

THE WOOD FOUNDATION
(Charity Number: SC037957)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

31 MARCH 2017

THE WOOD FOUNDATION
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE WOOD FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

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Lady Helen Wood
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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 2017.

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 chose 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 achieve systemic change within its chosen areas - to a series of projects. Sometimes we lead projects and in others we take an active supporting role with strategic partners. We are generally involved in developing the principles of the project, the investigation and implementation plan, and training, guidance and performance evaluation to enable sustained and successful programmes.

CHAIRMAN'S REVIEW

The Trustees present their report for the year ended 31 March 2017.

Assessment of Principal Risks and Uncertainties

The principal risks and uncertainties faced by The Wood Foundation relate to its tea related activities through its subsidiary, The Wood Foundation Africa ('TWFA') (charity number SC040580), particularly climatic conditions; global tea prices; and political stability. These risks are mitigated by choosing areas with a good history of tea-growing conditions. Financial controls and systems are also in place to manage exposure to major risks, including ensuring that adequate levels of reserves are maintained to withstand any downturn.

Executive Summary

The Wood Foundation, which was founded in 2007, continues to make strong progress and further expand its activities. Our funds are now 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 continues to develop tea-related activities in partnership with Lord David Sainsbury's Gatsby Charitable Foundation ('Gatsby'). To date our projects have transformationally impacted over 45,000 smallholder tea farmers in Tanzania and Rwanda and the two major greenfield tea development projects, both with Unilever. One is in Tanzania and the other in Rwanda. The Tanzania factory is almost now complete, and these developments will significantly impact a further 15,000 farmers. We continue to operate two tea processing factories in Rwanda, which are on track to eventually be handed over to smallholder ownership and during this year we have commenced our third greenfield tea development project, based in Rwanda, with Luxmi, a pre-eminent Indian tea producer. Our strategy is clear – we apply our business acumen and global experience through venture philanthropy and are recognised as the leading philanthropists in the tea industry. We have successfully leveraged TWF's funds by attracting other philanthropic investors and donors to impact large numbers of smallholder tea farmers, including the UK Department for International Development's UK Aid programme.

We continue to grow our Developing Young People in Scotland portfolio, mainly through our Youth & Philanthropy Initiative, which is an outstanding success with young people, Global Learning Partnership programmes and more recently RAISE (Raising Aspirations in Science Education).

Our investment in Facilitating Economic and Education Development in Scotland increased significantly last year to commit over £25 million over five years to Opportunity North East ('ONE'), a private sector led initiative aimed at maximising opportunities from North Sea oil and strengthening a number of other key industry sectors. We are part way through our £4.5 million commitment to Robert Gordon University to help develop its Oil & Gas and Entrepreneurship activities. We have also funded the building of a new multi-storey car park at Aberdeen's Foresterhill Health Campus which will be opening soon, providing approximately 1,000 additional car park spaces for patients and visitors.

During the past year we commenced a new programme Developing Paediatric Operating Theatres in Africa. To date, in partnership with ARCHIE Foundation, we have developed three operating theatre units at hospitals in Malawi and Tanzania, with each unit now undertaking approximately 500 life-saving operations per annum.

Various other smaller ongoing projects and partnerships continue, in line with our philanthropic objectives.

CHAIRMAN'S REVIEW (continued)

Charitable Activities During the 2016/17 Year

Making Markets Work for the Poor in Sub-Saharan Africa

We continue to operate two significant projects in Tanzania 'Chai' and in Rwanda 'Imbarutso'. Chai means 'tea' in Kiswahili and Imbarutso means 'to catalyse' in Kinyarwanda. Both continue to make a significant impact within the tea industry, improving the livelihoods of more than 60,000 smallholder tea farmers in rural communities (including the new developments).

The two tea processing factories we purchased in Rwanda in late 2012, Mulindi and Shagasha, are performing well. At a recent event to celebrate the very significant improvement in the farmers earnings over the period, we had 4,500 farmers attend to sing and dance and say thank you. It was a very exhilarating and encouraging occasion. We are working towards eventually transferring ownership of the factories to the smallholder farmers upon recovery of our principal investment at nil return, and when they achieve certain KPI's.

In Tanzania, we are providing support for about 3,000 farmers to plant about one hectare each of new tea in Njombe in Southern Tanzania. It will be supplying the Unilever factory being built and the project is making good progress.

In Northern Rwanda, we have commenced two projects. The first is a factory to be built by Unilever which will have about 6,000 farmers developing 4,000 hectares of new tea. This is an important project in a part of Rwanda very badly hit by the Genocide that will have transformational impact on the regional economy.

We have also now commenced the second project working with Luxmi, a pre-eminent Indian Tea Company who are building the factory. Again, we will be working with about 6,000 farmers aiming to plant 4,000 hectares of new tea with us providing the full support.

