

**THE WOOD FOUNDATION**  
(Charity Number: SC037957)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

31 MARCH 2018

**THE WOOD FOUNDATION**  
TRUSTEES' ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

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**THE WOOD FOUNDATION**  
LEGAL AND ADMINISTRATIVE INFORMATION

**TRUSTEES**

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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 2018.

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

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Nature of Governing Document**

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

#### **Organisational Structure**

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

The Trust's governing document is its Trust Deed.

#### **Recruitment and Appointment of Trustees**

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

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

#### **Induction and Training of Trustees**

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

### **TRUST OBJECTIVES AND ACTIVITIES**

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

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

## **CHAIRMAN'S REVIEW**

The Trustees present their report for the year ended 31 March 2018.

### **Assessment of Principal Risks and Uncertainties**

There are risks associated with our tea related activities through our 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; partnering with reputable tea producers where applicable; and by recruiting high quality, suitably qualified and experienced staff as our operations expand. 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 both in the UK and overseas. 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 through The Wood Foundation Africa (TWFA) in partnership with Lord David Sainsbury's Gatsby Charitable Foundation ('Gatsby'). We are now working with more than 60,000 smallholder tea farmers (including the new tea developments) in rural communities in Tanzania and Rwanda. This means overall we are impacting more than 360,000 of the rural population in these countries. We continue to operate two tea processing factories in Rwanda, which together produce approximately 20% of the tea produced in that country. We will eventually pass the ownership of these factories to our smallholder tea farmer partners. In addition, we now operate three tea development services companies - one in Tanzania and two in Rwanda - each of these greenfield developments involve a partnership with a major international tea company who are building the processing factory. The first of these was opened recently by Unilever in Njombe, in the Southern Highlands of Tanzania. Our partners in Rwanda will be Unilever and Luxmi, a pre-eminent international tea company based in India.

We continue very much to apply our business acumen and global experience through venture philanthropy and are recognised as the leading philanthropists in the tea industry. We have been given excellent support by the UK Department for International Development's UK Aid programme (DFID).

Our Developing Young People in Scotland portfolio continues to grow.

The Youth & Philanthropy Initiative Scotland is now one of the largest independent education programmes being delivered through the curriculum in Scottish schools, working with over 31,000 young people this year in over 230 secondary schools. The programme continues to be an outstanding success in equipping young people with the skills, time and opportunity required to engage meaningfully with their wider communities, understand the social issues affecting them, and realise their potential to make a positive impact. Our Global Learning Partnerships programme has grown to become a national opportunity for Scottish schools to enhance their delivery of global education and empower learners to think more critically about communities round the world and the challenges faced. The RAiSE (Raising Aspirations in Science Education) pilot continues to evidence strong impact on the learning and teaching of primary science, as supported by an external evaluation currently underway led by the Robert Owen Centre for Educational Change.

Our commitment to Facilitating Economic and Education Development in Scotland increased significantly during the year with the commitment of a further £4 million to Opportunity North East ('ONE'), a private sector led initiative aimed at maximising opportunities from North Sea oil and strengthening of the other key industry sectors. Our commitment to ONE is now £29.25 million over 5 years.

## **CHAIRMAN'S REVIEW (continued)**

Since the year end we have agreed a revision to the £5 million funding commitment to Robert Gordon University with the remaining amounts payable to focus more on Digital & Entrepreneurship activities, alongside Oil & Gas. During the year my wife officially opened the Lady Helen Parking Centre - a new £10.7m multi-storey car park at Aberdeen's Foresterhill Health Campus funded by The Wood Foundation, and providing more than 1,000 additional car park spaces for patients and visitors, who have responded very positively.

Following on from our work with ARCHIE Foundation developing paediatric operating theatres in Africa, my son Garreth has now set up a separate charity - Kids Operating Room (KidsOR) committed to expanding the installation of children's operating theatres across the developing world. TWF has committed £1.5m per annum to KidsOR for its first three years.

## **Charitable Activities During the 2017/18 Year**

### **Making Markets Work for the Poor in Sub-Saharan Africa**

We continue to operate two significant projects - 'Chai' in Tanzania and 'Imbarutso' in Rwanda. 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).

