

Charity Registration Number 238043

The Charles Wolfson Charitable Trust

Financial statements

5 April 2016

THE CHARLES WOLFSON CHARITABLE TRUST

Charity information

Governing Instrument

Deed of Trust executed on 14 July 1960

Settlers

Charles Wolfson
Lord Wolfson of Sunningdale

Trustees

Lord Wolfson of Sunningdale
Lord Wolfson of Aspley Guise
The Hon Andrew Daniel Wolfson
Dr Sara Levene

Secretary

Michael Morris Franks

Correspondent

Mrs Joanne Cowan

Address

129 Battenhall Road
Worcester WR5 2BU

Auditor

Moore Stephens LLP
Chartered Accountants
Prospect House, 58 Queens Road
Reading
Berkshire
RG1 4RP

Bankers

Bank of Scotland
14/16 Cockspur Street
London
SW1Y 5BL

Solicitors

William Sturges & Co
Burwood House
14-16 Caxton Street
London
SW1H 0QY

Investment property managers

Metrus Limited
8-10 Hallam Street
London
W1W 6NS

Charity registration number

238043

H.M Revenue & Customs reference

XN2027

THE CHARLES WOLFSON CHARITABLE TRUST

Trustees' report

The trustees present their report and financial statements of The Charles Wolfson Charitable Trust ("the Trust") and the group for the year ended 5 April 2016, which includes the administrative information set out on page 1.

The "group" means the Trust and Benesco Charity Limited ("Benesco") and its wholly-owned dormant subsidiary companies, Heath Retail Holdings Limited and Heath Retail One Limited.

Reference and administrative details of the charity, its trustees and advisors

The charity number, present trustees and advisors are given on page 1.

Trustees

The trustees who held office throughout the year were as follows:

Lord Wolfson of Sunningdale (Chairman)
Lord Wolfson of Aspley Guise
The Hon Andrew Daniel Wolfson
Dr Sara Levene

Structure, governance and management

Governing document

The Trust is a registered charity and is governed by a Deed of Trust executed on 14 July 1960.

Appointment of trustees, organisational structure and related parties

The Trust is administered by the trustees who are appointed by the settlors during their lifetime and thereafter by the continuing trustees. They meet quarterly and receive regular reports on the group's properties and finances from its property managers and other advisors.

The Trust is a grant-making charity which derives the bulk of its income from grants received from Benesco, which is a registered charity and a company (limited by guarantee) whose investments are held in property and programme related investments (see grants made below).

It is the declared policy of the trustees that the majority of the trustees of this Trust must be members of Benesco, and the majority of the members of Benesco will consist of trustees of this Trust who have the power to appoint and remove directors, and Benesco is thereby controlled by this Trust. Because the Trust thereby controls Benesco, the trustees are presenting consolidated financial statements including the combined assets, liabilities and income of the Trust and of Benesco and its subsidiary companies as a group.

Risk management statement

The trustees have examined the major strategic, business and operational risks which the group faces and confirm that systems have been established to enable these risks to be managed to an acceptable level. The trustees consider there are no material uncertainties that would cast doubt on the group or Trust continuing as a going concern. The trustees consider that the major risks to the Trust and group are: a reduction in rental and investment income reducing the ability to make donations; a significant fall in property and investment values; and insufficient liquidity as assets are retained in property assets. These risks have been addressed by the appointment of professional property managers and the regular and close management of cash resources.

Objectives and activities

The objective of the Trust is to apply the income to such charitable purposes as the trustees shall select.

The policies adopted to further the Trust's objectives include the making of direct grants of money, the provision of loans, on which the interest is in certain circumstances waived and the provision of rent-free premises. Direct grants of money constitute 100% (2015: 100%) of the Trust's charitable application of funds.

Although the trustees of the Trust and the directors of Benesco have power to apply both capital and income to charitable purposes, the medium and long term policy has been to preserve the capital and to expend the income, after giving consideration to the effects of inflation.

It is considered that it is not practical to make any predetermined annual allocation between the various grant headings, especially as it is sometimes appropriate not to fully distribute in a particular year in order to accommodate large projects which extend over more than one year.

The directors of Benesco have chosen to focus on property investment because, after allowing for annual running costs and renewals and refurbishment, the rental income over the years tends to keep pace with inflation, so long as the portfolio is well spread in appropriate properties. Income from property does not include monies spent and recouped by way of reimbursement from lessees, such as service charges, insurance premiums and the usual outgoings recovered.

THE CHARLES WOLFSON CHARITABLE TRUST

Trustees' report (*continued*)

Objectives and activities (*continued*)

Grant making policy

It is the trustees' normal policy not to make grants to individuals and to make grants in the UK only to registered charities, or to hospitals and schools and similar charitable institutions. The intention is to direct grants to the major areas listed below, especially for capital or fixed term projects, and with particular, but not exclusive, regard to the needs of the Jewish community. This statement of objectives is not intended as a formal limitation of the way that the trustees may exercise their discretion from time to time.