The UK Department for International Development's UK Aid programme has supported the Njombe development in Tanzania and is now supporting both the Unilver and Luxmi developments in Rwanda. These are targeted to significantly impact the livelihood of 15,000 new smallholder tea farmers and have a big impact on the regional economy and, indeed, on both Tanzania and Rwanda's tea industries.

Developing Young People in Scotland

During the past year, we continued to grow our outstanding Youth & Philanthropy Initiative (YPI) programme which engaged 26,000 secondary school pupils in philanthropy across 210 schools, 31 local authorities and contributed £630,000 to 210 local charities across Scotland. There is no doubt this is having an impact on young people's thinking on caring and community responsibility.

Our Global Learning Partnership (GLP) programme this year had 16 education practitioners from 5 local authorities spending four weeks during the Scottish school holidays working with schools in Rwanda. In addition to developing and delivering professional training for Rwandan teachers, a key priority is that on their return to Scotland they share their experience and learning with their schools to hopefully support the students towards a better understanding of their place in the world and their responsibilities as future citizens in a global community.

CHAIRMAN'S REVIEW (continued)

We will pilot RAiSE (Raising Aspirations in Science Education) across 10 Local Authorities in Scotland. Through appointing Primary Science Development Officers into regional education teams we aim to enhance primary practitioner confidence in their delivery of science education, thus improving the consistency of high quality science learning and teaching. If successful, RAiSE will be extended to a £2.5 million national programme over 7 years. This is yet another TWF project to encourage STEM (Science Technology Engineering & Maths) learning in young people.

We also have a partnership initiative with the STV Children's Appeal, addressing the issue of child poverty in Scotland, and are leading a number of other smaller projects helping young people.

Facilitating Economic and Education Development in Scotland

Opportunity North East (ONE), which we are funding with a commitment of £25 million over 5 years has had a very successful first year. It's a private sector led body now supporting five key industry sectors in the North East of Scotland, namely, Oil and Gas; Food, Drink and Agriculture; Life Sciences; Tourism; and Digital & Entrepreneurship. We anticipate matched funding from the public sector, we have developed a Renaissance Agenda for the region which is effectively about helping in any way the region can to maximise the economic recovery of the North Sea oil & gas reserves, but alongside this, moving to balance the economy with providing significant support to some of our strong traditional industries. As we're writing this report, the ONE team is now up to 15 and is working on a wide range of action projects across the North East of Scotland region.

ONE's participation was instrumental in achieving £210 million of innovation funds from the Aberdeen City Region Deal. £180 million of this has gone to the new global Oil & Gas Technology Centre (OGTC) and £30 million will go to innovation centres for Life Sciences and Food, Drink & Agriculture. The OGTC is one of a number of transformational projects in the region and, in its first year, and now as a completely independent institute, is going from strength to strength.

Following our commitment last year, we have funded the ongoing build cost of a new multi-storey car park facility at Aberdeen's Foresterhill Health Campus to add 1,000 new car park spaces for patients and visitors. The car park is almost complete and should remove a lot of the unnecessary stress and anxiety caused by inadequate car parking availability at the hospital.

Developing Paediatric Operating Theatres in Africa

During the year we commenced a new project to develop a number of children's operating theatres at local hospitals in Africa. To date we have developed a total of three theatres at two hospitals in Malawi and Tanzania, in partnership with The ARCHIE Foundation. Paediatric-specific operating facilities are non-existent in the region and so with each theatre equipped to carry out 500 life-saving operations per annum and provide child-friendly ward facilities, the aim of this project is to be the catalyst for significant change in paediatric care in Africa.

After charitable spend and commitment to date of £77 million, uncommitted funds and investments in The Wood Foundation are approximately £121 million, including further donations in the past year from myself.

THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

CHAIRMAN'S REVIEW (continued)

Plans for Future Year

The business plan for the coming year is to continue the charitable activities committed to up to 31 March 2017. We constantly explore potential new projects both in Scotland and in Africa, focussed on our 3 key areas, and this will continue in the year ahead.

Since the year end, The Wood Foundation has committed a further £4 million to Opportunity North East over four years to develop the Digital & Entrepreneurship sector in the North East of Scotland.

FINANCIAL REVIEW

A number of significant charitable activities were committed to during the year, resulting in net incoming/(outgoing) resources for the year, amounting to £13.9 million (2016 - £(27.8) 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 2017 was £7 million (2016 - £19.3 million) which includes £1.5 million (2016 - £13.9 million) from Sir Ian Wood and family; £3.8 million (2016 - £3.8 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 development in the Nyaruguru region of Rwanda; and £20,000 (2016 - £104,000) received from trading activities. In addition, investment income of £1.3 million (2016 - £1.2 million) was earned during the year.