To date our projects have transformationally impacted over 45,000 smallholder tea farmers in Tanzania and Rwanda, and our three major greenfield tea development projects - two with Unilever and one with Luxmi, a pre-eminent Indian tea producer - will provide a full suite of financial and operational support to a further 15,000 smallholders to plant out tea. Overall, our tea projects in Africa will benefit approximately 360,000 in the rural population.

We continue to operate two tea processing factories in Rwanda. These are performing well and together produce approximately 20% of the tea produced in that country. They are part-owned by smallholder tea farmers and we intend 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 KPI's. During the financial year, at the farmers request, celebratory events were held at both factories with between 4,500 and 5,000 smallholder farmers attending at each, to sing and dance in celebration of the very significant improvement in their earnings since we took ownership. It was a very exhilarating and encouraging occasion.

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

In Tanzania, we are approximately half way through the 2,500 hectares development and will be working with about 3,500 farmers on completion of the programme. Each farmer is trained in good agronomic practices to enable them to produce good quality leaf and maximise the yield. Unilever's factory has now opened and smallholder tea farmers are already significantly benefitting from the quality premium being paid above the basic tea price.

Our other two greenfield developments are located in Southern Rwanda where we have partnered with Unilever at Nyaruguru and with Luxmi at Rugabano who will each build a large tea factory that will be exclusively supplied by the smallholder farmers. These are larger scale projects compared to Tanzania and together will plant out about 8,000 hectares of new smallholder tea.

### **CHAIRMAN'S REVIEW (continued)**

All of our new greenfield developments will have a huge impact on the local regions. Njombe in Tanzania has become the leading tea region in the country with the Headquarters of the Tea Board of Tanzania now based there. The two tea development areas in Southern Rwanda, which was very badly hit by the Genocide and are among the highest poverty areas in the country, have acidic soil which is not good for the farmers family food crops but good for tea. There are no real alternative economic activities in either of these regions in Rwanda and our projects will transform the economy of these regions.

### **Developing Young People in Scotland**

During the past academic year we continued to grow our outstanding Youth & Philanthropy Initiative (YPI) programme which engaged 31,000 secondary school pupils in philanthropy in 231 schools, across all 32 local authorities. YPI is now the largest active citizenship programme being delivered through the Scottish curriculum and contributed £693,000 to 210 local charities across Scotland. There is no doubt this is having an impact on young people's skill development as well as their attitudes towards social issues, community responsibility and enhancing their capacity to make a positive difference.

Our Global Learning Partnership (GLP) programme this year facilitated 16 education practitioners from 5 local authorities spending 4 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 support their students towards a better understanding of their place in the world and their responsibilities as future citizens in a global community.

Our commitment to addressing the inequities of primary science learning and teaching across Scotland continues through the RAiSE (Raising Aspirations in Science Education) pilot across 8 Local Authorities in Scotland. Through appointing Primary Science Development Officers into regional education teams we aim to enhance primary practitioner confidence and competencies in their delivery of science education, thus improving the consistency of high quality science learning and teaching. If the approach evidences success, and there are clear plans in place locally for the embedding and legacy of the improvements catalyzed by RAiSE funding, we are committed to supporting national roll out of RAiSE over 7 years.

We also have a partnership initiative with the STV Children's Appeal, addressing the issue of child poverty in Scotland, and STEP, an innovative primary school programme which uses physical literacy to improve confidence, behaviour and attainment in those pupils struggling most academically. These continue alongside a number of other smaller projects directly impacting upon the life chances and opportunities for Scotland's young people.

### **Facilitating Economic and Education Development in Scotland**

Opportunity North East (ONE) is a private sector led body helping the North East of Scotland maximise the economic recovery of the North Sea oil and gas reserves but also balancing the economy by supporting development of our other industry sectors. During the year we increased our original £25.25 million over 5 years by a further £4 million to a total £29.25 million over 5 years and anticipate matched funding from the public and private sector. ONE supports five key industry sectors in the North East of Scotland - Oil and Gas; Food, Drink and Agriculture; Life Sciences; Tourism; and Digital & Entrepreneurship.

## THE WOOD FOUNDATION TRUSTEES' ANNUAL REPORT

### CHAIRMAN'S REVIEW (continued)

#### Other projects

We have funded the £10.7 million 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. My wife officially opened and named the facility The Lady Helen Parking Centre earlier this year and the positive feedback shows it has removed a lot of the unnecessary stress and anxiety caused by the previously inadequate car parking availability at the hospital.

