity	-	-	-	40	40
Miscellaneous expenses	-	-	-	4	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>352</u>	<u>352</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	32	-	32
Consultancy	-	-	26	-	26
Travel	-	-	32	-	32
Press & publicity	-	-	9	-	9
	<u>-</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>99</u>
Support costs:					
Staff	-	-	125	-	125
Consultancy	-	-	48	-	48
Travel	-	-	55	-	55
Press & publicity	-	-	37	-	37
Miscellaneous expenses	-	-	6	-	6
	<u>-</u>	<u>-</u>	<u>271</u>	<u>-</u>	<u>271</u>
Support costs:					
Staff	192	276	-	-	468
Training & development	21	11	4	17	53
Insurance	3	9	1	2	15
Travel	19	81	4	15	119
Press & publicity	3	1	-	2	6
Miscellaneous expenses	11	159	2	8	180
Depreciation	5	5	1	4	15
Exchange gains	-	(354)	-	-	(354)
Governance costs	3	29	5	7	44
Taxation (note 7)	-	11	-	-	11
	<u>257</u>	<u>228</u>	<u>17</u>	<u>55</u>	<u>557</u>
	<u>4,839</u>	<u>3,160</u>	<u>402</u>	<u>2,997</u>	<u>11,398</u>

In 2020, of the total charitable expenditure, £9,165,000 was from unrestricted funds and £2,233,000 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 2021
6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Trust	Miscellaneous grants & capacity support costs £'000	Venture philanthropy transforming livelihoods in Africa £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2020 Total £'000
Grants payable (note 8)	4,582	737	15	2,590	7,924
Direct costs:					
YPI Programme:					
Staff	-	-	-	190	190
Consultancy	-	-	-	86	86
Travel	-	-	-	32	32
Press & publicity	-	-	-	36	36
Miscellaneous expenses	-	-	-	4	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>348</u>	<u>348</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	32	-	32
Consultancy	-	-	26	-	26
Travel	-	-	31	-	31
Press & publicity	-	-	8	-	8
	<u>-</u>	<u>-</u>	<u>97</u>	<u>-</u>	<u>97</u>
Excelerate:					
Programme:					
Staff	-	-	-	125	125
Consultancy	-	-	-	48	48
Travel	-	-	-	55	55
Press & publicity	-	-	-	37	37
Miscellaneous expenses	-	-	-	6	6
	<u>-</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>271</u>
Support costs:					
Staff	192	-	-	-	192
Training & development	21	-	4	17	42
Insurance	3	-	1	2	6
Travel	19	-	4	15	38
Press & publicity	2	-	-	2	4
Miscellaneous expenses	11	-	2	8	21
Depreciation	5	-	1	4	10
Exchange gains	-	(85)	-	-	(85)
Governance costs	3	-	5	5	13
	<u>256</u>	<u>(85)</u>	<u>17</u>	<u>53</u>	<u>241</u>
	<u>4,838</u>	<u>652</u>	<u>129</u>	<u>3,262</u>	<u>8,881</u>

In 2020, of the total charitable expenditure, £8,665,000 was from unrestricted funds and £216,000 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 2021

7 TAXATION

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
UK corporation tax for the current year	7	11	-	-
	<u>7</u>	<u>11</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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Net incoming resources not subject to taxation reliefs	36	115	-	-
Taxation charges at 19% (2020-19%)	7	22	-	-
Share of agreed cost with Gatsby Charitable Foundation (note 18)	-	(11)	-	-
Total tax charge recognised in the year	<u>7</u>	<u>11</u>	<u>-</u>	<u>-</u>

8 GRANTS

Group	Grants Awarded No.	2021 £'000	Grants Awarded No.	2020 £'000
Grants to institutions:				
Venture philanthropy transforming livelihoods in Africa	3	887	2	1,098
Volunteering overseas	(1)	(3)	3	10
Developing young people in Scotland Opportunity North East	203	1,001	200	2,590
	2	33,200	-	-
	<u>207</u>	<u>35,085</u>	<u>205</u>	<u>3,698</u>
Miscellaneous grants:				
Other miscellaneous grants	2	400	4	4,582
	<u>209</u>	<u>35,485</u>	<u>209</u>	<u>8,280</u>
Grants to individuals:				
Volunteering overseas	-	-	6	5
	<u>209</u>	<u>35,485</u>	<u>215</u>	<u>8,285</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