Group charitable expenditure was £7.7 million (2016 - £46.9 million) which includes £5.7 million (2016 - £45.1 million) of grants committed to during the year ended 31 March 2017. The total value of grant commitments outstanding at 31 March 2017 was £39.4 million (2016 - £41.5 million) and these are scheduled to be paid over the next 5 years.

The portfolio of The Wood Foundation investments at 31 March 2017 had a total value of £78 million (2016 - £70.6 million) with a further £81.6 million (2016 - £77.4 million) held in cash deposits. Sir Ian Wood donated shares in Wood Group PLC with a value of £1.5 million during the year.

The objective of the investment portfolio continues to be to obtain capital growth over the long term. 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 East Africa.

Reserves

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

Income and charitable expenditure were broadly the same this year and, together with a gain on investments of £14.6 million, contributed to an overall increase in reserves of £13.9 million to £121 million at 31 March 2017. Restricted funds at that date are £236,000, payable within one year, and committed unrestricted funds are £39.4 million, payable over the next five years.

**THE WOOD FOUNDATION
TRUSTEES' ANNUAL REPORT**

CHAIRMAN'S REVIEW (continued)

The Trustees are satisfied that the level of reserves held at 31 March 2017 is in line with the Reserves Policy, and will be used for ongoing project expenditure.

With uncommitted and unrestricted reserves of £120.9 million at 31 March 2017 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 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

.....
21 DECEMBER 2017
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 AUDITORS' REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION

We have audited the financial statements of The Wood Foundation for the year ended 31 March 2017 set out on pages 11 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the charity's Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2017 and of the group's and parent's 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.

THE WOOD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WOOD FOUNDATION (continued)

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' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient 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.

Anderson Anderson & Brown LLP

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

21 December 2017

Anderson, Anderson & Brown LLP is eligible to act as an auditor 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 2017

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2017 £'000	2016 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,462	4,245	5,707	18,041
Investments	4	1,279	-	1,279	1,204
Other trading activities	5	20	-	20	104
TOTAL		<u>2,761</u>	<u>4,245</u>	<u>7,006</u>	<u>19,349</u>
EXPENDITURE ON:					
Charitable activities	6	3,367	4,356	7,723	46,944
TOTAL		<u>3,367</u>	<u>4,356</u>	<u>7,723</u>	<u>46,944</u>
Gain/(loss) on investments	13	14,583	-	14,583	(213)
NET MOVEMENT IN FUNDS	10	<u>13,977</u>	<u>(111)</u>	<u>13,866</u>	<u>(27,808)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		106,881	347	107,228	135,036
Total funds carried forward	20	<u>120,858</u>	<u>236</u>	<u>121,094</u>	<u>107,228</u>

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

The notes on pages 16 to 35 form part of these financial statements.

THE WOOD FOUNDATIONSTATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2017 £'000	2016 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,469	97	1,566	14,065
Investments	4	<u>1,278</u>	<u>-</u>	<u>1,278</u>	<u>1,202</u>
TOTAL		<u>2,747</u>	<u>97</u>	<u>2,844</u>	<u>15,267</u>
EXPENDITURE ON:					
Charitable activities	6	<u>7,076</u>	<u>121</u>	<u>7,197</u>	<u>43,095</u>
TOTAL		<u>7,076</u>	<u>121</u>	<u>7,197</u>	<u>43,095</u>
Gain/(loss) on investments	13	14,583	-	14,583	(213)
NET MOVEMENT IN FUNDS	10	<u>10,254</u>	<u>(24)</u>	<u>10,230</u>	<u>(28,041)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>105,999</u>	<u>66</u>	<u>106,065</u>	<u>134,106</u>
Total funds carried forward	20	<u><u>116,253</u></u>	<u><u>42</u></u>	<u><u>116,295</u></u>	<u><u>106,065</u></u>

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

The notes on pages 16 to 35 form part of these financial statements.

THE WOOD FOUNDATION
CONSOLIDATED BALANCE SHEET - 31 MARCH 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Investments	14	78,041	70,581
Tangible fixed assets	15	<u>22</u>	<u>32</u>
		<u>78,063</u>	<u>70,613</u>
CURRENT ASSETS			
Debtors	16	1,229	2,819
Cash at bank and in hand		<u>81,586</u>	<u>77,390</u>
		82,815	80,209
CREDITORS: <i>amounts falling due within one year</i>	17	<u>(21,644)</u>	<u>(19,917)</u>
NET CURRENT ASSETS		<u>61,171</u>	<u>60,292</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		139,234	130,905
CREDITORS: <i>amounts falling due after more than one year</i>	18	<u>(18,140)</u>	<u>(23,677)</u>
NET ASSETS		<u>121,094</u>	<u>107,228</u>
FUNDS			
Unrestricted funds	20	120,858	106,881
Restricted funds	20	<u>236</u>	<u>347</u>
		<u>121,094</u>	<u>107,228</u>

Signed on behalf of the Board of Trustees



 Trustee - Sir Ian Wood

21 DECEMBER 2017

 Date

The notes on pages 16 to 35 form part of these financial statements.

