THE WOOD FOUNDATION
(Charity Number: SC037957)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

31 MARCH 2016

THE WOOD FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS **PAGE**

LEGAL AND ADMINISTRATIVE INFORMATION	1
TRUSTEES' ANNUAL REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
REPORT OF THE AUDITORS	8
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	10
STATEMENT OF FINANCIAL ACTIVITIES	11
CONSOLIDATED BALANCE SHEET	12
BALANCE SHEET	13
CONSOLIDATED CASH FLOW STATEMENT	14
NOTES ON THE CONSOLIDATED ACCOUNTS	15

THE WOOD FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Sir Ian C Wood	Executive Chairman
Lady Helen Wood	
Garreth R C Wood	
Graham Good	

PRINCIPAL ADDRESS

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The Trustees submit their report and the audited accounts of The Wood Foundation for the year ended 31 March 2016.

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of Governing Document

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

Organisational Structure

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

The Trust's governing document is its Trust Deed.

Recruitment and Appointment of Trustees

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

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

Induction and Training of Trustees

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

TRUST OBJECTIVES AND ACTIVITIES

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

The Wood Foundation's chose objectives are (1) making markets work for the poor in Sub-Saharan Africa; (2) encouraging young people in Scotland to become enterprising, independent, tolerant and caring members of society; and (3) promotion of education and economic development in Scotland. The Trust achieves these objectives by applying the principles of venture philanthropy - investing both money and expertise to achieve systemic change within its chosen areas - to a series of projects. Sometimes we lead projects and in others we take an active supporting role with strategic partners. We are generally involved in developing the principles of the project, the investigation and implementation plan, and training, guidance and performance evaluation to enable sustained and sucessful programmes.

CHAIRMAN'S REVIEW

Strategic Report

The Trustees present their strategic report for the year ended 31 March 2016.

Assessment of Principal Risks and Uncertainties

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

Executive Summary

Now in its ninth year of operation, The Wood Foundation continues to make strong progress. About a third of our funds focus on Making Markets Work for the Poor in Sub Saharan Africa, a third to Developing Young People in Scotland, and a third to Facilitating Economic and Education Development in Scotland.

In Sub Saharan Africa, we work together with Lord David Sainsbury's Gatsby Charitable Foundation ('Gatsby') in a number of projects to improve the livelihoods of 45,000 smallholder tea farmers in Tanzania and Rwanda. Our impact continues to grow following the commencement of two long-term smallholder tea development projects with Unilever, one in Tanzania and the latest in Rwanda. Our strategy is clear - we apply venture philanthropy using our business skills and global experience and are recognised as the leading philanthropists in the tea industry. The ongoing success of our tea portfolio has attracted other philanthropic investors and donors, including the UK Department for International Development's UK Aid programme.

We continue to grow our Developing Young People in Scotland portfolio, mainly thorugh our Youth Philanthropy Initiative and Global Learning Partnership programmes, and more recently in activities aimed at enhancing and improving STEM (Science, Technology, Engineering and Maths) education in schools.

Our key activities relating to Facilitating Economic and Education Development in Scotland during the past year was the commitment of £25 million to Opportunity North East ('ONE') over five years, a private sector led initiative aimed at maximising opportunities from North Sea oil and broadening the economy by encouraging and investing in the other local industry sectors; to commit a further £4.5 million to Robert Gordon University for the creation of its Oil and Gas Institute; and to commit £10.7m for a new multi-storey car park at Foresterhill Health Campus, which will provide approximately 1,000 additional car park spaces for patients and visitors.

A number of other smaller ongoing projects and partnerships continue, in line with our stated philanthropic objectives.

Charitable Activities During the 2015/16 Year

Our Chai project in Tanzania (Chai means 'tea' in Kiswahili) and Imbarutso project in Rwanda (Imbarutso means 'to catalyse' in Kinyarwanda) continues to make a significant impact within the tea sector, improving the prospects and earnings of more than 45,000 smallholder tea farmers in rural communities. We continue to operate two Rwandan tea factories acquired in late 2012 and work towards our objective of them eventually being owned by the smallholder farmers.