8 GRANTS (continued)

Trust	Grants Awarded No.	2021 £'000	Grants Awarded No.	2020 £'000
Grants to institutions:				
Venture philanthropy transforming livelihoods in Africa	1	598	1	737
Volunteering overseas	(1)	(3)	3	10
Developing young people in Scotland	203	1,001	200	2,590
Opportunity North East	2	33,200	-	-
	<u>205</u>	<u>34,796</u>	<u>204</u>	<u>3,337</u>
Miscellaneous grants:				
Other miscellaneous grants	2	400	4	4,582
	<u>207</u>	<u>35,196</u>	<u>208</u>	<u>7,919</u>
Grants to individuals:				
Volunteering overseas	-	-	6	5
	<u>207</u>	<u>35,196</u>	<u>214</u>	<u>7,924</u>

9 GOVERNANCE COSTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Auditors' remuneration	24	24	13	13
Legal	4	4	1	1
Overseas Compliance Services	28	16	-	-
	<u>56</u>	<u>44</u>	<u>14</u>	<u>14</u>

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

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Auditors' remuneration				
Audit fees	24	24	13	13
Non-audit fees	-	2	-	-
	<u>24</u>	<u>26</u>	<u>13</u>	<u>13</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

11 STAFF COSTS AND NUMBERS

	Group		Trust	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Staff costs				
Wages and salaries	2,842	2,858	524	429
Social security	83	47	83	47
Other pension costs	98	84	55	44
Gatsby share of costs	-	(238)	-	-
Staff cost recharge (note 24)	(689)	(598)	-	-
	<u>2,334</u>	<u>2,153</u>	<u>662</u>	<u>520</u>

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

	Group		Trust	
	2021	2020	2021	2020
	No.	No.	No.	No.
Trustees	4	4	4	4
Management & administration	42	34	19	16
	<u>46</u>	<u>38</u>	<u>23</u>	<u>20</u>

During the year 16 employees within the group received emoluments of over £60,000 (2020: 13). Pension contributions totalling £58,000 were paid into direct contribution pension schemes in respect of 7 of these individuals (2020: £45,000, 5 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	
	2021	2020
	£'000	£'000
Unrealised gains/(losses) on revaluation	<u>21,668</u>	<u>(3,171)</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

14 INVESTMENTS

	Group & Trust	
	2021	2020
	£'000	£'000
Market value at 1 April 2020	80,887	82,072
Additions at cost	626	1,986
Net unrealised investment gains/(losses) on revaluation	21,668	(3,171)
Market value at 31 March 2021	<u>103,181</u>	<u>80,887</u>

The market value of investments at 31 March 2021 comprises:

	Group & Trust	
	2021	2020
	£'000	£'000
Listed equity investments	311	180
Managed funds	102,870	80,707
	<u>103,181</u>	<u>80,887</u>

	Trust	
	2021	2020
	£	£
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.

Social Investment - mixed motive	Group		Trust	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
At 31 March 2020	659	851	-	-
Share of loss	(338)	(113)	-	-
Foreign exchange movement on revaluation of foreign associate	(162)	(79)	-	-
At 31 March 2021	<u>159</u>	<u>659</u>	<u>-</u>	<u>-</u>

The Wood Foundation Africa owns 25% equity in Silverback Tea Company Limited ("STCL") (formerly Rwanda Tea Investments Limited) who has interests in three tea factories in Rwanda; Gisovu Tea Company Limited, Pfunda Tea Company Limited and Rugabano Tea Company Private Limited. STCL investments already impact 5,000 smallholder tea farmers in Rwanda at Gisovu and Pfunda factories. Rugabano is a new factory to process the Greenleaf from the new tea development we are undertaking there, so the STCL investment is expected to impact a further 8,000 smallholder tea farmers as the tea is planted out. All future income realised from TWFA's investment will be used to further our charitable objects. The valuation of the investment has been based on the Silverback Tea Company Limited annual accounts at 31 December 2020. The Trustees consider movements between December 2020 and March 2021 to be immaterial.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

14 INVESTMENTS (continued)

TOTAL INVESTMENTS	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 31 March 2021	<u>103,340</u>	<u>81,546</u>	<u>103,181</u>	<u>80,887</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 26.