THE WOOD FOUNDATION
BALANCE SHEET - 31 MARCH 2017

	Note	2017 £'000	2016 £'000
FIXED ASSETS			
Investments	14	78,041	70,581
Tangible fixed assets	15	<u>2</u>	<u>2</u>
		<u>78,043</u>	<u>70,583</u>
CURRENT ASSETS			
Debtors	16	335	295
Cash at bank and in hand		<u>77,382</u>	<u>76,660</u>
		<u>77,717</u>	<u>76,955</u>
CREDITORS: <i>amounts falling due within one year</i>	17	<u>(21,325)</u>	<u>(17,796)</u>
NET CURRENT ASSETS		<u>56,392</u>	<u>59,159</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		134,435	129,742
CREDITORS: <i>amounts falling due after more than one year</i>	18	<u>(18,140)</u>	<u>(23,677)</u>
NET ASSETS		<u>116,295</u>	<u>106,065</u>
FUNDS			
Unrestricted funds	20	116,253	105,999
Restricted funds	20	<u>42</u>	<u>66</u>
		<u>116,295</u>	<u>106,065</u>

Signed on behalf of the Board of Trustees


Trustee - Sir Ian Wood

21 DECEMBER 2017
Date

The notes on pages 16 to 35 form part of these financial statements.

THE WOOD FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £'000	2016 £'000
Net cash (outflow)/inflow from operating activities			
Net outgoing resources for the year		(717)	(27,595)
Investment income		(1,279)	(1,204)
Taxation charge		27	-
Depreciation of tangible fixed assets		19	22
Decrease in debtors		1,590	667
(Decrease)/Increase in creditors		(3,829)	42,003
Taxation paid		(8)	-
Net cash (used in)/provided by operating activities		<u>(4,197)</u>	<u>13,893</u>
Cash flow from investing activities			
Interest receivable & income on fixed asset investments		1,279	1,204
Purchase of fixed assets		(9)	(2)
Disposal proceeds of fixed assets		-	-
Investments acquired		(1,462)	(23,940)
Investment disposals		8,585	7,760
Net cash provided by/(used in) investing activities		<u>8,393</u>	<u>(14,978)</u>
Increase(decrease) in cash and cash equivalents	21	<u><u>4,196</u></u>	<u><u>(1,085)</u></u>

The notes on pages 16 to 35 form part of these financial statements.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

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, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as contingent liabilities, but not accrued as expenditure.

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.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(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) *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

(h) *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.

(i) *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.

(j) *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. Where this treatment is not adopted, full disclosure regarding the arrangement is provided by way of a note to the accounts (see note 22).

(k) *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.

(l) *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.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(m) 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 23.

(n) *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.

2 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

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 WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

3 DONATIONS AND LEGACIES

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Donations - unrestricted	1,462	13,940	1,469	13,951
Donations - restricted	4,245	4,101	97	114
	<u>5,707</u>	<u>18,041</u>	<u>1,566</u>	<u>14,065</u>

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

4 INCOME FROM INVESTMENTS

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Investment income	763	564	763	564
Bank interest receivable	516	639	515	637
Other interest receivable	-	1	-	1
	<u>1,279</u>	<u>1,204</u>	<u>1,278</u>	<u>1,202</u>

In 2016, all income from investments was for unrestricted funds.

5 OTHER TRADING ACTIVITIES

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Commercial trading operations	<u>20</u>	<u>104</u>	<u>-</u>	<u>-</u>

In 2016, all income from other trading activities was for unrestricted funds.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

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	2017 Total £'000
Grants payable (note 8)	855	3,338	16	1,521	5,730
Direct costs:					
Staff	-	991	-	-	991
Consultancy	17	279	-	-	296
Travel	-	70	-	-	70
	<u>17</u>	<u>1,340</u>	<u>-</u>	<u>-</u>	<u>1,357</u>
YPI Programme:					
Staff	-	-	-	161	161
Consultancy	-	-	-	68	68
Travel	-	-	-	37	37
Press & publicity	-	-	-	38	38
Miscellaneous expenses	-	-	-	4	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>308</u>	<u>308</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	69	-	69
Consultancy	-	-	42	-	42
Travel	-	-	35	-	35
Press & publicity	-	-	14	-	14
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>160</u>	<u>-</u>	<u>160</u>
Support costs:					
Staff	127	144	-	-	271
Training & development	6	3	3	3	15
Insurance	2	12	1	1	16
Travel	5	64	3	3	75
Press & publicity	9	-	6	4	19
Database	5	8	3	3	19
Miscellaneous expenses	15	91	7	7	120
Depreciation	-	16	-	-	16
Exchange gains	-	(454)	-	-	(454)
Governance costs	5	36	6	6	53
Taxation (note 7)	-	18	-	-	18
	<u>174</u>	<u>(62)</u>	<u>29</u>	<u>27</u>	<u>168</u>
	<u>1,046</u>	<u>4,616</u>	<u>205</u>	<u>1,856</u>	<u>7,723</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