During the year we agreed to expand the development of paediatric operating theatres in the developing world by supporting a new charity founded by my son Garreth called Kids Operating Room (KidsOR). We have committed £4.5 million over 3 years to KidsOR.

After charitable spend and commitment to date of £92 million, uncommitted funds and investments in The Wood Foundation are approximately £111 million.

#### Plans for Future Year

TWF is benefitting from focusing our funding and people resources on 3 or 4 key areas of development and that will continue to be the strategy. We are looking at other possible major tea developments in Sub Sahara Africa. We are continuing to develop YPI very successfully. The programme has grown into an outstanding educational/community project significantly enhancing delivery of the Curriculum for Excellence across Scotland. We are developing our Global Learning Partnership Programme into Uganda alongside Rwanda while closely evaluating the programme's impact upon the attitudes and perspectives of Scottish learners on global challenges and contexts.. Our RAISE programme, which we believe is critical in strengthening Scotland's STEM capital will depend on undertakings from Scottish and Local Governments to provide ongoing commitment and financial support.

Opportunity North East is developing well and we've now provided a strong funding programme over 10 years. It has got wide backing and participation across the North East of Scotland and we will continue to invest to make a difference in each of our chosen industry sectors.

#### 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 £(10.2) million (2017 - £13.9 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 2018 was £5.4 million (2017 - £7 million) which includes £Nil (2017 - £1.5 million) from Sir Ian Wood and family; £3.6 million (2017 - £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 developments in the Nyaruguru & Rugabano regions of Rwanda; and £70,000 (2017 - £20,000) received from trading activities. In addition, investment income of £1.4 million (2017 - £1.3 million) was earned during the year.

Group charitable expenditure was £14.8 million (2017 - £7.7 million) which includes £11.1 million (2017 - £5.7 million) of grants committed to during the year ended 31 March 2018. The total value of grant commitments outstanding at 31 March 2018 was £34.7 million (2017 - £39.4 million) and these are scheduled to be paid over the next 5 years.



**THE WOOD FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**

**FINANCIAL REVIEW (continued)**

The portfolio of The Wood Foundation investments at 31 March 2018 had a total value of £77 million (2017 - £78 million) with a further £68.1 million (2017 - £81.6 million) held in cash deposits.

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.

The significant charitable activities in the year resulted in an overall decrease in reserves of £10.3 million to £110.8 million at 31 March 2018. Restricted funds at that date are £12,000, payable within one year, and committed unrestricted funds are £34.7 million, payable over the next three years.

The Trustees are satisfied that the level of reserves held at 31 March 2018 is in line with the Reserves Policy and will be used for ongoing project expenditure.

With uncommitted and unrestricted reserves of £111 million at 31 March 2018 and ongoing input of funds from my family, we will continue to maintain high levels of cash reserves and adequate funds to develop our philanthropic programmes and objectives.

**PROVISION OF INFORMATION TO AUDITORS**

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

**AUDITORS**

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

Signed on behalf of the Board of Trustees

  
.....  
Trustee - Sir Ian Wood

20 DECEMBER 2018  
.....  
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**

#### **Opinion**

We have audited the financial statements of The Wood Foundation (the 'charity') for the year ended 31 March 2018 which comprises the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheet, the Group Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

## **THE WOOD FOUNDATION**

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

#### **Other information - continued**

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

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

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

## THE WOOD FOUNDATION

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

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Anderson Anderson & Brown Audit LLP*

#### **Anderson Anderson & Brown Audit LLP**

Statutory Auditor  
Kingshill View  
Prime Four Business Park  
Kingswells  
Aberdeen  
AB15 8PU

Date: *20 DECEMBER 2018*

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 2018**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000	2017 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	-	3,938	3,938	5,707
Investments	4	1,409	-	1,409	1,279
Other trading activities	5	70	-	70	20
<b>TOTAL</b>		<u>1,479</u>	<u>3,938</u>	<u>5,417</u>	<u>7,006</u>
<b>EXPENDITURE ON:</b>					
Charitable activities	6	10,653	4,162	14,815	7,723
<b>TOTAL</b>		<u>10,653</u>	<u>4,162</u>	<u>14,815</u>	<u>7,723</u>
Gain/(loss) on investments	13	(850)	-	(850)	14,583
<b>NET MOVEMENT IN FUNDS</b>	10	<u>(10,024)</u>	<u>(224)</u>	<u>(10,248)</u>	<u>13,866</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		120,858	236	121,094	107,228
Total funds carried forward	20	<u>110,834</u>	<u>12</u>	<u>110,846</u>	<u>121,094</u>

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

The notes on pages 17 to 36 form part of these financial statements.