1. Medicine
2. Education
3. Welfare

The group in suitable circumstances has purchased buildings to be made available to other charities so that effectively the income which should otherwise be derived from such property, or most of it, is foregone by way of conferring a grant or benefit to the other charities to assist them in the work for which the group wishes to give support. There were no such items this year.

Public benefit

We have taken note of the Charity Commission's guidance on public benefit.

Achievements and performance

Investment policy and property report

The group's investment policy is primarily to focus on property providing a good rental income, to enable it to support its charitable objectives, combined with long term security to ensure the longevity of the group.

With this in mind, supported by the services of professional property managers, the group invests to build what it considers to be a high quality portfolio with the vast majority in commercial and non-residential property let to business tenants. The trustees consider this policy to have been successful over previous years given both the income generation and the realised and unrealised gains in property values.

During the year, the group disposed of a property which did not fit in with the profile of the rest of the portfolio and the charitable group's property criteria and replaced it within the portfolio with another property.

At the balance sheet date, the group's property portfolio consisted of 8 commercial holdings, all of which were freehold. The last property which the group previously made available to another charity on a rent-free or rent-reduced basis was disposed of during the year ended 5 April 2012.

The portfolio has been built up over 39 years, the first purchase having been made in February 1977.

The changes in fixed assets during the year are summarised in the notes to the financial statements. The properties held by the group at 5 April 2016 have been valued by the group's property managers on a market value basis at approximately £206,510,000 (2015: £184,840,000) as compared to their total original cost of £87,554,878 (2015: £83,921,541). The rent roll at 5 April 2016 was £8,035,115 (2015: £7,970,823).

Grants made

In the year to 5 April 2016, £7,497,609 (2015: £7,928,678) has been donated by the group by way of direct grants to operative charities.

The group also makes programme related investments which at 5 April 2016 totalled £6,150,000 (2015: £5,425,000). Programme related investments are loans and equity investments made by the group which directly further the group's charitable objects which, at the same time, potentially will make a return. These are shown at cost less any impairment in value. Both of the investments so far made assist companies developing products and services that will benefit the health sector including the NHS and NHS Trusts which is in accordance with the charitable objectives.

THE CHARLES WOLFSON CHARITABLE TRUST

Trustees' report (*continued*)

Financial review

Net income before gains and losses for the group for the year, before grants payable and rentals foregone on charitably let properties of £7,497,609 (2015: £7,928,678) were £6,586,198 (2015: £7,440,412).

After a net surplus on revaluation of investment properties and investments of £17,838,498 (2015: £27,821,234) and a realised loss on sales of properties and investments of £61,500 (2015: gain of £1,468,723), the net movement in funds for the year is a surplus of £17,490,587 (2015: £28,801,691).

Fund balances at the year end are £236,483,108 (2015: £219,617,521) of which:

£213,293,295 (2015 £190,892,967) was represented by investment properties and investments; £1,241 (2015: £1,848) other fixed assets; and the balance of £23,188,572 (2015 £28,722,706) was available reserves for reinvestment in investment properties, grant commitments and working capital.

Reserves policy

In order to provide income to enable the group to fulfil its charitable objectives and make grants, it is necessary to maintain and fund assets to generate this income. The trustees' current policy is to match expenditure to incoming resources over the medium term.

The Trust and group have revised their policy during the year from setting aside realised and unrealised surpluses on the property and investment assets and transferring them to a designated fund to designating an amount equal to the carrying value of the investment properties and investments as these amounts are required to be retained to allow for the on going generation of income and enable the Trust and group to make their donations and fulfil their charitable objectives. This amendment to the policy has given rise to a further transfer to designated funds in the consolidated group figures although it has reduced the designated funds in the Trust.

Plans for future periods

It is the trustees' intention to continue to preserve the capital, invested predominately in property, with an emphasis on commercial rather than residential properties and to continue to make grants in accordance with its grant making policy.

Tax status

The Trust is entitled to exemption from taxation on income and capital gains to the extent that its funds are applied for charitable purposes.

Auditor

A resolution to reappoint Moore Stephens LLP will be proposed at the forthcoming annual general meeting.

THE CHARLES WOLFSON CHARITABLE TRUST

Trustees' report (*continued*)

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations. Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare their financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the group and of the surplus or deficit of the Trust and of the group for that period. In preparing these financial statements the trustees are required to:

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

Each trustee has taken all steps that they ought to have taken as trustees in order to make themselves aware of any information relevant to the audit and to ensure that the auditor is aware of all relevant audit information. As far as each trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and the group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees on 21 December 2016 and signed on their behalf.