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	2017 Total £'000
Grants payable (note 8)	855	4,338	16	1,521	6,730
Direct costs:					
Staff	-	-	-	-	-
Consultancy	17	-	-	-	17
Travel	-	-	-	-	-
	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
YPI Programme:					
Staff	-	-	-	161	161
Consultancy	-	-	-	68	68
Travel	-	-	-	37	37
Press & publicity	-	-	-	38	38
Miscellaneous expenses	-	-	-	4	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>308</u>	<u>308</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	69	-	69
Consultancy	-	-	42	-	42
Travel	-	-	34	-	34
Press & publicity	-	-	12	-	12
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>157</u>	<u>-</u>	<u>157</u>
Support costs:					
Staff	127	-	-	-	127
Training & development	6	-	3	3	12
Insurance	2	-	1	1	4
Travel	5	-	3	3	11
Press & publicity	9	-	4	4	17
Database	6	-	3	3	12
Miscellaneous expenses	15	-	7	7	29
Depreciation	-	-	-	-	-
Exchange gains	-	(242)	-	-	(242)
Governance costs	3	-	6	6	15
	<u>173</u>	<u>(242)</u>	<u>27</u>	<u>27</u>	<u>(15)</u>
	<u>1,045</u>	<u>4,096</u>	<u>200</u>	<u>1,856</u>	<u>7,197</u>

Grants payable by the Trust includes £4,338,000 (2016: £918,000) payable to The Wood Foundation Africa.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

The comparative figures for 2016 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	2016 Total £'000
Grants payable (note 8)	<u>40,652</u>	<u>3,340</u>	<u>15</u>	<u>1,064</u>	<u>45,071</u>
Direct costs:					
Staff	-	849	-	-	849
Consultancy	3	173	-	-	176
Travel	-	72	-	-	72
	<u>3</u>	<u>1,094</u>	<u>-</u>	<u>-</u>	<u>1,097</u>
YPI Programme:					
Staff	-	-	-	117	117
Consultancy	-	-	-	82	82
Travel	-	-	-	30	30
Press & publicity	-	-	-	34	34
Miscellaneous expenses	-	-	-	3	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>266</u>	<u>266</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	62	-	62
Consultancy	-	-	54	-	54
Travel	-	-	39	-	39
Press & publicity	-	-	8	-	8
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>163</u>
Support costs:					
Staff	81	118	-	-	199
Training & development	1	3	2	2	8
Insurance	1	11	2	2	16
Travel	4	59	8	8	79
Press & publicity	1	-	1	1	3
Database	1	8	2	2	13
Miscellaneous expenses	4	92	7	7	110
Depreciation	-	18	-	-	18
Exchange gains	-	(158)	-	-	(158)
Governance costs	3	43	5	8	59
	<u>96</u>	<u>194</u>	<u>27</u>	<u>30</u>	<u>347</u>
	<u>40,751</u>	<u>4,628</u>	<u>205</u>	<u>1,360</u>	<u>46,944</u>

In 2016, of the total charitable expenditure, £42,820,000 was from unrestricted funds and £4,124,000 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 2017
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	2016 Total £'000
Grants payable (note 8)	<u>40,652</u>	<u>918</u>	<u>15</u>	<u>1,064</u>	<u>42,649</u>
Direct costs:					
Staff	-	-	-	-	-
Consultancy	3	-	-	-	3
Travel	-	-	-	-	-
	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
YPI Programme:					
Staff	-	-	-	117	117
Consultancy	-	-	-	82	82
Travel	-	-	-	30	30
Press & publicity	-	-	-	26	26
Miscellaneous expenses	-	-	-	3	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>258</u>	<u>258</u>
Global Learning Partnership:					
Programme:					
Staff	-	-	62	-	62
Consultancy	-	-	53	-	53
Travel	-	-	39	-	39
Press & publicity	-	-	8	-	8
Miscellaneous expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>162</u>	<u>-</u>	<u>162</u>
Support costs:					
Staff	81	-	-	-	81
Training & development	1	-	2	2	5
Insurance	1	-	2	2	5
Travel	4	-	8	8	20
Press & publicity	1	-	1	1	3
Database	1	-	2	2	5
Miscellaneous expenses	4	-	7	7	18
Depreciation	-	-	-	1	1
Exchange gains	-	(128)	-	-	(128)
Governance costs	3	-	5	5	13
	<u>96</u>	<u>(128)</u>	<u>27</u>	<u>28</u>	<u>23</u>
	<u>40,751</u>	<u>790</u>	<u>204</u>	<u>1,350</u>	<u>43,095</u>