CHAIRMAN'S REVIEW (continued)

We are achieving systemic and sustainable change with the two largest smallholder tea development projects in Africa, both of which are long term joint ventures with Unilever, expanding the tea industry and enriching the rural communities in both countries.
Over the last year the UK Department for International Development (DFID) has continued its involvement with the Chai project and the major Njombe tea planting programme in Tanzania and, more recently, has supported our latest smallholder tea development project in the Nyaruguru region of Rwanda. All of our partnerships align with our smallholder objectives and enable us to work with increasing numbers of smallholders on a broader geography.

In our Developing Young People in Scotland portfolio, the key areas of focus are improving tolerance, encouraging citizenship values, and enhancing enterprise and employability in Scotland's young people.

During the past year we continued to grow our established programmes such as the Youth Philanthropy Initiative ('YPI'), which engaged 26,000 secondary school pupils in philanthropy across 195 schools and 31 local authorities; and Global Learning Partnership ('GLP'), where 20 primary teachers from four local authorities spent four weeks during the Scottish school holidays working with primary schools in Rwanda where, in addition to facilitating professional training for Rwandan teachers, share their experience with their home schools to better understand their place in the world and their responsibilities as future citizens in a global community. 18,000 pupils in Scotland are now working with GLP teachers, and 59 Rwandan and Ugandan schools have hosted Scottish teachers facilitating professional training for 200 local teachers.

We continued to promote STEM (Science, Technology, Engineering and Maths) education in schools. HRH Priness Anne officially opened The Wood Foundation Centre for Science and Technology in 2016 at Robert Gordon's College, completed following our £2.5 million donation, and we also contributed £0.5 million towards the cost of building Engineering and Science laboratories for the Albyn School in Aberdeen. Since our financial year end, we have committed £900,000 to Improving Primary School Science which, if successful, will be extended to a £2.5 million programme over 7 years right across Scotland.

Our initiatives with both The Prince's Trust, supporting employability programmes; and STV Appeal, addressing the issue of child poverty in Scotland, continue successfully.

The Wood Foundation is now working on a number of large-scale, long-term projects to support economic development, education and research activities in Scotland.

During the year, we committed £25 million over five years to Opportunity North East ('ONE'), a private sector led body that supports intitiatives in four key industry sectors in the North East of Scotland, namely, Oil and Gas; Food, Drink and Agriculture; Life Sciences; and Tourism. It is anticipated that this investment will be matched by public sector funds, to grow and strengthen the local economy. ONE's participation has already been instrumental in achieving £210 million of Innovation funds from the Aberdeen City Region Deal - £180 million for the new global Oil and Gas Technology Centre and £30 million for Innovation Centres for Life Sciences and Food, Drink and Agriculture.

Other signficant commitments made during the year were to award a further £4.5 million to Robert Gordon University for the creation of its Oil and Gas Institute which will develop Centres of Excellence in line with the new Oil & Gas Technology Centre; and £10.7 million for a multi-storey car park facility at NHS Grampian's Foresterhill Health Campus which will add 1,000 additional spaces for patients and visitors, aimed at removing the unnecessary stress and anxiety generated by inadequate car parking availability.

We remain vigilant to ensure our activities achieve sustainable, beneficial change and will remain innovative in our application of management and finance, and in working with other private, public and charitable partners.

CHAIRMAN'S REVIEW (continued)

After charitable spend and commitment to date of £70 million, uncommited funds and investments in The Wood Foundation are approximately £107 million, including further donations in the past year from myself.

Plans for Future Year

The business plan for the coming year is to continue the charitable activities committed to up to 31 March 2016. A number of new potential projects are also being considered, both in Scotland and in Africa.
Since the year end, The Wood Foundation has committed £900,000 over the next three years to Improving Primary School Science ('IPS').

FINANCIAL REVIEW

A number of significant charitable activities were committed to during the year, resulting in net incoming/(outgoing) resources for the year, amounting to £(27.8) million (2015 - £13.7 million) and have been dealt with as shown in the Consolidated Statement of Financial Activities.

However, although the charitable activities resulted in an overall reduction in our funds, we had £107 million of uncommitted funds available at 31 March 2016.

The Trustees have prepared the financial statements in accordance with current statutory requirements, the Trust Deed and the Statement of Recommended Practice (FRS102) - Accounting and Reporting by Charities.

