

Charity Registration Number 238043

The Charles Wolfson Charitable Trust

Financial statements

5 April 2017

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

8-10 Hallam Street
London
W1W 6NS

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 2017, 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% (2016: 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.

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 40 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 original cost of the properties at the balance sheet date was £92,886,509 (2016: £87,554,878) against a current value of £215,720,000 (2016: £206,510,000). The valuations were conducted by the group's property managers on a market value basis. The rent roll at 5 April 2017 was £7,304,765 (2016: £8,035,115).

Grants made

In the year to 5 April 2017, £6,720,632 (2016: £7,497,609) has been donated by the group by way of direct grants to operative charities. In addition there was an impairment of £3,761,622 in respect of a programme related investment which is also shown in charitable expenditure within grants.

The programme related investments made by the group at 5 April 2017 totalled £2,805,582 (after the impairment referred to above) (2016: £6,150,000). 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 were to 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. One of the programme related investments was disposed of after the balance sheet date and, as a result, an impairment has been reflected in these financial statements within charitable expenditure. No value has been attributed to the deferred shares received as part of the settlement.

THE CHARLES WOLFSON CHARITABLE TRUST

Trustees' report (*continued*)

Financial review

Net income for the group for the year before net gains and losses on investments, and before grants payable (including the impairment) of £10,482,254 (2016: £7,497,609) was £6,089,487 (2016: £6,586,198).

After a net surplus on revaluation of investment properties and investments of £3,866,572 (2016: £17,838,498) and a realised loss on sales of properties and investments of £22,890 (2016: £61,500 loss), the net movement in funds for the year is a deficit of £549,085 (2016: surplus of £16,865,587).

Fund balances at the year end are £235,934,023 (2016: £236,483,108) of which:

£218,839,065 (2016: £213,293,295) was represented by investment properties and investments; £720 (2016: £1,241) other fixed assets; and the balance of £17,094,238 (2016: £23,188,572) 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. Unrestricted funds, excluding designated funds, at 5 April 2017 amounted to £17,094,238 (2016: £23,188,572).

The Trust and group have a policy of designating an amount equal to the carrying value of the investment properties and investments to a designated reserve 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.

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 6 December 2017 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 2017 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 2017, 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: 12 January 2018

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated statement of financial activities

Year ended 5 April 2017

		Unrestricted funds			
	Notes	General funds £	Designated funds £	2017 Total £	2016 Total £
Income					
Investment income					
- Rental income	2	7,361,012	-	7,361,012	7,398,323
- Bank interest		87,243	-	87,243	121,172
- Other income	3	3,200	-	3,200	-
- Dividends		4,398	-	4,398	14,462
Total income		7,455,853	-	7,455,853	7,533,957
Expenditure					
Costs of raising funds	4	1,120,648	-	1,120,648	758,295
Charitable activities	5	10,727,972	-	10,727,972	7,687,073
Total expenditure		11,848,620	-	11,848,620	8,445,368
		(4,392,767)	-	(4,392,767)	(911,411)
Net gains and losses on investments					
Unrealised gain on revaluation					
- Investment properties	7a	-	3,848,369	3,848,369	17,833,170
- Investments	8	-	18,203	18,203	5,328
Realised loss on sale of					
- Investment properties	12a	-	-	-	(61,500)
- Investments	12a	(22,890)	-	(22,890)	-
Net income / (expenditure)		(4,415,657)	3,866,572	(549,085)	16,865,587
Transfers between funds		(1,678,677)	1,678,677	-	-
Net movement in funds		(6,094,334)	5,545,249	(549,085)	16,865,587
Reconciliation of funds:					
Fund balances brought forward		23,188,572	213,294,536	236,483,108	219,617,521
Fund balances carried forward		17,094,238	218,839,785	235,934,023	236,483,108

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated statement of financial activities