In 2016, of the total charitable expenditure, £43,047,000 was from unrestricted funds and £48,000 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 2017

7 TAXATION

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
UK corporation tax for the current year	10	-	-	-
UK corporation tax relating to prior year	8	-	-	-
	<u>18</u>	<u>-</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 (20%). A reconciliation of this obligation is as follows:

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Net incoming resources not subject to taxation reliefs	98	82	-	-
Taxation charges at 20%	20	16	-	-
Share of agreed cost with Gatsby Charitable Foundation (note 16)	(10)	(8)	-	-
Prior year taxation under provided	8	(8)	-	-
Total tax charge recognised in the year	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>

8 GRANTS

Group	Grants Awarded No.	2017 £'000	Grants Awarded No.	2016 £'000
	Grants to institutions:			
Making markets work for the poor	5	3,338	4	3,340
Volunteering overseas	2	5	2	7
Developing young people in Scotland	193	1,521	194	1,064
	<u>200</u>	<u>4,864</u>	<u>200</u>	<u>4,411</u>
Miscellaneous grants:				
Other miscellaneous grants	7	855	15	40,652
	<u>207</u>	<u>5,719</u>	<u>215</u>	<u>45,063</u>
Grants to individuals:				
Volunteering overseas	13	11	10	8
	<u>220</u>	<u>5,730</u>	<u>225</u>	<u>45,071</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

8 GRANTS (continued)

Trust	Grants Awarded No.	2017 £'000	Grants Awarded No.	2016 £'000
Grants to institutions:				
Making markets work for the poor	1	4,338	1	918
Volunteering overseas	2	5	2	7
Developing young people in Scotland	193	1,521	194	1,064
	<u>196</u>	<u>5,864</u>	<u>197</u>	<u>1,989</u>
Miscellaneous grants:				
Other miscellaneous grants	7	855	15	40,652
	<u>203</u>	<u>6,719</u>	<u>212</u>	<u>42,641</u>
Grants to individuals:				
Volunteering overseas	13	11	10	8
	<u>216</u>	<u>6,730</u>	<u>222</u>	<u>42,649</u>

9 GOVERNANCE COSTS

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Auditors' remuneration	22	21	14	12
Legal	13	21	1	1
Overseas Compliance Services	18	17	-	-
	<u>53</u>	<u>59</u>	<u>15</u>	<u>13</u>

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

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Auditors' remuneration				
Audit fees	20	19	12	10
Non-audit fees	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

11 STAFF COSTS AND NUMBERS

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Staff costs				
Wages and salaries	2,058	1,640	281	212
Social security	31	22	31	22
Other pension costs	89	68	28	21
Gatsby share of costs	(74)	(159)	-	-
Staff cost recharge (note 22)	(629)	(349)	-	-
	<u>1,475</u>	<u>1,222</u>	<u>340</u>	<u>255</u>

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

	Group		Trust	
	2017 No.	2016 No.	2017 No.	2016 No.
Trustees	4	4	4	4
Management & administration	25	23	10	9
	<u>29</u>	<u>27</u>	<u>14</u>	<u>13</u>

During the year 9 employees within the group received emoluments of over £60,000 (2016: 9). Pension contributions totalling £57,000 were paid into direct contribution pension schemes in respect of 7 of these individuals (2016: £58,000, 7 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	
	2017 £'000	2016 £'000
Realised gain/(loss) arising on disposals	973	(1)
Unrealised gains/(losses) on revaluation	13,610	(212)
	<u>14,583</u>	<u>(213)</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

14 INVESTMENTS

	Group & Trust	
	2017	2016
	£'000	£'000
Market value at 1 April 2016	70,581	54,614
Additions at cost	1,462	23,940
Disposals at opening value	(7,612)	(7,761)
Net unrealised investment gains/(losses) on revaluation	13,610	(212)
Market value at 31 March 2017	<u>78,041</u>	<u>70,581</u>

The market value of investments at 31 March 2017 comprises:

	Group & Trust	
	2017	2016
	£'000	£'000
Listed equity investments	-	6,150
Managed funds	78,041	64,405
Cash deposits	-	26
	<u>78,041</u>	<u>70,581</u>

	Trust	
	2017	2016
	£	£
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 2017 were £1 (2016: £1), profit for the year was £nil (2016: £nil).

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 the Gatsby Charitable Foundation. Further details are provided in note 23.

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 2017 were £4,797,000 (2016: £1,162,000), net movement in funds for the year was £3,636,000 (2016: £231,000).