**THE WOOD FOUNDATION****STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2018 £'000	2017 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	14	205	219	1,566
Investments	4	<u>1,407</u>	<u>-</u>	<u>1,407</u>	<u>1,278</u>
<b>TOTAL</b>		<u><b>1,421</b></u>	<u><b>205</b></u>	<u><b>1,626</b></u>	<u><b>2,844</b></u>
<b>EXPENDITURE ON:</b>					
Charitable activities	6	<u>11,155</u>	<u>247</u>	<u>11,402</u>	<u>7,197</u>
<b>TOTAL</b>		<u><b>11,155</b></u>	<u><b>247</b></u>	<u><b>11,402</b></u>	<u><b>7,197</b></u>
Gain/(loss) on investments	13	(850)	-	(850)	14,583
<b>NET MOVEMENT IN FUNDS</b>	10	<u><b>(10,584)</b></u>	<u><b>(42)</b></u>	<u><b>(10,626)</b></u>	<u><b>10,230</b></u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>116,253</u>	<u>42</u>	<u>116,295</u>	<u>106,065</u>
Total funds carried forward	20	<u><u>105,669</u></u>	<u><u>-</u></u>	<u><u>105,669</u></u>	<u><u>116,295</u></u>

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

The notes on pages 17 to 36 form part of these financial statements.

**THE WOOD FOUNDATION**  
**CONSOLIDATED BALANCE SHEET - 31 MARCH 2018**

	Note	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Investments	14	77,191	78,041
Tangible fixed assets	15	<u>20</u>	<u>22</u>
		<u>77,211</u>	<u>78,063</u>
<b>CURRENT ASSETS</b>			
Debtors	16	1,320	1,229
Cash at bank and in hand		<u>68,101</u>	<u>81,586</u>
		69,421	82,815
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(19,959)</u>	<u>(21,644)</u>
<b>NET CURRENT ASSETS</b>		<u>49,462</u>	<u>61,171</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		126,673	139,234
<b>CREDITORS: amounts falling due after more than one year</b>	18	<u>(15,827)</u>	<u>(18,140)</u>
<b>NET ASSETS</b>		<u>110,846</u>	<u>121,094</u>
<b>FUNDS</b>			
Unrestricted funds	20	110,834	120,858
Restricted funds	20	<u>12</u>	<u>236</u>
		<u>110,846</u>	<u>121,094</u>

Signed on behalf of the Board of Trustees

Trustee - Sir Ian Wood

Date

20 DECEMBER 2018

The notes on pages 17 to 36 form part of these financial statements.



**THE WOOD FOUNDATION**  
BALANCE SHEET - 31 MARCH 2018

	Note	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Investments	14	77,191	78,041
Tangible fixed assets	15	<u>1</u>	<u>2</u>
		<u>77,192</u>	<u>78,043</u>
<b>CURRENT ASSETS</b>			
Debtors	16	147	335
Cash at bank and in hand		<u>63,376</u>	<u>77,382</u>
		<u>63,523</u>	<u>77,717</u>
CREDITORS: <i>amounts falling due within one year</i>	17	<u>(19,219)</u>	<u>(21,325)</u>
<b>NET CURRENT ASSETS</b>		<u>44,304</u>	<u>56,392</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		121,496	134,435
CREDITORS: <i>amounts falling due after more than one year</i>	18	<u>(15,827)</u>	<u>(18,140)</u>
<b>NET ASSETS</b>		<u>105,669</u>	<u>116,295</u>
<b>FUNDS</b>			
Unrestricted funds	20	105,669	116,253
Restricted funds	20	-	42
		<u>105,669</u>	<u>116,295</u>

Signed on behalf of the Board of Trustees

Trustee - Sir Ian Wood

20 DECEMBER 2018

Date

The notes on pages 17 to 36 form part of these financial statements.