Year ended 5 April 2016 - comparatives

	Notes	Unrestricted funds General funds £	Designated funds £	2016 Total £
Income				
Investment income				
- Rental income	2	7,398,323	-	7,398,323
- Bank interest		121,172	-	121,172
- Other income	3	-	-	-
- Dividends		14,462	-	14,462
Total income		7,533,957	-	7,533,957
Expenditure				
Costs of raising funds	4	758,295	-	758,295
Charitable activities	5	7,687,073	-	7,687,073
Total expenditure		8,445,368	-	8,445,368
		(911,411)	-	(911,411)
Net gains and losses on investments				
Unrealised gain on revaluation				
- Investment properties	7a	-	17,833,170	17,833,170
- Investments	8	-	5,328	5,328
Realised loss on sale of				
- Investment properties	12a	(61,500)	-	(61,500)
- Investments	12a	-	-	-
Net income / (expenditure)		(972,911)	17,838,498	16,865,587
Transfers between funds		(7,830,368)	7,830,368	-
Net movement in funds		(8,803,279)	25,668,866	16,865,587
Reconciliation of funds:				
Fund balances brought forward		31,991,851	187,625,670	219,617,521
Fund balances carried forward		23,188,572	213,294,536	236,483,108

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Trust statement of financial activities

Year ended 5 April 2017

		Unrestricted funds			
	Notes	General funds £	Designated funds £	2017 Total £	2016 Total £
Income					
Investment income					
- Bank interest		664	-	664	2,185
- Other interest	3	-	-	-	-
- Dividends		4,398	-	4,398	14,462
		<u>5,062</u>	<u>-</u>	<u>5,062</u>	<u>16,647</u>
Income from charitable activities					
Grants receivable from Benesco Charity Limited		5,400,000	-	5,400,000	6,300,000
		<u>5,400,000</u>	<u>-</u>	<u>5,400,000</u>	<u>6,300,000</u>
Total income		<u>5,405,062</u>	<u>-</u>	<u>5,405,062</u>	<u>6,316,647</u>
Expenditure					
Costs of generating funds					
	4	-	-	-	-
Charitable activities					
	5	6,487,064	-	6,487,064	6,912,103
		<u>6,487,064</u>	<u>-</u>	<u>6,487,064</u>	<u>6,912,103</u>
Total expenditure		<u>6,487,064</u>	<u>-</u>	<u>6,487,064</u>	<u>6,912,103</u>
		(1,082,002)	-	(1,082,002)	(595,456)
Net gains and losses on investments					
Unrealised gain on revaluation of investments	8	-	18,203	18,203	5,328
Realised loss on disposal of investments	12b	(22,890)	-	(22,890)	-
		<u>(22,890)</u>	<u>-</u>	<u>(22,890)</u>	<u>-</u>
Net (expenditure) / income after gains and losses		(1,104,892)	18,203	(1,086,689)	(590,128)
Transfers between funds					
		338,016	(338,016)	-	-
		<u>338,016</u>	<u>(338,016)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(766,876)	(319,813)	(1,086,689)	(590,128)
Reconciliation of funds:					
Fund balances brought forward		9,455,900	633,296	10,089,196	10,679,324
		<u>9,455,900</u>	<u>633,296</u>	<u>10,089,196</u>	<u>10,679,324</u>
Fund balances carried forward		<u>8,689,024</u>	<u>313,483</u>	<u>9,002,507</u>	<u>10,089,196</u>

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Trust statement of financial activities

Year ended 5 April 2016 - comparatives

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

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated balance sheet

5 April 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	7a	215,720,720	206,511,241
Investments: Programme related	8	2,805,582	6,150,000
Other	8	313,483	633,295
		<u>218,839,785</u>	<u>213,294,536</u>
Current assets			
Debtors	9	3,997,404	3,430,194
Cash at bank, including deposits		17,907,923	23,671,493
		<u>21,905,327</u>	<u>27,101,687</u>
Creditors: amounts falling due within one year	10	(4,811,089)	(3,913,115)
Net current assets		<u>17,094,238</u>	<u>23,188,572</u>
Total assets less current liabilities		<u>235,934,023</u>	<u>236,483,108</u>
Creditors: amounts falling due after more than one year	11	-	-
Net assets		<u>235,934,023</u>	<u>236,483,108</u>
Unrestricted funds			
General funds	12a	17,094,238	23,188,572
Designated funds	13a	218,839,785	213,294,536
		<u>235,934,023</u>	<u>236,483,108</u>

These financial statements have been approved by the board of trustees and authorised for issue on 6 December 2017 and signed on their behalf.