Lord Wolfson - Trustee

THE CHARLES WOLFSON CHARITABLE TRUST

Independent auditor's report to the trustees of The Charles Wolfson Charitable Trust

We have audited the financial statements of The Charles Wolfson Charitable Trust for the year ended 5 April 2016 which comprise the Consolidated and Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Parent Trust's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Parent Trust's trustees those matters we are required to state to them in an auditor's 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 Parent Trust and the Parent Trust's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement on page 5, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and Parent Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and Trust's affairs as at 5 April 2016, and of the group's and Parent Trust's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

THE CHARLES WOLFSON CHARITABLE TRUST

Independent auditor's report to the trustees of The Charles Wolfson Charitable Trust *(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 Act 2011 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
- 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.

MIKE MCALLISTER (Senior Statutory Auditor)
for and on behalf of **MOORE STEPHENS LLP**
Chartered Accountants and Statutory Auditor
Thames Valley

Date: 17 January 2017

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated statement of financial activities

Year ended 5 April 2016

	Notes	Unrestricted funds General funds £	Designated funds £	2016 Total £	2015 Total £
Income					
Income from generated funds					
Investment income					
- Rental income	2	7,398,323	-	7,398,323	8,078,162
- Bank interest		121,172	-	121,172	67,627
- Other income	3	-	-	-	30,000
- Dividends		14,462	-	14,462	124,330
Total income		7,533,957	-	7,533,957	8,300,119
Expenditure					
Costs of generating funds	4	758,295	-	758,295	685,868
Charitable activities	5	7,687,073	-	7,687,073	8,102,517
Total expenditure		8,445,368	-	8,445,368	8,788,385
		(911,411)	-	(911,411)	(488,266)
Net gains and losses on investments					
Unrealised gain/(loss) on revaluation					
- Investment properties	7a	-	17,833,170	17,833,170	28,267,200
- Investments	8	-	5,328	5,328	(210,845)
Realised (loss)/gain on sale of					
- Investment properties	12a	(61,500)	-	(61,500)	1,244,252
- Investments	12a	-	-	-	224,471
Permanent diminution in value of investment property	12a	-	-	-	(235,121)
Net income / (expenditure)		(972,911)	17,838,498	16,865,587	28,801,691
Transfers between funds		(7,830,368)	7,830,368	-	-
Net movement in funds		(8,803,279)	25,668,866	16,865,587	28,566,126
Reconciliation of funds:					
Fund balances brought forward		31,991,851	187,625,670	219,617,521	190,815,830
Fund balances carried forward		23,188,572	213,294,536	236,483,108	219,617,521

The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated statement of financial activities

Year ended 5 April 2015 - comparatives

	Notes	Unrestricted funds General funds £	Designated funds £	2015 Total £
Income				
Income from generated funds				
Investment income				
- Rental income	2	8,078,162	-	8,078,162
- Bank interest		67,627	-	67,627
- Other income	3	30,000	-	30,000
- Dividends		124,330	-	124,330
Total income		8,300,119	-	8,300,119
Expenditure				
Costs of generating funds	4	685,868	-	685,868
Charitable activities	5	8,102,517	-	8,102,517
Total expenditure		8,788,385	-	8,788,385
		(488,266)	-	(488,266)
Net gains and losses on investments				
Unrealised gain/(loss) on revaluation				
- Investment properties	7a	-	28,267,200	28,267,200
- Investments	8	-	(210,845)	(210,845)
Realised gain on sale of				
- Investment properties	12a	1,244,252	-	1,244,252
- Investments	12a	224,471	-	224,471
Permanent diminution in value of investment property	12a	(235,121)	-	(235,121)
Net income and net movement in funds		745,336	28,056,355	288,016,691
Reconciliation of funds:				
Fund balances brought forward		31,246,515	159,569,315	190,815,830
Fund balances carried forward		31,991,851	187,625,670	219,617,521

The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Trust statement of financial activities