**THE WOOD FOUNDATION**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £'000	2017 £'000
<b>Net cash (outflow)/inflow from operating activities</b>			
Net outgoing resources for the year		(9,398)	(717)
Investment income		(1,409)	(1,279)
Taxation charge		20	27
Depreciation of tangible fixed assets		13	19
Decrease in debtors		(91)	1,590
(Decrease)/Increase in creditors		(4,000)	(3,829)
Taxation paid		(18)	(8)
Net cash (used in)/provided by operating activities		<u>(14,883)</u>	<u>(4,197)</u>
<b>Cash flow from investing activities</b>			
Interest receivable & income on fixed asset investments		1,409	1,279
Purchase of fixed assets		(11)	(9)
Disposal proceeds of fixed assets		-	-
Investments acquired		-	(1,462)
Investment disposals		-	8,585
Net cash provided by/(used in) investing activities		<u>1,398</u>	<u>8,393</u>
<b>Increase(decrease) in cash and cash equivalents</b>	21	<u><u>(13,485)</u></u>	<u><u>4,196</u></u>

The notes on pages 17 to 36 form part of these financial statements.

**THE WOOD FOUNDATION**  
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

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.

**THE WOOD FOUNDATION**  
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

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) *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 2018

#### 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 24.

##### (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 2018**

**3 DONATIONS AND LEGACIES**

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Donations - unrestricted	-	1,462	14	1,469
Donations - restricted	<u>3,938</u>	<u>4,245</u>	<u>205</u>	<u>97</u>
	<u><u>3,938</u></u>	<u><u>5,707</u></u>	<u><u>219</u></u>	<u><u>1,566</u></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**

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Investment income	873	763	873	763
Bank interest receivable	534	516	533	515
Other interest receivable	<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u><u>1,409</u></u>	<u><u>1,279</u></u>	<u><u>1,407</u></u>	<u><u>1,278</u></u>

In 2018 and 2017, all income from investments was for unrestricted funds.

**5 OTHER TRADING ACTIVITIES**

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Commercial trading operations	<u>70</u>	<u>20</u>	<u>-</u>	<u>-</u>

In 2018 and 2017, all income from other trading activities was for unrestricted funds.

**THE WOOD FOUNDATION**

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

6 EXPENDITURE ON CHARITABLE ACTIVITIES

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

**THE WOOD FOUNDATION**

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

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

Grants payable by the Trust includes £1,759,000 (2017: £4,338,000) payable to The Wood Foundation Africa.



**THE WOOD FOUNDATION**  
**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018**

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

The comparative figures for 2017 were:

<b>Group</b>	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>

In 2017, of the total charitable expenditure, £3,367,000 was from unrestricted funds and £4,356,000 was from restricted funds.

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

**THE WOOD FOUNDATION**  
**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018**

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<b>Trust</b>	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)	<u>855</u>	<u>4,338</u>	<u>16</u>	<u>1,521</u>	<u>6,730</u>
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>

In 2017, of the total charitable expenditure, £7,076,000 was from unrestricted funds and £121,000 was from restricted funds. The gain on investments was attributable in full to unrestricted funds.

**THE WOOD FOUNDATION**  
**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018**

**7 TAXATION**

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
UK corporation tax for the current year	10	10	-	-
UK corporation tax relating to prior year	-	8	-	-
	<u>10</u>	<u>18</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:

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Net incoming resources not subject to taxation reliefs	107	98	-	-
Taxation charges at 19% (2017-20%)	21	20	-	-
Share of agreed cost with Gatsby Charitable Foundation (note 16)	(11)	(10)	-	-
Prior year taxation under provided	-	8	-	-
Total tax charge recognised in the year	<u>10</u>	<u>18</u>	<u>-</u>	<u>-</u>

**8 GRANTS**

<b>Group</b>	Grants Awarded No.	2018 £'000	Grants Awarded No.	2017 £'000
	<b>Grants to institutions:</b>			
Making markets work for the poor	6	2,368	5	3,338
Volunteering overseas	7	25	2	5
Developing young people in Scotland	232	580	193	1,521
	<u>245</u>	<u>2,973</u>	<u>200</u>	<u>4,864</u>
<b>Miscellaneous grants:</b>				
Other miscellaneous grants	12	8,101	7	855
	<u>257</u>	<u>11,074</u>	<u>207</u>	<u>5,719</u>
<b>Grants to individuals:</b>				
Volunteering overseas	21	15	13	11
	<u>278</u>	<u>11,089</u>	<u>220</u>	<u>5,730</u>