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S Wolfson)	
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A Wolfson)	
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Dr Levene)	

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Trust balance sheet

5 April 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	7b	-	1
Investments	8	313,483	633,295
		<u>313,483</u>	<u>633,295</u>
Current assets			
Debtors	9	9,879,122	9,879,122
Cash at bank, including deposits		525,291	218,379
		<u>10,404,413</u>	<u>10,097,501</u>
Creditors: amounts falling due within one year	10	(1,715,389)	(641,601)
		<u>8,689,024</u>	<u>9,455,900</u>
Net current assets			
		<u>9,002,507</u>	<u>10,089,196</u>
Total assets less current liabilities			
		<u>9,002,507</u>	<u>10,089,196</u>
Creditors: amounts falling due after more than one year	11	-	-
		<u>9,002,507</u>	<u>10,089,196</u>
Net assets			
		<u>9,002,507</u>	<u>10,089,196</u>
Unrestricted funds			
General funds	12b	8,689,024	9,455,900
Designated funds	13b	313,483	633,296
		<u>9,002,507</u>	<u>10,089,196</u>

These financial statements have been approved by the board of trustees and authorised for issue on 6 December 2017 and signed on their behalf.

Lord Wolfson)	
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Dr Levene)	

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Consolidated cash flow statement

Year ended 5 April 2017

	Notes	2017 £	2016 £
Net cash (used in) / provided by operating activities	14a	(394,701)	5,232,138
Cash flows from investing activities:			
Interest receivable & other income		87,243	121,172
Dividends received		4,398	14,462
Purchase of property, plant and equipment		(5,361,631)	(11,992,379)
Proceeds from the sale of property, plant and equipment		3,200	8,093,499
Proceeds from the sale of investments		610,405	-
Purchase of programme related investments		(417,204)	(725,000)
Purchase of other investments		(295,280)	-
Net cash used in investing activities		(5,368,869)	(4,488,246)
Change in cash and cash equivalents in the reporting period		(5,763,570)	743,892
Cash and cash equivalents at the beginning of the reporting period		23,671,493	22,927,601
Cash and cash equivalents at the end of the reporting period		<u>17,907,923</u>	<u>23,671,493</u>

The notes on pages 15 to 25 form part of these financial statements

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements

Year ended 5 April 2017

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 Trust is a charity registered in England and Wales and is governed by a Deed of Trust executed on 14 July 1960. The charity's objectives and activities are included in the Trustees' report and charity information on page1.

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).

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.

c. Estimates and judgements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's and group's accounting policies. Estimates and judgments are continually evaluated by the Trustees based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The most significant estimates and judgements relate to the market value of the investment properties, for which the charitable company relies on the experience of property management experts, together with recoverability of amounts due to the charity and group.

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 2017.

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.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2017

1. Accounting policies *(continued)*

1.4 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.

1.5 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 (2016: 3) 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. Sinking funds held for maintenance are held by Metrus on behalf of the charitable company.

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.

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 2017

2. Investment income - Rental income

	2017	Group	2016	2017	Trust	2016
	£		£	£		£
Rents receivable	7,361,012		7,398,323	-		-
Total rental income	7,361,012		7,398,323	-		-

3. Investment income - Other interest

	2017	Group	2016	2017	Trust	2016
	£		£	£		£
Profit on sale of fixed asset	3,200		-	-		-
Total other interest	3,200		-	-		-

4. Costs of generating funds

	2017	Group	2016	2017	Trust	2016
	£		£	£		£
Property expenses						
Repairs, rates and other non-rechargeable property expenses	304,465		219,607	-		-
Property management expenses						
Agents' management fees not recoverable	376,810		382,419	-		-
Agents' rent review and letting fees	308,864		83,476	-		-
Legal expenses	130,509		72,793	-		-
	816,183		538,688	-		-
Total property expenses	1,120,648		758,295	-		-