Year ended 5 April 2016

		Unrestricted funds		2016	2015
	Notes	General funds £	Designated funds £	Total £	Total £
Income					
Income from generated funds					
Investment income					
- Bank interest		2,185	-	2,185	1,916
- Other interest	3	-	-	-	-
- Dividends		14,462	-	14,462	124,330
		<u>16,647</u>	<u>-</u>	<u>16,647</u>	<u>126,246</u>
Income from charitable activities					
Grants receivable from Benesco Charity Limited		6,300,000	-	6,300,000	7,100,000
		<u>6,316,647</u>	<u>-</u>	<u>6,316,647</u>	<u>7,226,246</u>
Expenditure					
Costs of generating funds	4	-	-	-	-
Charitable activities	5	6,912,103	-	6,912,103	7,004,307
		<u>6,912,103</u>	<u>-</u>	<u>6,912,103</u>	<u>7,004,307</u>
Total expenditure		<u>6,912,103</u>	<u>-</u>	<u>6,912,103</u>	<u>7,004,307</u>
		(595,456)	-	(595,456)	221,939
Net gains and losses on investments					
Unrealised gain/(loss) on revaluation of investments	8	-	5,328	5,328	(210,845)
Realised gain on disposal of investments	12b	-	-	-	224,471
		<u>(595,456)</u>	<u>5,328</u>	<u>(590,128)</u>	<u>235,565</u>
Net income and net movement in funds					
		(595,456)	5,328	(590,128)	235,565
Transfers between funds		8,696,017	(8,696,017)	-	-
		<u>8,100,561</u>	<u>(8,690,689)</u>	<u>(590,128)</u>	<u>235,565</u>
Net movement in funds					
		8,100,561	(8,690,689)	(590,128)	235,565
Reconciliation of funds:					
Fund balances brought forward		1,355,339	9,323,985	10,679,324	10,443,759
		<u>9,455,900</u>	<u>633,296</u>	<u>10,089,196</u>	<u>10,679,324</u>
Fund balances carried forward					
		<u><u>9,455,900</u></u>	<u><u>633,296</u></u>	<u><u>10,089,196</u></u>	<u><u>10,679,324</u></u>

The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Trust statement of financial activities

Year ended 5 April 2015 - comparatives

	Notes	Unrestricted funds General funds £	Designated funds £	2015 Total £
Income				
Income from generated funds				
Investment income				
- Bank interest		1,916	-	1,916
- Other interest	3	-	-	-
- Dividends		124,330	-	124,330
		<u>126,246</u>	<u>-</u>	<u>126,246</u>
Income from charitable activities				
Grants receivable from Benesco Charity Limited		7,100,000	-	7,100,000
		<u>7,226,246</u>	<u>-</u>	<u>7,226,246</u>
Total income				
		<u>7,226,246</u>	<u>-</u>	<u>7,226,246</u>
Expenditure				
Costs of generating funds	4	-	-	-
Charitable activities	5	7,004,307	-	7,004,307
		<u>7,004,307</u>	<u>-</u>	<u>7,004,307</u>
Total expenditure				
		<u>7,004,307</u>	<u>-</u>	<u>7,004,307</u>
		221,939	-	221,939
Net gains and losses on investments				
Unrealised loss on revaluation of investments	8	-	(210,845)	(210,845)
Realised gain on disposal of investments	12b	224,471	-	224,471
		<u>224,471</u>	<u>(210,845)</u>	<u>13,626</u>
Net income / (expenditure) and net movement in funds		446,410	(210,845)	235,565
Reconciliation of funds:				
Fund balances brought forward		908,929	9,534,830	10,443,759
		<u>908,929</u>	<u>9,534,830</u>	<u>10,443,759</u>
Fund balances carried forward		<u>1,355,339</u>	<u>9,323,985</u>	<u>10,679,324</u>

The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated balance sheet

5 April 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	7a	206,511,241	184,841,848
Investments: Programme related	8	6,150,000	5,425,000
Other	8	633,295	627,967
		<u>213,294,536</u>	<u>190,894,815</u>
Current assets			
Debtors	9	3,430,194	8,757,063
Cash at bank, including deposits		23,671,493	22,927,601
		<u>27,101,687</u>	<u>31,684,664</u>
Creditors: amounts falling due within one year	10	<u>(3,913,115)</u>	<u>(2,961,958)</u>
Net current assets		<u>23,188,572</u>	<u>28,722,706</u>
Total assets less current liabilities		<u>236,483,108</u>	<u>219,617,521</u>
Creditors: amounts falling due after more than one year	11	-	-
Net assets		<u>236,483,108</u>	<u>219,617,521</u>
Unrestricted funds			
General funds	12a	23,188,572	31,991,851
Designated funds	13a	213,294,536	187,625,670
		<u>236,483,108</u>	<u>219,617,521</u>

These financial statements have been approved by the board of trustees and authorised for issue on 21 December 2016 and signed on their behalf.

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The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Trust balance sheet

5 April 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	7b	1	1
Investments	8	633,295	627,967
		<u>633,296</u>	<u>627,968</u>
Current assets			
Debtors	9	9,879,122	9,582,928
Cash at bank, including deposits		218,379	488,137
		<u>10,097,501</u>	<u>10,071,065</u>
Creditors: amounts falling due within one year	10	(641,601)	(19,709)
Net current assets		<u>9,455,900</u>	<u>10,051,356</u>
Total assets less current liabilities		<u>10,089,196</u>	<u>10,679,324</u>
Creditors: amounts falling due after more than one year	11	-	-
Net assets		<u>10,089,196</u>	<u>10,679,324</u>
Unrestricted funds			
General funds	12b	9,455,900	1,355,339
Designated funds	13b	633,296	9,323,985
		<u>10,089,196</u>	<u>10,679,324</u>

These financial statements have been approved by the board of trustees and authorised for issue on 21 December 2016 and signed on their behalf.