**THE WOOD FOUNDATION**  
**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018**

8 GRANTS (continued)

<b>Trust</b>	Grants Awarded No.	2018 £'000	Grants Awarded No.	2017 £'000
Grants to institutions:				
Making markets work for the poor	1	1,759	1	4,338
Volunteering overseas	7	25	2	5
Developing young people in Scotland	232	580	193	1,521
	<u>240</u>	<u>2,364</u>	<u>196</u>	<u>5,864</u>
Miscellaneous grants:				
Other miscellaneous grants	12	8,101	7	855
	<u>252</u>	<u>10,465</u>	<u>203</u>	<u>6,719</u>
Grants to individuals:				
Volunteering overseas	21	15	13	11
	<u>273</u>	<u>10,480</u>	<u>216</u>	<u>6,730</u>

9 GOVERNANCE COSTS

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Auditors' remuneration	21	22	13	14
Legal	7	13	2	1
Overseas Compliance Services	18	18	-	-
	<u>46</u>	<u>53</u>	<u>15</u>	<u>15</u>

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

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Auditors' remuneration				
Audit fees	22	20	12	12
Non-audit fees	2	2	2	2
	<u>24</u>	<u>22</u>	<u>14</u>	<u>14</u>

**THE WOOD FOUNDATION**  
**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018**

**11 STAFF COSTS AND NUMBERS**

	<b>Group</b>		<b>Trust</b>	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Staff costs				
Wages and salaries	2,315	2,058	278	281
Social security	29	31	29	31
Other pension costs	105	89	33	28
Gatsby share of costs	(76)	(74)	-	-
Staff cost recharge (note 22)	(555)	(629)	-	-
	<u>1,818</u>	<u>1,475</u>	<u>340</u>	<u>340</u>

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

	<b>Group</b>		<b>Trust</b>	
	2018 No.	2017 No.	2018 No.	2017 No.
Trustees	4	4	4	4
Management & administration	28	25	11	10
	<u>32</u>	<u>29</u>	<u>15</u>	<u>14</u>

During the year 12 employees within the group received emoluments of over £60,000 (2017: 9). Pension contributions totalling £70,000 were paid into direct contribution pension schemes in respect of 8 of these individuals (2017: £57,000, 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**

	<b>Group &amp; Trust</b>	
	2018 £'000	2017 £'000
Realised gain/(loss) arising on disposals	-	973
Unrealised (losses)/gains on revaluation	(850)	13,610
	<u>(850)</u>	<u>14,583</u>

14 INVESTMENTS

	Group & Trust	
	2018 £'000	2017 £'000
Market value at 1 April 2017	78,041	70,581
Additions at cost	-	1,462
Disposals at opening value	-	(7,612)
Net unrealised investment (losses)/gains on revaluation	(850)	13,610
Market value at 31 March 2018	<u>77,191</u>	<u>78,041</u>

The market value of investments at 31 March 2018 comprises:

	Group & Trust	
	2018 £'000	2017 £'000
Listed equity investments	-	-
Managed funds	77,191	78,041
Cash deposits	-	-
	<u>77,191</u>	<u>78,041</u>

	Trust	
	2018 £	2017 £
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 2018 were £1 (2017: £1), profit for the year was £nil (2017: £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 24.

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 2018 were £5,176,000 (2017: £4,797,000), net movement in funds for the year was £379,000 (2017: £3,636,000).

**THE WOOD FOUNDATION**  
**NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018**

15 TANGIBLE FIXED ASSETS

<b>Group</b>	Plant & equipment £'000	Motor vehicles £'000	Total £'000
<b>COST</b>			
At 1 April 2017	32	88	120
Additions	11	-	11
Disposals	-	-	-
At 31 March 2018	<u>43</u>	<u>88</u>	<u>131</u>
<b>DEPRECIATION</b>			
At 1 April 2017	16	82	98
Charge for year	7	6	13
Appropriated on disposal	-	-	-
At 31 March 2018	<u>23</u>	<u>88</u>	<u>111</u>
<b>NET BOOK VALUES</b>			
At 31 March 2018	<u>20</u>	<u>-</u>	<u>20</u>
At 1 April 2017	<u>16</u>	<u>6</u>	<u>22</u>
<b>Trust</b>			Plant & equipment £'000
<b>COST</b>			
At 1 April 2017			5
Additions			-
Disposals			-
At 31 March 2018			<u>5</u>
<b>DEPRECIATION</b>			
At 1 April 2017			3
Charge for year			1
Appropriated on disposal			-
At 31 March 2018			<u>4</u>
<b>NET BOOK VALUES</b>			
At 31 March 2018			<u>1</u>
At 1 April 2017			<u>2</u>