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.

Services Company Outgrowers Nyaruguru South Limited is company limited by guarantee registered in Rwanda. The Wood Foundation Africa is the sole guarantor with 100% control of the company.

15 INTANGIBLE FIXED ASSETS

Software	Group & Trust	
	2021 £'000	2020 £'000
COST		
At 1 April 2020	25	25
At 31 March 2021	<u>25</u>	<u>25</u>
AMORTISATION		
At 1 April 2020	10	5
Charge for year	5	5
At 31 March 2021	<u>15</u>	<u>10</u>
NET BOOK VALUES		
At 31 March 2021	<u>10</u>	<u>15</u>

16 TANGIBLE FIXED ASSETS

Group	Plant & equipment £'000	Motor vehicles £'000	Total £'000
	COST		
At 1 April 2020	82	88	170
Additions	53	28	81
Disposals	-	(52)	(52)
At 31 March 2021	<u>135</u>	<u>64</u>	<u>199</u>
DEPRECIATION			
At 1 April 2020	48	88	136
Charge for year	24	4	28
Appropriated on disposal	-	(52)	(52)
At 31 March 2021	<u>72</u>	<u>40</u>	<u>112</u>
NET BOOK VALUES			
At 31 March 2021	<u>63</u>	<u>24</u>	<u>87</u>
At 1 April 2020	<u>34</u>	<u>-</u>	<u>34</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

16 TANGIBLE FIXED ASSETS (continued)

	Plant & equipment £'000	Total £'000
Trust		
COST		
At 1 April 2020	29	29
Additions	7	7
At 31 March 2021	<u>36</u>	<u>36</u>
DEPRECIATION		
At 1 April 2020	15	15
Charge for year	6	6
At 31 March 2021	<u>21</u>	<u>21</u>
NET BOOK VALUES		
At 31 March 2021	<u>15</u>	<u>15</u>
At 1 April 2020	<u>14</u>	<u>14</u>

17 STOCKS

	Group 2021 £'000	Group 2020 £'000
Nurseries	<u>74</u>	<u>-</u>

18 DEBTORS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts due from related undertakings	3,948	4,116	-	-
Other debtors	792	816	-	-
Prepayments and accrued income	65	114	3	33
	<u>4,805</u>	<u>5,046</u>	<u>3</u>	<u>33</u>

Other debtors at the year end include a loan balance due from Transmara Sugar Company Limited with loan interest charged at 3% per annum. The loan was advanced during the year and the balance outstanding at the year end was £762,705 (2020 - £Nil). Interest received during the year amounted to £13,539 (2020 - £Nil). Interest receivable at the year end was £Nil (2020 - £Nil).

The Wood Foundation Africa and Gatsby Africa have entered into a joint venture to develop the Tea Sector in Rwanda. The parties are to contribute an agreed share of the costs of the projects. From 1 April 2020 onwards the costs will be funded via grant funding from the charitable joint venture company of The Wood Foundation and Gatsby Africa, East African Tea Investments.

Other debtors at the year end includes £Nil (2020: £202,000), of expenditure incurred in excess of amounts received from Gatsby in respect of the Imbarutso project, as follows:

	2021 £'000	2020 £'000
Imbarutso Project		
Debtor brought forward	202	593
Funds received from Gatsby	(202)	(593)
Share of agreed costs of Imbarutso project	-	249
Share of management fee receivable	-	(58)
Share of taxation obligation (note 7)	-	11
Debtor carried forward	<u>-</u>	<u>202</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

18 DEBTORS (continued)

The Wood Foundation Africa and Gatsby Africa have entered into a joint venture to develop the Tea Sector in Tanzania. The parties are to contribute an agreed share of the costs of the projects. From 1 April 2020 onwards the costs will be funded via grant funding from the charitable joint venture company of The Wood Foundation and Gatsby Africa, East African Tea Investments.