The income of the Group for the year ended 31 March 2016 was £19.3 million (2015 - £13.1 million) which includes £13.9 million (2015 - £7.1 million) from Sir Ian Wood and family trusts; £3.8 million (2015 - £1 million) grants from The Department of International Development ('DFID') in connection with the Chai Project and the new tea development in the southern highlands of Tanzania; and £104,000 (2015 - £20,000) received from trading activities. In addition, investment income of £1.2 million (2015 - £1.5 million) was earned during the year.

Group charitable expenditure was £46.9 million (2015 - £5.8 million) which includes £45.1 million (2015 - £3.9 million) of grants committed to during the year ended 31 March 2016. The total value of grant commitments outstanding at 31 March 2016 was £41.5 million (2015 - £1.4 million) and these are scheduled to be paid over the next 5 years.

The portfolio of The Wood Foundation investments at 31 March 2016 had a total value of £70.6 million (2015 - £54.6 million) with a further £77.4 million (2015 - £78.5 million) held in cash deposits. Sir Ian Wood donated shares in Wood Group PLC with a value of £13.9 million during the year.

The objective of the investment portfolio continues to be to obtain capital growth over the long term. In addition, The Wood Foundation takes social, environmental and ethical considerations into account in its investments through East African Tea Investment, managing all of our philanthropic tea projects in East Africa.

Reserves

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

The £45.1 million of grants committed in the year represents the largest amount committed in a single year since The Wood Foundation was founded and contributed to an overall reduction in reserves of £27.8 million to £107.2 million at 31 March 2016. Restricted funds at that date are £347,000, payable within one year, and committed unrestricted funds are £41.5 million, payable over the next five years.

CHAIRMAN'S REVIEW (continued)

The Trustees are satisfied that the level of reserves held at 31 March 2016 is in line with the Reserves Policy, and will be used for ongoing project expenditure.

With uncommitted and unrestricted reserves of £106.9 million at 31 March 2016 and ongoing input of funds from my family, we will continue to have high cash reserves and adequate funds to further develop our philanthropic programmes.

PROVISION OF INFORMATION TO AUDITORS

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

AUDITORS

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

Signed on behalf of the Board of Trustees

.....
Trustee - Sir Ian Wood

28 October 2016
.....
Date

THE WOOD FOUNDATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of The Wood Foundation for the year ended 31 March 2016 set out on pages 10 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

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

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

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

Scope of the audit of financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2016 and of the group's and parent's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

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

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

Anderson Anderson & Brown LLP

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

28th October 2016

Anderson, Anderson & Brown LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE WOOD FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2016 £'000	2015 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	13,940	4,101	18,041	11,555
Investments	4	1,204	-	1,204	1,477
Other trading activities	5	104	-	104	20
TOTAL		15,248	4,101	19,349	13,052
EXPENDITURE ON:					
Charitable activities	6	42,820	4,124	46,944	5,850
TOTAL		42,820	4,124	46,944	5,850
(Loss)/gain on investments	12	(213)	-	(213)	6,480
NET INCOME/(EXPENDITURE)	9	(27,785)	(23)	(27,808)	13,682
OTHER RECOGNISED GAINS AND LOSSES:					
Gain on disposal of fixed assets					20
NET MOVEMENT IN FUNDS		(27,785)	(23)	(27,808)	13,702
RECONCILIATION OF FUNDS					
Total funds brought forward		134,666	370	135,036	121,334
Total funds carried forward	19	106,881	347	107,228	135,036

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

THE WOOD FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2016 £'000	2015 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	13,951	114	14,065	10,339
Investments	4	1,202	-	1,202	1,477
TOTAL		15,153	114	15,267	11,816
EXPENDITURE ON:					
Charitable activities	6	43,047	48	43,095	5,265
TOTAL		43,047	48	43,095	5,265
(Loss)/gain on investments	12	(213)	-	(213)	6,480
NET MOVEMENT IN FUNDS	9	(28,107)	66	(28,041)	13,031
RECONCILIATION OF FUNDS					
Total funds brought forward		134,106	-	134,106	121,075
Total funds carried forward	19	105,999	66	106,065	134,106