5. Charitable activities

	2017	Group	2016	2017	Trust	2016
	£		£	£		£
Grants payable (see Note 19)	6,720,632		7,497,609	6,446,551		6,872,193
Impairment of programme related investments	3,761,622		-	-		-
Indemnity Insurance - charity	21,900		21,200	10,950		10,600
Consultancy and professional fees	68,533		50,745	12,925		12,858
General office expenditure	115,173		78,450	1,433		1,590
Sundry expenses	1,030		755	243		200
Depreciation	520		1,157	-		-
Pension costs	8,162		8,162	8,162		8,162
Governance costs (see note 6 below)	30,400		28,995	6,800		6,500
	10,727,972		7,687,073	6,487,064		6,912,103

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 2017

6. Governance costs

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Audit fees	30,400	28,995	6,800	6,500

7. Tangible fixed assets

(a) Group

	Investment properties		Office and office equipment	Total
	Freehold	Leasehold	£	£
	£	£		
Cost or valuation				
At 6 April 2016	206,510,000	-	142,901	206,652,901
Additions	5,361,631	-	-	5,361,631
Net gain on revaluation	3,848,369	-	-	3,848,369
At 5 April 2017	215,720,000	-	142,901	215,862,901
Depreciation				
At 6 April 2016	-	-	141,660	141,660
Charge for the year	-	-	521	521
At 5 April 2017	-	-	142,181	142,181
Net book value				
At 5 April 2017	215,720,000	-	720	215,720,720
At 5 April 2016	206,510,000	-	1,241	206,511,241

The investment properties have been valued by a chartered surveyor from Metrus, the group's investment property managers, on a market value basis as at 5 April 2017.

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

	2017	2016
	£	£
Cost	92,886,509	87,554,878

(b) Trust

	Office equipment	Total
	£	£
Cost or valuation		
At 6 April 2016 and 5 April 2017	432	432
Depreciation		
At 6 April 2016 and 5 April 2017	432	432
Net book value		
At 5 April 2016 and 5 April 2017	-	-

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2017

8. Fixed asset investments

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Quoted investments				
Market value at 6 April 2016	633,295	627,967	633,295	627,967
Gain/ Loss on revaluation	18,203	5,328	18,203	5,328
Additions	295,280	-	295,280	-
Disposals	(633,295)	-	(633,295)	-
	<u>313,483</u>	<u>633,295</u>	<u>313,483</u>	<u>633,295</u>
Market value at 5 April 2017	313,483	633,295	313,483	633,295
Programme related investments	<u>2,805,582</u>	<u>6,150,000</u>	<u>-</u>	<u>-</u>

All non programme related investments are listed on the London International Stock Exchange. The Trust's investments at 5 April 2017 comprised shares in J Sainsbury plc, the market value of which was £313,483. At 5 April 2016 the Trust owned shares in Home Retail Group plc with a market value of £633,295. These shares were purchased by the J Sainsbury Group for a mixture of cash and J Sainsbury shares. If stated under historical cost principles, the comparable amounts for the investments would be:

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Cost	<u>295,280</u>	<u>82,632</u>	<u>295,280</u>	<u>82,632</u>

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

Programme related investments:

	Group	
	2017	2016
	£	£
Cost:		
Brought forward	6,150,000	5,425,000
Further investments made during the year (see note below)	417,204	725,000
Impairment	(3,761,622)	-
Carried forward	<u>2,805,582</u>	<u>6,150,000</u>

Position at end of year:

Healthlogistics.co.uk

Share capital: Ordinary shares	465,000	465,000
Share premium on ordinary shares	775,000	775,000
Preference shares	1,630,000	1,630,000
Loan notes	1,625,000	1,625,000
Other loan advances	964,504	620,000
Impairment	(3,761,622)	-
	<u>1,697,882</u>	<u>5,115,000</u>

Soza Health

Share capital: Ordinary shares	44	44
Other loan advances	1,107,656	1,034,956
	<u>1,107,700</u>	<u>1,035,000</u>
Carried forward	<u>2,805,582</u>	<u>6,150,000</u>