Other debtors at the year end includes £Nil (2020: £109,000), of expenditure incurred in excess of amounts received from Gatsby in respect of the Chai project, as follows:

	2021 £'000	2020 £'000
Chai Project		
Debtor/(creditor) brought forward	109	152
Funds received from Gatsby	(109)	(152)
Share of agreed costs of Chai project	-	109
Debtor carried forward	<u>-</u>	<u>109</u>

19 CREDITORS: amounts falling due within one year

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts due to related undertakings	-	486	-	-
Grants payable	16,572	14,360	16,572	14,360
Taxation and social security	25	28	25	28
Corporation tax	7	21	-	-
Trade creditors	34	154	20	105
Accruals and deferred income	65	68	28	29
Other creditors	31	13	-	3
	<u>16,734</u>	<u>15,130</u>	<u>16,645</u>	<u>14,525</u>

20 CREDITORS: amounts falling due after more than one year

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Grants payable	<u>27,802</u>	<u>7,711</u>	<u>27,802</u>	<u>7,711</u>

21 FINANCIAL INSTRUMENTS

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets				
Financial assets measured at fair value through profit or loss	38,730	52,335	36,870	49,205
Financial assets measured at amortised cost	4,720	4,961	3	22
	<u>43,450</u>	<u>57,296</u>	<u>36,873</u>	<u>49,227</u>
Financial liabilities				
Financial liabilities measured at amortised cost	16,702	15,081	16,620	14,497
Financial liabilities measured at fair value	27,802	7,711	27,802	7,711
	<u>44,504</u>	<u>22,792</u>	<u>44,422</u>	<u>22,208</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

22 MOVEMENT IN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000
Group			
At 1 April 2020	116,102	33	116,135
Income	2,322	2,112	4,434
Expenditure	(37,423)	(2,179)	(39,602)
Other gains	21,668	34	21,702
Foreign exchange movement on consolidation	(159)	-	(159)
At 31 March 2021	<u>102,510</u>	<u>-</u>	<u>102,510</u>
Trust			
At 1 April 2020	107,918	-	107,918
Income	2,094	248	2,342
Expenditure	(36,048)	(248)	(36,296)
Other gains	21,668	-	21,668
At 31 March 2021	<u>95,632</u>	<u>-</u>	<u>95,632</u>

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

The comparative figures for 2020 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000
Group			
At 1 April 2019	125,016	281	125,297
Income	3,614	1,985	5,599
Expenditure	(9,278)	(2,233)	(11,511)
Other (losses)/gains	(3,171)	-	(3,171)
Consolidated other gains and losses	(79)	-	(79)
At 31 March 2020	<u>116,102</u>	<u>33</u>	<u>116,135</u>
Trust			
At 1 April 2019	116,472	52	116,524
Income	3,282	164	3,446
Expenditure	(8,665)	(216)	(8,881)
Other (losses)/gains	(3,171)	-	(3,171)
At 31 March 2020	<u>107,918</u>	<u>-</u>	<u>107,918</u>

THE WOOD FOUNDATION
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

22 **MOVEMENT IN FUNDS (continued)**

Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000
Group			
Investments	103,340	-	103,340
Fixed assets	86	11	97
Current assets	43,599	10	43,609
Current liabilities	(16,713)	(21)	(16,734)
Non-current liabilities	(27,802)	-	(27,802)
At 31 March 2021	<u>102,510</u>	<u>-</u>	<u>102,510</u>
Trust			
Investments	103,181	-	103,181
Fixed assets	25	-	25
Current assets	36,873	-	36,873
Current liabilities	(16,645)	-	(16,645)
Non-current liabilities	(27,802)	-	(27,802)
At 31 March 2021	<u>95,632</u>	<u>-</u>	<u>95,632</u>

The comparative figures for 2020 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000
Group			
Investments	81,546	-	81,546
Tangible fixed assets	35	14	49
Current assets	26,806	575	27,381
Current liabilities	(14,574)	(556)	(15,130)
Long term liabilities	(7,711)	-	(7,711)
At 31 March 2020	<u>86,102</u>	<u>33</u>	<u>86,135</u>
Trust			
Investments	80,887	-	80,887
Tangible fixed assets	29	-	29
Current assets	49,238	-	49,238
Current liabilities	(14,525)	-	(14,525)
Long term liabilities	(7,711)	-	(7,711)
At 31 March 2020	<u>107,918</u>	<u>-</u>	<u>107,918</u>

23 **ANALYSIS OF CHANGES IN NET DEBT IN YEAR**

	Group	
	2021 £'000	2020 £'000
Cash at bank and in hand at 1 April 2020	52,335	59,771
Decrease in cash and cash equivalents	<u>(13,605)</u>	<u>(7,436)</u>
At 31 March 2021	<u>38,730</u>	<u>52,335</u>

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

24 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.