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

THE WOOD FOUNDATION
CONSOLIDATED BALANCE SHEET - 31 MARCH 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	13	70,581	54,614
Tangible fixed assets	14	32	52
		70,613	54,666
CURRENT ASSETS			
Debtors	15	2,819	3,486
Cash at bank and in hand		77,390	78,475
		80,209	81,961
CREDITORS: *amounts falling due within one year*	16	(19,917)	(1,581)
NET CURRENT ASSETS		60,292	80,380
TOTAL ASSETS LESS CURRENT LIABILITIES		130,905	135,046
CREDITORS: *amounts falling due after more than one year*	17	(23,677)	(10)
NET ASSETS		107,228	135,036
FUNDS			
Unrestricted funds	19	106,881	134,666
Restricted funds	19	347	370
		107,228	135,036

Signed on behalf of the Board of Trustees

.....
Trustee - Sir Ian Wood

28 October 2016
.....
Date

THE WOOD FOUNDATION
BALANCE SHEET - 31 MARCH 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	13	70,581	54,614
Tangible fixed assets	14	2	3
		70,583	54,617
CURRENT ASSETS			
Debtors	15	295	3,153
Cash at bank and in hand		76,660	77,693
		76,955	80,846
CREDITORS: *amounts falling due within one year*	16	(17,796)	(1,347)
NET CURRENT ASSETS		59,159	79,499
TOTAL ASSETS LESS CURRENT LIABILITIES		129,742	134,116
CREDITORS: *amounts falling due after more than one year*	17	(23,677)	(10)
NET ASSETS		106,065	134,106
FUNDS			
Unrestricted funds	19	105,999	134,106
Restricted funds	19	66	-
		106,065	134,106

Signed on behalf of the Board of Trustees

Trustee - Sir Ian Wood

28 October 2016

Date

THE WOOD FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £'000	2015 £'000
Net cash (outflow)/inflow from operating activities			
Net income for the year		(27,595)	7,202
Investment income		(1,204)	(1,477)
Depreciation of tangible fixed assets		22	30
(Increase)/decrease in debtors		667	(1,208)
Increase/(decrease) in creditors		42,003	443
Net cash (used in)/provided by operating activities		13,893	4,990
Cash flow from investing activities			
Interest receivable & income on fixed asset investments		1,204	1,477
Purchase of fixed assets		(2)	(12)
Disposal proceeds of fixed assets		-	20
Investments acquired		(23,940)	(2,864)
Investment disposals		7,760	4,999
Net cash (used in)/provided by investing activities		(14,978)	3,620
(Decrease)/Increase in cash and cash equivalents	20	(1,085)	8,610

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The financial statements are prepared under the historical cost convention, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

(b) *Consolidation*

These accounts consolidate the results of The Wood Foundation Africa, a Scottish charity under common control, and WFT Trading Limited.

(c) *Income*

i) Donations and legacies

Donations and legacies are included in the Statement of Financial Activities in the year in which they are receivable.

ii) Investment income

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable. Investment income includes the computed tax credit and tax deducted at source.

(d) *Expenditure*

Liabilities are recognised when the charity has an obligation to make a payment to a third party.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis based on the anticipated allocation between the three main areas of investment.

Grants or instalments of grants offered in connection with projects with institutions are charged to the Statement of Financial Activities in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as contingent liabilities, but not accrued as expenditure.

Governance costs are included within support costs and include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1. ACCOUNTING POLICIES (continued)

(e) *Taxation*

The Trust is recognised by HM Revenue & Customs as a charity and, as a consequence of the tax reliefs available in relation to the current year, income is not liable to taxation.

(f) *Tangible fixed assets and depreciation*

Fixed assets are capitalised at cost and written off over their expected useful lives as follows:

Plant and equipment	30% and 12.5% reducing balance
Motor vehicles	25% straight line

(g) *Fixed asset investments*

Fixed asset investments are included at market value at the year end. Gains and losses on disposal or revaluation of investments are charged or credited to the Statement of Financial Activities and form part of the fund in which the asset is held.

(h) *Foreign currencies*

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

(i) *Joint arrangements*

Where the charity enters into a joint arrangement, such that it carries out activities in partnership with other bodies, without forming a separate legal partnership, then the charity's share of the incoming resources and resources expended and the assets and liabilities are included in the accounts. Where this treatment is not adopted, full disclosure regarding the arrangement is provided by way of a note to the accounts (see note 22).