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The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated cash flow statement

Year ended 5 April 2016

	Notes	2016 £	2015 £
Net cash provided by / (used in) operating activities	14a	5,232,138	(6,819,722)
Cash flows from investing activities:			
Interest receivable & other income		121,172	124,330
Dividends received		14,462	67,627
Purchase of property, plant and equipment		(11,992,379)	(353,401)
Proceeds from the sale of property, plant and equipment		8,093,499	25,109,252
Proceeds from the sale of investments		-	5,429,218
Purchase of programme related investments		(725,000)	(3,180,000)
Net cash provided by / (used in) investing activities		(4,488,246)	27,197,026
Change in cash and cash equivalents in the reporting period		743,892	20,377,303
Cash and cash equivalents at the beginning of the reporting period		22,927,601	2,550,298
Cash and cash equivalents at the end of the reporting period		23,671,493	22,927,601

The notes on pages 15 to 24 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements

Year ended 5 April 2016

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

The financial statements have been prepared 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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

In preparing the accounts, the trustees have considered whether in applying to accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were deemed necessary.

b. Preparation of the accounts on a going concern basis

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustee's Responsibilities.

1.1 Basis of consolidation

The group financial statements consolidate the financial statements of the Trust and Benesco and its subsidiary undertakings on a line by line basis for the financial year ended 5 April 2016.

1.2 Incoming resources and resources expended

Incoming resources, including rent and interest, are recognised when receivable. For leasehold investment properties ground rents payable are netted against rent receivable from that property to give a true and fair reflection of property income.

Donations and legacies are accounted for on a receivable basis. Grants payable are recognised in full at the point at which a legal or constructive obligation arises. If these obligations are for a period of greater than one year, the creditor for the part due after more than one year from the balance sheet date is disclosed as such. No discount factors are applied to such liabilities. All other resources expended are recognised as they become payable.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure involving more than one category has been apportioned by the Trustees on a reasonable, justifiable and consistent basis.

1.3 Deposit and loan interest

Interest is included in the income and expenditure account on a receivable basis.

1.4 Service charge

As agents of the group, Metrus Limited the group's investment property managers, manage the service charge account on behalf of the tenants of the group's investment properties. All costs, including those relating to the employment of 3 staff (2015: 4) are reimbursed by the tenants.

These costs and reimbursements are not included in the income and expenditure account of the group as they are incurred solely on behalf of the tenants and consequently are dealt with in the service charge accounts of Metrus Limited with regard to each property.

1.5 Provision of services

The trustees of the Trust and the directors of Benesco and its subsidiary companies receive no remuneration for their services. Furthermore, no value has been attributed to the provision of services by the trustees or directors.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2016

1. Accounting policies *(continued)*

1.6 Designated funds

Designated funds are as follows:

Property and investment capital fund

An amount equal to the carrying value of the investment properties and investments is held in the property capital fund in order to allow for the ongoing generation of income to enable the Trust and group to continue to make their donations and fulfil their charitable objectives.

1.7 Tangible fixed assets and depreciation

Investment properties

Investment properties are revalued annually and included in the balance sheet at their market value. The surplus or deficit over book value is transferred to the revaluation fund which forms part of the capital funds. The trustees consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial effect of the departure from the statutory accounting rules is shown in notes 7 and 13 to the financial statements where the cost and valuation of the properties are disclosed.

Purchases and sales of investment properties, and any deposits paid or received in respect thereto, are recognised in the financial statements on completion.

Office equipment

Depreciation is charged at the following rates:

Office equipment - 15% per annum on a reducing balance basis, or 20% on a straight line basis

Capitalisation policy

Individual items under £1,000 are not capitalised unless part of a larger project or asset purchase.

1.8 Fixed asset investments

Fixed asset investments are carried at market value. The surplus arising on revaluation is transferred to the revaluation reserve which forms part of the property and investment capital fund.

Programme related investments are loans and equity investments made by the Trust or group which directly further the Trust's or group's charitable objects which, at the same time, potentially will make a return. These are shown at cost less any impairment in value. Details of these investments are included in note 8.

1.9 Income from investments

Income from investments is included, together with the related tax credit, in the income and expenditure account / statement of financial activities on the accruals basis.

1.10 Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors and loans are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the Trust or group after deducting all of its liabilities.