Related party	Nature of relationship	Transaction	Amount £	Balance at year end £
Sir Ian Wood (and family)	Executive Chairman	Donations received	1,400,000	-
Opportunity North East	A company in which Sir Ian Wood is a director	Grants committed	33,223,000	(40,937,000)
East African Tea Investments	Joint venture	Grants paid	887,000	-
		Grants received	1,092,000	756,000
Mulindi Factory Company Limited	Subsidiary of East African Tea Investments	Recharge of costs	380,000	380,000
		Management fees	-	-
Shagasha Tea Factory Limited	Subsidiary of East African Tea Investments	Recharge of costs	289,000	289,000
		Management fees	36,000	36,000
The Chester Hotel Limited	A company of which Graham Good is a director	Grants committed to Signature charity event	100,000	(100,000)
Kids Operating Room	A charity in which Garreth Wood and Graham Good are also Trustees	Recharge of costs	100,000	29,000
Silverback Tea Company Limited	Associate of subsidiary The Wood Foundation Africa 25% equity stake	Loan repayment	759,000	1,998,000
		Accrued loan interest	168,000	400,000
		Recharge of costs	51,000	51,000
The loan is repayable in full by 31 December 2027, however the loan agreements do allow for early repayments at the borrowers discretion. The loan is unsecured and interest is charged at 7%.				
Gisovu Tea Company Ltd	Subsidiary of Silverback Tea Company Limited	Recharge of costs	18,000	18,000
Pfunda Tea Company Ltd	Subsidiary of Silverback Tea Company Limited	Recharge of costs	18,000	18,000
Rugabano Tea Company Ltd	Subsidiary of Silverback Tea Company Limited	Recharge of costs	2,000	2,000
Services Company Outgrowers	Subsidiary	Loan advanced	153,000	153,000

25 CONTINGENT LIABILITIES

During the year to 31 March 2018 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 2021 was £37,500 (2020 - £62,000).

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

26 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 Gatsby Africa (Gatsby). In December 2012 EATI purchased the majority shareholdings in two tea factories in Rwanda. In addition, EATI also controls 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 £877,825 (2020 - £1,108,369) to EATI. A balance of £Nil (2020 - £485,668) remains outstanding in relation to these grants at the year end. In addition the charity also received grants from EATI of £1,092,522 (2020 - £Nil). A balance of £752,364 (2020 - £Nil) remains outstanding in relation to these grants at the year end.

EATI produced consolidated accounts for the year to 31 March 2021 incorporating the 12 month trading period of those factories.

The consolidated balance sheets to 31 March 2021 show:

	2021 £'000	2020 £'000
FIXED ASSETS		
Tangible fixed assets	5,792	7,312
	<u>5,792</u>	<u>7,312</u>
CURRENT ASSETS		
Stock	2,549	2,507
Debtors	11,006	11,007
Cash at bank and in hand	6,106	8,272
	<u>19,661</u>	<u>21,786</u>
CREDITORS: amounts falling due within one year	(3,637)	(3,339)
	<u>16,024</u>	<u>18,447</u>
NET CURRENT ASSETS		
	16,024	18,447
TOTAL ASSETS LESS CURRENT LIABILITIES	21,816	25,759
CREDITORS: amounts falling due after more than one year	(410)	(3)
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	-	(100)
	<u>21,406</u>	<u>25,656</u>
NET ASSETS		
	21,406	25,656
FUNDS		
Unrestricted funds		
General	(875)	1,303
Minority interests	(1,687)	(1,244)
	<u>(2,562)</u>	<u>59</u>
Restricted funds		
Tea Investment Fund	21,556	22,347
Minority interests	3,772	4,240
Exchange reserve	(1,360)	(990)
	<u>23,968</u>	<u>25,597</u>
TOTAL FUNDS	<u>21,406</u>	<u>25,656</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2021

26 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.