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

15 TANGIBLE FIXED ASSETS

Group	Plant & equipment £'000	Motor vehicles £'000	Total £'000
COST			
At 1 April 2016	23	88	111
Additions	9	-	9
Disposals	-	-	-
At 31 March 2017	<u>32</u>	<u>88</u>	<u>120</u>
DEPRECIATION			
At 1 April 2016	11	68	79
Charge for year	5	14	19
Appropriated on disposal	-	-	-
At 31 March 2017	<u>16</u>	<u>82</u>	<u>98</u>
NET BOOK VALUES			
At 31 March 2017	<u>16</u>	<u>6</u>	<u>22</u>
At 1 April 2016	<u>12</u>	<u>20</u>	<u>32</u>
Trust			Plant & equipment £'000
COST			
At 1 April 2016			5
Additions			-
Disposals			-
At 31 March 2017			<u>5</u>
DEPRECIATION			
At 1 April 2016			3
Charge for year			-
Appropriated on disposal			-
At 31 March 2017			<u>3</u>
NET BOOK VALUES			
At 31 March 2017			<u>2</u>
At 1 April 2016			<u>2</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

16 DEBTORS

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts due from related undertakings	690	430	-	-
Other debtors	139	245	-	-
Prepayments and accrued income	400	2,144	335	295
	<u>1,229</u>	<u>2,819</u>	<u>335</u>	<u>295</u>

The Wood Foundation Africa and the Gatsby Charitable Foundation have entered into a partnership to develop the Tea Sector in Rwanda. Both parties are to contribute equally to the agreed costs of the Imbarutso project.

Other debtors at the year end includes £26,000 (2016: £198,000), of expenditure incurred in excess of amounts received from Gatsby.

	2017 £'000	2016 £'000
Imbarutso Project		
Debtor brought forward	198	243
Received from the Gatsby Charitable Foundation	(283)	(275)
Share of agreed costs of Imbarutso project	183	230
Share of management fee receivable	(90)	-
Share of taxation obligation (note 7)	18	-
Debtor carried forward	<u>26</u>	<u>198</u>

17 CREDITORS: *amounts falling due within one year*

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts due to related undertakings	-	1,895	-	-
Grants payable	21,292	17,802	21,125	17,658
Taxation and social security	15	12	15	12
Corporation tax	19	-	-	-
Trade creditors	76	35	55	26
Accruals and deferred income	214	121	130	100
Other creditors	28	52	-	-
	<u>21,644</u>	<u>19,917</u>	<u>21,325</u>	<u>17,796</u>

The Wood Foundation Africa and the Gatsby Charitable Foundation 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 creditors at the year end includes £28,000 (2016: £52,000), received from Gatsby in advance of expenditure being incurred, as follows:

	2017 £'000	2016 £'000
Chai Project		
Creditor brought forward	52	53
Received from the Gatsby Charitable Foundation	-	-
Share of agreed costs of Chai project	(24)	(1)
Creditor carried forward	<u>28</u>	<u>52</u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

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

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Grants payable	<u>18,140</u>	<u>23,677</u>	<u>18,140</u>	<u>23,677</u>

19 FINANCIAL INSTRUMENTS

	Group		Trust	
	2017 £	2016 £	2017 £	2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	81,586	77,390	77,382	76,660
Financial assets measured at amortised cost	<u>1,117</u>	<u>2,770</u>	<u>285</u>	<u>281</u>
	<u>82,703</u>	<u>80,160</u>	<u>77,667</u>	<u>76,941</u>
Financial liabilities				
Financial liabilities measure at amortised cost	21,610	19,905	21,310	17,784
Financial liabilities measured at fair value	<u>18,140</u>	<u>23,677</u>	<u>18,140</u>	<u>23,677</u>
	<u>39,750</u>	<u>43,582</u>	<u>39,450</u>	<u>41,461</u>

20 MOVEMENT IN FUNDS

	Unrestricted	Restricted	2017 £'000
	Funds £'000	Funds £'000	
Group			
At 1 April 2016	106,881	347	107,228
Income	2,761	4,245	7,006
Expenditure	(3,367)	(4,356)	(7,723)
Other gains/(losses)	14,583	-	14,583
At 31 March 2017	<u>120,858</u>	<u>236</u>	<u>121,094</u>
Trust			
At 1 April 2016	105,999	66	106,065
Income	2,747	97	2,844
Expenditure	(7,076)	(121)	(7,197)
Other gains/(losses)	14,583	-	14,583
At 31 March 2017	<u>116,253</u>	<u>42</u>	<u>116,295</u>

Restricted funds are for the Global Learning Partnership and YPI projects.