**THE WOOD FOUNDATION**  
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

16 DEBTORS

	Group		Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amounts due from related undertakings	694	690	-	-
Other debtors	433	139	-	-
Prepayments and accrued income	193	400	147	335
	<u>1,320</u>	<u>1,229</u>	<u>147</u>	<u>335</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 £257,000 (2017: £26,000), of expenditure incurred in excess of amounts received from Gatsby.

	2018 £'000	2017 £'000
<b>Imbarutso Project</b>		
Debtor brought forward	26	198
Received from the Gatsby Charitable Foundation	-	(283)
Share of agreed costs of Imbarutso project	273	183
Share of management fee receivable	(53)	(90)
Share of taxation obligation (note 7)	11	18
Debtor carried forward	<u>257</u>	<u>26</u>

17 CREDITORS: *amounts falling due within one year*

	Group		Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amounts due to related undertakings	505	-	-	-
Grants payable	18,881	21,292	18,734	21,125
Taxation and social security	20	15	20	15
Corporation tax	21	19	-	-
Trade creditors	54	76	43	55
Accruals and deferred income	465	214	422	130
Other creditors	13	28	-	-
	<u>19,959</u>	<u>21,644</u>	<u>19,219</u>	<u>21,325</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 £13,000 (2017: £28,000), received from Gatsby in advance of expenditure being incurred, as follows:

	2018 £'000	2017 £'000
<b>Chai Project</b>		
Creditor brought forward	28	52
Received from the Gatsby Charitable Foundation	-	-
Share of agreed costs of Chai project	(15)	(24)
Creditor carried forward	<u>13</u>	<u>28</u>



**THE WOOD FOUNDATION**

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

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

	Group		Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Grants payable	<u>15,827</u>	<u>18,140</u>	<u>15,827</u>	<u>18,140</u>

19 FINANCIAL INSTRUMENTS

	Group		Trust	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	68,101	81,586	63,376	77,382
Financial assets measured at amortised cost	<u>1,061</u>	<u>1,117</u>	<u>89</u>	<u>285</u>
	<u>69,162</u>	<u>82,703</u>	<u>63,465</u>	<u>77,667</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	19,918	21,610	19,199	21,310
Financial liabilities measured at fair value	<u>15,827</u>	<u>18,140</u>	<u>15,827</u>	<u>18,140</u>
	<u>35,745</u>	<u>39,750</u>	<u>35,026</u>	<u>39,450</u>

20 MOVEMENT IN FUNDS

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

Restricted funds are for the tea projects in Africa.

**THE WOOD FOUNDATION**  
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

20 MOVEMENT IN FUNDS (continued)

The comparative figures for 2017 were:

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

Analysis of net assets between funds

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

**THE WOOD FOUNDATION**  
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

20 MOVEMENT IN FUNDS (continued)

Analysis of net assets between funds

The comparative figures for 2017 were:

	Unrestricted Funds £'000	Restricted Funds £'000	2017 £'000
<b>Group</b>			
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)
Long term liabilities	(18,140)	-	(18,140)
At 31 March 2017	<u>120,858</u>	<u>236</u>	<u>121,094</u>
<b>Trust</b>			
Investments	78,041	-	78,041
Tangible fixed assets	2	-	2
Current assets	77,675	42	77,717
Current liabilities	(21,325)	-	(21,325)
Long term liabilities	(18,140)	-	(18,140)
At 31 March 2017	<u>116,253</u>	<u>42</u>	<u>116,295</u>

21 ANALYSIS OF CHANGES IN CASH IN YEAR

	Group	
	2018 £'000	2017 £'000
Cash at bank and in hand at 1 April 2017	81,586	77,390
Increase/(decrease) in cash and cash equivalents	(13,485)	4,196
At 31 March 2018	<u>68,101</u>	<u>81,586</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 (2017: £50,000) were awarded by the Speratus Group Limited to the group. Garreth Wood is a shareholder and director of this company. The total amount outstanding in relation to this donation as at 31 March 2018 was £Nil (2017: £50,000).