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2017

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	465,000	365,000
– share capital – preference shares	775,000	1,630,000
– preference shares	1,630,000	-
– loan notes	1,625,000	-
– other loan advances	620,000	-
– loan advance	-	2,670,000
- Soza Health Limited – share capital	44	35
– loan advance	1,034,956	759,965
	<u>6,150,000</u>	<u>5,425,000</u>
Change during the year		
- Healthlogistics.co.uk Ltd – share capital – ordinary shares	-	100,000
– share premium on ordinary shares	-	775,000
– Loan notes	-	1,625,000
– acquisition of ordinary / preference shares	-	(875,000)
– loan advance used for preference shares	-	-
– Conversion into loan notes	-	(1,625,000)
– further loan advances	344,504	450,000
– impairment	(3,761,622)	-
- Soza Health Limited – share capital	-	9
– further loan advance	72,700	274,991
	<u>(3,344,418)</u>	<u>725,000</u>
Movement for the year		
	<u>(3,344,418)</u>	<u>725,000</u>
Total programme related investment carried forward	<u>2,805,582</u>	<u>6,150,000</u>

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 2017, Benesco held 49.9% of Healthlogistics.co.uk (49.7% in prior year). Audited figures show that the company made a loss of £1,143,775 for the year to 31 March 2016, and at 31 March 2016 had capital and reserves of £1,614,291. Unaudited figures to 31 March 2017 filed at Companies House showed a deficit on capital and reserves of £332,630 but no profit or loss figure is available.. The directors have considered the carrying value of the investment and an impairment was made as the shares were sold and debt settled for £1,697,882 in total after the year end, on 8 September 2017. No value has been attributed to the deferred shares received as part of the settlement. Healthlogistics.co.uk changed its name on 29 September 2017 to Prospitalia hTrak Limited.

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

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

As at 5 April 2017, Benesco held a 44.2% (2016: 44.2%) stake in Soza Health Limited, a company which provides diagnostic and other services to the Health sector. In the year ended 31 March 2017 unaudited financial statements indicate a loss of £246,522 (2016 £239,313), with a deficit on capital and reserves of £888,235 (2016: £641,713). On 24 August 2016, 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. Subsequent to the balance sheet date, Benesco Charity Limited acquired a further 1,454 shares at £50 each, converting existing loan advances of £72,700.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2017

9. Debtors

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Due from managing agents	3,114,199	2,251,859	-	-
Rent arrears	251,386	125,733	-	-
Other debtors and prepayments	631,819	1,052,602	-	-
Amounts due from Benesco Charity Limited	-	-	9,879,122	9,879,122
	<u>3,997,404</u>	<u>3,430,194</u>	<u>9,879,122</u>	<u>9,879,122</u>

10. Creditors: amounts falling due within one year

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Other taxes and social security	269,652	351,889	-	-
Other creditors	-	82,500	-	-
Accruals and deferred income	2,846,457	2,633,726	20,409	16,601
Grants committed	1,694,980	845,000	1,694,980	625,000
	<u>4,811,089</u>	<u>3,913,115</u>	<u>1,715,389</u>	<u>641,601</u>

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

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Grants committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. General fund

		2017	2016
		£	£
a) Group			
At 6 April 2016		23,188,572	31,991,851
Net expenditure		(4,392,767)	(911,411)
Loss on sales of:			
Properties		-	(61,500)
Investments		(22,890)	-
Transfers between funds		(1,678,677)	(7,830,368)
At 5 April 2017		<u>17,094,238</u>	<u>23,188,572</u>
b) Trust			
At 6 April 2016		9,455,900	1,355,339
Net (expenditure) / income		(1,082,002)	(595,456)
Loss on sale of investments		(22,890)	-
Transfers between funds		338,016	8,696,017
At 5 April 2017		<u>8,689,024</u>	<u>9,455,900</u>

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements (continued)