The trust and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2016

2. Investment income - Rental income

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Rents receivable	7,398,323	8,078,162	-	-
less: ground rents	-	-	-	-
Total rental income	7,398,323	8,078,162	-	-

3. Investment income - Other interest

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Loan interest receivable	-	-	-	-
Other interest receivable	-	-	-	-
Right to light income	-	30,000	-	-
Total other interest	-	30,000	-	-

4. Costs of generating funds

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Property expenses				
Repairs, rates and other non-rechargeable property expenses	219,607	17,054	-	-
Property management expenses				
Agents' management fees not recoverable	382,419	403,655	-	-
Agents' rent review and letting fees	83,476	163,736	-	-
Legal expenses	72,793	101,423	-	-
	538,688	668,814	-	-
Total property expenses	758,295	685,868	-	-

5. Charitable activities

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Grants payable (see Note 19)	7,497,609	7,928,678	6,872,193	6,962,678
Indemnity Insurance - charity	21,200	21,200	10,600	10,600
Consultancy and professional fees	50,745	82,065	12,858	13,191
General office expenditure	78,450	33,354	1,590	3,308
Sundry expenses	755	405	200	186
Depreciation	1,157	1,051	-	-
Pension costs	8,162	8,169	8,162	8,169
Governance costs (see note 6 below)	28,995	27,595	6,500	6,175
	7,687,073	8,102,517	6,912,103	7,004,307

No expenses were reimbursed to any trustee in either year.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2016

6. Governance costs

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Audit fees	28,995	27,595	6,500	6,175

7. Tangible fixed assets

(a) Group

	Investment properties		Office and office equipment	Total
	Freehold	Leasehold		
	£	£	£	£
Cost or valuation				
At 6 April 2015	184,840,000	-	142,351	184,982,351
Additions	11,991,830	-	550	11,992,380
Disposals	(8,155,000)	-	-	(8,155,000)
Net gain on revaluation	17,833,170	-	-	17,833,170
At 5 April 2016	206,510,000	-	142,901	206,652,901
Depreciation				
At 6 April 2015	-	-	140,503	140,503
Charge for the year	-	-	1,157	1,157
At 5 April 2016	-	-	141,660	141,660
Net book value				
At 5 April 2016	206,510,000	-	1,241	206,511,241
At 5 April 2015	184,840,000	-	1,848	184,841,848

The investment properties have been valued by the group's investment property managers on a market value basis as at 5 April 2016.

If stated under historical cost principles, the comparable amounts for the investment properties would be:

	2016	2015
	£	£
Cost	87,554,878	83,921,541

During the year one investment property was disposed of. This took place on 9 April 2016 and was treated as a subsequent balance sheet event in the prior year financial statements.

(b) Trust

	Office equipment	Total
	£	£
Cost or valuation		
At 6 April 2015 and 5 April 2016	432	432
Depreciation		
At 6 April 2015 and 5 April 2016	431	431
Net book value		
At 5 April 2015 and 5 April 2016	1	1

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2016

8. Fixed asset investments

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Quoted investments				
Market value at 6 April 2015	627,967	6,043,558	627,967	6,043,558
Loss on revaluation	5,328	(210,845)	5,328	(210,845)
Disposal	-	(5,204,746)	-	(5,204,746)
Market value at 5 April 2016	633,295	627,967	633,295	627,967
Programme related investments	6,150,000	5,425,000	-	-

All non programme related investments are listed on the London International Stock Exchange. The Trust's investments at 5 April 2016 comprised shares in Home Retail Group plc, market value £633,295 (2015: £627,967). If stated under historical cost principles, the comparable amounts for the investments would be:

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Cost	82,632	82,632	82,632	82,632

Cost represents the market value of the investments at the date when they were settled on the Trust.

Programme related investments:

	Group	
	2016	2015
	£	£
Cost:		
Brought forward	5,425,000	2,245,000
Further investments made during the year (see note below)	725,000	3,180,000
Carried forward	6,150,000	5,425,000

Position at end of year:

Healthlogistics.co.uk

Share capital: Ordinary shares	465,000	365,000
Share premium on ordinary shares	775,000	-
Preference shares	1,630,000	1,630,000
Loan notes	1,625,000	-
Other loan advances	620,000	2,670,000
	5,115,000	4,665,000

Soza Health

Share capital: Ordinary shares	35	35
Other loan advances	1,034,965	759,965
	1,035,000	760,000
Carried forward	6,150,000	5,425,000

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2016

8. Fixed asset investments (continued)

Programme related investments (continued):

Movements in year

Position at start of the year:	£	£
- Healthlogistics.co.uk Ltd – share capital – ordinary shares	365,000	365,000
– share capital – preference shares	1,630,000	-
– loan advance	2,670,000	1,630,000
- Soza Health Limited – share capital	35	35
– loan advance	759,965	249,965
	5,425,000	2,245,000
Change during the year		
- Healthlogistics.co.uk Ltd – share capital – ordinary shares	100,000	-
– share premium on ordinary shares	775,000	-
– Issue of loan notes	1,625,000	-
– acquisition of ordinary / preference shares	(875,000)	1,630,000
– loan advance used for preference shares	-	(1,630,000)
– Conversion into loan notes	(1,625,000)	-
– further loan advances	450,000	2,670,000
- Soza Health Limited – share capital	-	-
– further loan advance	275,000	510,000
	725,000	3,180,000
Movement for the year		
	6,150,000	5,425,000