During the year, the trust made grant commitments totalling £4,000,000 (2017 - £Nil) to Opportunity North East, a company of which Sir Ian Wood is a director. There remains £24,164,000 (2017 - £22,881,000) outstanding in respect of these commitments at the year end.

## THE WOOD FOUNDATION

### NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

#### 22 RELATED PARTY TRANSACTIONS (continued)

During the year, the trust made a grant commitment of £4,500,000 (2017 - £Nil) to Kids Operating Room, a charity of which Garreth Wood and Graham Good are also Trustees. There remains £4,293,000 (2017 - £Nil) outstanding in respect of this commitment at the year end.

At the year end the charity had amounts due totalling £418,000 (2017 - £405,000) from Mulindi Factory Company Limited and £276,000 (2017 - £285,000) from Shagasha Tea Company Limited, subsidiaries of East African Tea Investments (note 24). The balances arose as a result of certain cost recharges and management fees totalling £107,000 (2017 - £98,000) charged to the companies. In addition, grants of £90,000 (2017 - £178,000) to Mulindi Factory Company Limited and £88,000 (2017 - £163,000) to Shagasha Tea Company Limited were paid in the year. The total of £178,000 relating to the grants was paid in full prior to the year end.

At the year end the charity owed amounts totalling £150,000 (2017 - £Nil) to Mulindi Factory Company Limited and £158,000 (2017 - £Nil) to Shagasha Tea Company Limited, subsidiaries of East African Tea Investments, a joint venture of parent charity The Wood Foundation. The balances arose as a result of certain cost recharges totalling £308,000 (2017 - £Nil) being charged by the companies.

#### 23 CONTINGENT LIABILITIES

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

During the year the charity committed to a further £33,000,000 (2017 - £Nil) of grant payments to ONE to extend their funding from 5 years to 10 years. These have not been recognised as liabilities as they are subject to certain terms and conditions that remain within the control of the charity. Any payment relating to the commitment would take place over a period of five years commencing in 2021 and would be funded from existing and future accumulated funds.

**THE WOOD FOUNDATION**

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

24 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. In addition, EATI also control three services companies which have been incorporated to support smallholder farmers in three large-scale greenfield tea developments - one in Tanzania and two in Rwanda.

During the year, the charity made grants totalling £2,172,240 (2017 - £3,028,188) to EATI. A balance of £196,509 (2017 - £nil) remains outstanding in relation to these grants at the year end.

EATI produced consolidated accounts for the year to 31 March 2018 incorporating the 12 month trading period of those factories.

The consolidated balance sheets to 31 March 2018 show:

	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>		
Intangible fixed assets	-	(176)
Tangible fixed assets	<u>8,390</u>	<u>10,337</u>
	<u>8,390</u>	<u>10,161</u>
<b>CURRENT ASSETS</b>		
Stock	2,252	1,535
Debtors	8,045	6,988
Cash at bank and in hand	<u>6,463</u>	<u>5,516</u>
	16,760	14,039
<b>CREDITORS: amounts falling due within one year</b>	(2,645)	(2,405)
<b>NET CURRENT ASSETS</b>	<u>14,115</u>	<u>11,634</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	22,505	21,795
<b>CREDITORS: amounts falling due after more than one year</b>	(8)	(12)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Deferred taxation	(157)	(117)
<b>NET ASSETS</b>	<u><u>22,340</u></u>	<u><u>21,666</u></u>
<b>FUNDS</b>		
<b>Unrestricted funds</b>		
General	734	67
Minority interests	<u>466</u>	<u>(92)</u>
	<u>1,200</u>	<u>(25)</u>
<b>Restricted funds</b>		
Tea Investment Fund	18,162	17,284
Minority interests	4,034	4,884
Exchange reserve	<u>(1,056)</u>	<u>(477)</u>
	<u>21,140</u>	<u>21,691</u>
<b>TOTAL FUNDS</b>	<u><u>22,340</u></u>	<u><u>21,666</u></u>

**THE WOOD FOUNDATION**

NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2018

24 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.