Year ended 5 April 2017

13. Designated funds

a) Group	Property and investment capital fund		2017 Total £	2016 Total £
	Realised surplus on disposal £	Unrealised revaluation reserve £		
At 6 April 2016	93,757,123	119,537,413	213,294,536	187,625,670
Unrealised gain on revaluation				
- Investment properties	-	3,848,369	3,848,369	17,833,170
- Investments	-	18,203	18,203	5,328
Realised gain on sale of				
- Investments	550,663	(550,663)	-	-
Transfers between funds	1,678,677	-	1,678,677	7,830,368
At 5 April 2017	95,986,463	122,853,322	218,839,785	213,294,536
b) Trust				
	Property and investment capital fund		2017 Total £	2016 Total £
	Realised surplus on disposal £	Unrealised revaluation reserve £		
At 6 April 2016	82,633	550,663	633,296	9,323,985
Movement due to revaluation in year				
- Unrealised loss on revaluation	-	18,203	18,203	5,328
Realised gain on sale of				
- Investments	550,663	(550,663)	-	-
Transfers between funds	(338,016)	-	(338,016)	(8,696,017)
At 5 April 2017	295,280	18,203	313,483	633,296

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.

14. Notes to the cash flow statement

a) Reconciliation of net expenditure for the year to net cash (used in) / provided by operating activities	2017 £	2016 £
Net expenditure for the year	(4,392,767)	(911,411)
Dividend receivable	(4,398)	(14,462)
Interest receivable and other sundry income	(87,243)	(121,172)
Depreciation	521	1,157
Income from sale of fixed assets	(3,200)	-
Impairment in investments	3,761,622	-
Decrease / (Increase) in debtors	(567,210)	5,326,869
Increase / (decrease) in creditors	897,974	951,157
Net cash (used in) / provided by operating activities	(394,701)	5,232,138
b) Analysis of changes in net debt		
	At 6 April 2016 £	Cashflow £
Cash at bank and in hand	23,671,493	(5,763,570)
		At 5 April 2017 £
		17,907,923

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2017

14. Notes to the cash flow statement (continued)

c) Reconciliation of net cashflow to movement in net debt

	2017 £	2016 £
Increase/(decrease) in cash in the year	(5,763,570)	743,892
Net funds at the beginning of the year	23,671,493	22,927,601
Net funds at the end of the year	17,907,923	23,671,493

15. Analysis of net assets between funds

Group	General Funds £	Designated funds £	Total £
Fixed assets	-	218,839,785	218,839,785
Current assets	21,905,327	-	21,905,327
Creditors	(4,811,089)	-	(4,811,089)
	17,094,238	218,839,785	235,934,023
Trust	General fund £	Designated funds £	Total £
Fixed assets	-	313,483	313,483
Current assets	10,404,413	-	10,404,413
Creditors	(1,715,389)	-	(1,715,389)
	8,689,024	313,483	9,002,507

16. Related party transactions

These financial statements include the costs of legal expenses amounting to £154,845 (2016: £97,017) 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. £130,509 (2016: £43,085) is included in property management expenses, £18,559 (2016: £28,374) is included in consultancy & professional fees, and £5,777 (2016: £25,559) for arranging the purchase of assets and was included in the cost of the asset.

The financial statements also include a donation of £283,700 to Policy Exchange (2016: £70,000) of which Lord Wolfson of Aspley Guise is also a trustee, and £350,250 (2015: £337,250) 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 £325,000 (2016: £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.

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2017

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%	-

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	
	2017 £	2016 £	2017 £	2016 £
Committed to but not provided for in the financial statements	98,968	100,000	-	-

THE CHARLES WOLFSON CHARITABLE TRUST

Notes to the financial statements *(continued)*

Year ended 5 April 2017

19. Grants and donations

Trust	2017
	£
Medicine	2,723,952
Education	1,210,750
Welfare	2,511,849
Total Trust	6,446,551
Subsidiary undertakings	
Medicine	4,035,703
Education	-
Welfare	-
Total Subsidiary undertakings	4,035,703
Total	10,482,254

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 £1.2 million (2016: £2.4 million).

The charitable trust has made use of the exemption from providing the names of grant recipients and the amounts of the grants.