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

20 MOVEMENT IN FUNDS (continued)

The comparative figures for 2016 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2016 £'000
Group			
At 1 April 2015	134,666	370	135,036
Income	15,248	4,101	19,349
Expenditure	(42,820)	(4,124)	(46,944)
Other (losses)/gains	(213)	-	(213)
At 31 March 2016	<u>106,881</u>	<u>347</u>	<u>107,228</u>
Trust			
At 1 April 2015	134,106	-	134,106
Income	15,153	114	15,267
Expenditure	(43,047)	(48)	(43,095)
Other (losses)/gains	(213)	-	(213)
At 31 March 2016	<u>105,999</u>	<u>66</u>	<u>106,065</u>

Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	2017 £'000
Group			
Investments	78,041	-	78,041
Tangible fixed assets	3	19	22
Current assets	82,310	505	82,815
Current liabilities	(21,356)	(288)	(21,644)
Non-current liabilities	(18,140)	-	(18,140)
At 31 March 2017	<u>120,858</u>	<u>236</u>	<u>121,094</u>
Trust			
Investments	78,041	-	78,041
Tangible fixed assets	2	-	2
Current assets	77,675	42	77,717
Current liabilities	(21,325)	-	(21,325)
Non-current liabilities	(18,140)	-	(18,140)
At 31 March 2017	<u>116,253</u>	<u>42</u>	<u>116,295</u>

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20 MOVEMENT IN FUNDS (continued)

Analysis of net assets between funds

The comparative figures for 2016 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2016 £'000
Group			
Investments	70,581	-	70,581
Tangible fixed assets	4	28	32
Current assets	77,772	2,437	80,209
Current liabilities	(17,799)	(2,118)	(19,917)
Long term liabilities	(23,677)	-	(23,677)
At 31 March 2016	<u>106,881</u>	<u>347</u>	<u>107,228</u>
Trust			
Investments	70,581	-	70,581
Tangible fixed assets	2	-	2
Current assets	76,889	66	76,955
Current liabilities	(17,796)	-	(17,796)
Long term liabilities	(23,677)	-	(23,677)
At 31 March 2016	<u>105,999</u>	<u>66</u>	<u>106,065</u>

21 ANALYSIS OF CHANGES IN CASH IN YEAR

	Group	
	2017 £'000	2016 £'000
Cash at bank and in hand at 1 April 2016	77,390	78,475
Increase/(decrease) in cash and cash equivalents	<u>4,196</u>	<u>(1,085)</u>
At 31 March 2017	<u>81,586</u>	<u>77,390</u>

22 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 £50,000 (2016: £42,000) 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 2017 was £50,000 (2016: £42,000).

During the year, the trust made grant commitments totalling £nil (2016 - £25,250,000) to Opportunity North East, a company of which Sir Ian Wood is a director. There remains £22,881,000 (2016 - £25,000,000) outstanding in respect of these commitments at the year end.

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NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

22 RELATED PARTY TRANSACTIONS (continued)

At the year end the charity had amounts due totalling £405,000 (2016 - £265,000) from Mulindi Tea Factory Company Limited and £285,000 (2016 - £165,000) from Shagasha Tea Company Limited, subsidiaries of East African Tea Investments (note 23). The balances arose as a result of certain cost recharges and management fees totalling £98,000 (2016 - £82,000) charged to the companies. In addition, grants of £178,000 (2016 - £65,000) to Mulindi Factory Company Limited and £163,000 (2016 - £65,000) to Shagasha Tea Company Limited were paid in the year. The total of £341,000 relating to the grants was paid in full prior to the year end.

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NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

23 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 Charitable Foundation (Gatsby). In December 2012 EATI purchased the majority shareholdings in two tea factories in Rwanda.

During the year, the charity made grants totalling £3,028,188 (2016 - £3,206,286) to EATI. A balance of £nil (2016 - £1,894,742) remains outstanding in relation to these grants at the year end.

EATI produced consolidated accounts for the year to 31 March 2017 incorporating the 12 month trading period of those factories.

The consolidated balance sheets to 31 March 2017 show:

	2017 £'000	2016 £'000
FIXED ASSETS		
Intangible fixed assets	(176)	(443)
Tangible fixed assets	<u>10,337</u>	<u>10,342</u>
	<u>10,161</u>	<u>9,899</u>
CURRENT ASSETS		
Stock	1,535	2,030
Debtors	6,988	3,576
Cash at bank and in hand	<u>5,516</u>	<u>3,187</u>
	14,039	8,793
CREDITORS: amounts falling due within one year	(2,405)	(2,051)
NET CURRENT ASSETS	<u>11,634</u>	<u>6,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	21,795	16,641
CREDITORS: amounts falling due after more than one year	(12)	(35)
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	(117)	(132)
NET ASSETS	<u><u>21,666</u></u>	<u><u>16,474</u></u>
FUNDS		
Unrestricted funds		
General	67	255
Minority interests	<u>(92)</u>	<u>(13)</u>
	<u>(25)</u>	<u>242</u>
Restricted funds		
Tea Investment Fund	17,284	12,513
Minority interests	4,884	4,576
Exchange reserve	<u>(477)</u>	<u>(857)</u>
	<u>21,691</u>	<u>16,232</u>
TOTAL FUNDS	<u><u>21,666</u></u>	<u><u>16,474</u></u>

THE WOOD FOUNDATION

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2017

23 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.