In order to further the group's charitable objectives, during the year Benesco Charity Limited made further programme related investments which included further loans to both Healthlogistics.co.uk Limited and Soza Health Limited. Healthlogistics.co.uk Limited is a company which provides software and services to NHS Trusts, of which Lord Wolfson of Sunningdale is a non executive director and who receives no remuneration from that company. He was awarded 27,429 ordinary shares in the prior year for which he paid full consideration.

As at 5 April 2016, Benesco held 49.7% of Healthlogistics.co.uk (49.9% in prior year). Unaudited figures show that the company made a loss of £1,143,775 for the year to 31 March 2016 (2015: 102,240), and at 31 March 2016 had capital and reserves of £1,614,291 (2015: £1,818,092). The trustees, and the directors of Benesco Charity Limited, have considered the carrying value of the investment and consider that no provision for impairment needs to be made within these accounts.

The £1,630,000 Redeemable Preference Shares have no voting rights, carry a 5% dividend, and a preference to repayment over ordinary shares on a winding up.

The £1,625,000 loan notes 2020 attract a 10% coupon.

As at 5 April 2016, Benesco held a 35% (2015: 35%) stake in Soza Health Limited, a company which provides diagnostic and other services to the Health sector. In the year ended 31 March 2016 unaudited financial statements indicate a loss of £239,313 (15 month period to 31 March 2015 £402,500), with a deficit on capital and reserves of £641,713 (2015: £402,400). On 24 August 2015, Lord Wolfson of Sunningdale, and The Hon Andrew Daniel Wolfson were appointed as non executive directors.

Of the loan advances totalling £1,034,965, £959,965 is repayable on the sale or winding up of the company and has an interest rate of £nil to September 2018, 5% for the following two years and 10% thereafter. The trustees, and the directors of Benesco Charity Limited have also considered the carrying value of this investment and consider that no provision needs to be made.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2016

9. Debtors

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Due from managing agents	2,251,859	1,998,109	-	-
Rent arrears	125,733	161,812	-	-
Proceeds of sale of investments receivable	-	5,429,218	-	5,429,218
Other debtors and prepayments	1,052,602	1,167,924	-	3,806
Amounts due from Benesco Charity Limited	-	-	9,879,122	4,149,904
	<u>3,430,194</u>	<u>8,757,063</u>	<u>9,879,122</u>	<u>9,582,928</u>

10. Creditors: amounts falling due within one year

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Other taxes and social security	351,889	362,180	-	-
Other creditors	82,500	82,500	-	-
Accruals and deferred income	2,633,726	2,341,278	16,601	19,709
Grants committed	845,000	176,000	625,000	-
	<u>3,913,115</u>	<u>2,961,958</u>	<u>641,601</u>	<u>19,709</u>

11. Creditors: amounts falling due after more than one year

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Grants committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. General fund

	2016	2015
	£	£
a) Group		
At 6 April 2015	31,991,851	31,246,515
Net expenditure	(911,411)	(488,266)
(Loss) / gain on sales of:		
Properties	(61,500)	1,244,252
Investments	-	224,471
Permanent diminution in value of property	-	(235,121)
Transfers between funds	(7,830,368)	-
At 5 April 2016	<u>23,188,572</u>	<u>31,991,851</u>
b) Trust		
At 6 April 2015	1,355,339	908,929
Net (expenditure) / income	(595,456)	221,939
Gain on sale of investments	-	224,471
Transfers between funds	8,696,017	-
At 5 April 2016	<u>9,455,900</u>	<u>1,355,339</u>

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2016

13. Designated funds

a) Group	Property and investment capital fund		2016 Total £	2015 Total £
	Realised surplus on disposal £	Unrealised revaluation reserve £		
At 6 April 2015	85,926,755	101,698,915	187,625,670	159,569,315
Unrealised gain/(loss) on revaluation				
- Investment properties	-	17,833,170	17,833,170	28,267,200
- Investments	-	5,328	5,328	(210,845)
Realised gain on sale of				
- Investment properties	-	-	-	-
- Investments	-	-	-	-
Transfers between funds	7,830,368	-	7,830,368	-
At 5 April 2016	93,757,123	119,537,413	213,294,536	187,625,670
b) Trust				
	Property and investment capital fund		2016 Total £	2015 Total £
	Realised surplus on disposal £	Unrealised revaluation reserve £		
At 6 April 2015	8,778,650	545,335	9,323,985	9,534,830
Movement due to revaluation in year				
- Unrealised loss on revaluation	-	5,328	5,328	(210,845)
Realised gain on sale of				
- Investments	-	-	-	-
Transfers between funds	(8,696,017)	-	(8,696,017)	-
At 5 April 2016	82,633	550,663	633,296	9,323,985

14. Notes to the cash flow statement

a) Reconciliation of net expenditure for the year to net cash provided by / (used in) operating activities		2016 £	2015 £
Net expenditure for the year		(911,411)	(488,266)
Dividend receivable		(14,462)	(124,330)
Interest receivable and other sundry income		(121,172)	(67,627)
Depreciation		1,157	1,051
Decrease / (Increase) in debtors		5,326,869	(5,478,038)
Increase / (decrease) in creditors		951,157	(662,512)
Net cash provided by / (used in) operating activities		5,232,138	(6,819,722)
b) Analysis of changes in net debt			
	At 6 April 2015 £	Cashflow £	At 5 April 2016 £
Cash at bank and in hand	22,927,601	743,892	23,671,493

The transfers between funds above and in general funds bring the designated funds in line with the total of the investments in property and other investments.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2016

14. Notes to the cash flow statement (continued)

c) Reconciliation of net cashflow to movement in net debt

	2016 £	2015 £
Increase/(decrease) in cash in the year	743,892	20,377,303
Net funds at the beginning of the year	22,927,601	2,550,298
Net funds at the end of the year	23,671,493	22,927,601

15. Analysis of net assets between funds

Group	General Funds £	Designated funds £	Total £
Fixed assets	-	213,294,536	213,294,536
Current assets	27,101,687	-	27,101,687
Creditors	(3,913,115)	-	(3,913,115)
	23,188,572	213,294,536	236,483,108
Trust	General fund £	Designated funds £	Total £
Fixed assets	-	633,296	633,296
Current assets	10,097,501	-	10,097,501
Creditors	(641,601)	-	(641,601)
	9,455,900	633,296	10,089,196

16. Related party transactions

These financial statements include the costs of legal expenses amounting to £97,017 (2015: £165,459) provided to the group by its solicitors William Sturges & Co, of which M M Franks, company secretary, is a partner. This represents professional fees charged at commercial rates. £43,085 (2015: £64,862) is included in property management expenses, £28,374 (2015: £3,466) is included in consultancy & professional fees, and £25,558 relates to the purchase of assets (2015: £97,131 relating to the sale of assets).

The financial statements also include a donation of £70,000 to Policy Exchange (2015: £414,650) of which Lord Wolfson of Aspley Guise is also a trustee, and £337,250 (2015: £nil) to Music in Secondary Schools Trust, of which The Hon Andrew Daniel Wolfson is also a trustee.

As set out in note 8 to these financial statements, the group made loans to Healthlogistics.co.uk Limited, a company in which Lord Wolfson of Sunningdale is a non executive director, and a company to which he has also made loan personally of £75,000 (2015: £75,000); and also loans to Soza Health Limited, a company in which Lord Wolfson of Sunningdale and The Hon Andrew Daniel Wolfson are non executive directors.

17. Subsidiary undertakings

Interests in group undertakings at the balance sheet date are as follows:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by Group Trust	
Benesco Charity Limited	England	(See note below)		
Heath Retail Holdings Limited	England	£1 Ordinary	100%	-
Heath Retail One Limited	England	£1 Ordinary	100%	-

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2016

17. Subsidiary undertakings (continued)

Benesco Charity Limited is a company limited by guarantee. The company considers The Charles Wolfson Charitable Trust to be its holding organisation.

The principal activity of Benesco Charity Limited continued to be the management of funds invested mainly in property to raise money for distribution to charity.

The principle activity of Heath Retail Holdings Limited continues to be that of a non-trading holding company.

Heath Retail One Limited has remained dormant throughout the period as it sold its properties to Benesco on 4 April 2011.

18. Capital commitments

	Group		Trust	
	2016	2015	2016	2015
	£	£	£	£
Committed to but not provided for in the financial statements	<u>100,000</u>	<u>7,000</u>	<u>-</u>	<u>-</u>

19. Grants and donations

Trust

	2016
	£
Medicine	2,507,979
Education	549,200
Welfare	3,815,014
Total Trust	<u>6,872,193</u>

Subsidiary undertakings

Medicine	625,416
Education	-
Welfare	-
Total Subsidiary undertakings	<u>625,416</u>

Total	<u><u>7,497,609</u></u>
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In addition to the grants noted above, the Trustees are considering further potential grant commitments, which are awaiting reports and / or finalisation of details. Should all the conditions be satisfied, it would result in additional future grants in the region of £2.4 million (2015: £1.0 million).