(j) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor.

(k) *Pensions*

Eligible employees are members of defined contribution pension schemes. Pension costs charged to the Statement of Financial Activities represents the contributions payable by the Trust in the year.

1. ACCOUNTING POLICIES (continued)

(l) Joint ventures

The Trust has entered into a joint arrangement with a fellow charity to establish a charitable company limited by guarantee to further the trust's charitable objectives in East Africa. The trust has invested in the charitable company in the form of grants with no financial return anticipated as a result of this investment. Given this the trustees believe the inclusion of the results of the charitable company in the SOFA and balance sheet would not present a true and fair view and as such have excluded this from the results. Detailed disclosure on this including the results of the charitable company are included at note 22.

(m) *Financial instruments*

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related and third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported during the year for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 DONATIONS AND LEGACIES

	Group		Trust	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Donations - unrestricted	13,940	7,142	13,951	7,154
Taxation recoverable on Donations received - unrestricted	-	3,059	-	3,059
Donations - restricted	4,101	1,354	114	126
	18,041	11,555	14,065	10,339

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

4 INCOME FROM INVESTMENTS

	Group		Trust	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Investment income	564	911	564	911
Bank interest receivable	639	560	637	560
Other interest receivable	1	6	1	6
	1,204	1,477	1,202	1,477

In 2015, all income from investments was for unrestricted funds.

5 OTHER TRADING ACTIVITIES

	Group		Trust	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Commercial trading operations	104	20	-	-

In 2015, all income from other trading activities was for unrestricted funds.

6 EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2016 Total £'000
Grants payable (note 7)	40,652	3,340	15	1,064	45,071
Direct costs:					
Staff	-	849	-	-	849
Consultancy	3	173	-	-	176
Travel	-	72	-	-	72
	3	1,094	-	-	1,097
YPI Programme:					
Staff	-	-	-	117	117
Consultancy	-	-	-	82	82
Travel	-	-	-	30	30
Press & publicity	-	-	-	34	34
Miscellaneous expenses	-	-	-	3	3
	-	-	-	266	266
Global Learning Partnership:					
Programme:					
Staff	-	-	62	-	62
Consultancy	-	-	54	-	54
Travel	-	-	39	-	39
Press & publicity	-	-	8	-	8
Miscellaneous expenses	-	-	-	-	-
	-	-	163	-	163
Support costs:					
Staff	81	118	-	-	199
Training & development	1	3	2	2	8
Insurance	1	11	2	2	16
Travel	4	59	8	8	79
Press & publicity	1	-	1	1	3
Database	1	8	2	2	13
Miscellaneous expenses	4	92	7	7	110
Depreciation	-	18	-	-	18
Exchange gains	-	(158)	-	-	(158)
Governance costs	3	43	5	8	59
	96	194	27	30	347
	40,751	4,628	205	1,360	46,944

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Trust	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2016 Total £'000
Grants payable (note 7)	40,652	918	15	1,064	42,649
Direct costs:					
Staff	-	-	-	-	-
Consultancy	3	-	-	-	3
Travel	-	-	-	-	-
	3	-	-	-	3
YPI Programme:					
Staff	-	-	-	117	117
Consultancy	-	-	-	82	82
Travel	-	-	-	30	30
Press & publicity	-	-	-	26	26
Miscellaneous expenses	-	-	-	3	3
	-	-	-	258	258
Global Learning Partnership:					
Programme:					
Staff	-	-	62	-	62
Consultancy	-	-	53	-	53
Travel	-	-	39	-	39
Press & publicity	-	-	8	-	8
Miscellaneous expenses	-	-	-	-	-
	-	-	162	-	162
Support costs:					
Staff	81	-	-	-	81
Training & development	1	-	2	2	5
Insurance	1	-	2	2	5
Travel	4	-	8	8	20
Press & publicity	1	-	1	1	3
Database	1	-	2	2	5
Miscellaneous expenses	4	-	7	7	18
Depreciation	-	-	-	1	1
Exchange gains	-	(128)	-	-	(128)
Governance costs	3	-	5	5	13
	96	(128)	27	28	23
	40,751	790	204	1,350	43,095

Grants payable by the Trust includes £918,000 (2015: £1,056,000) payable to The Wood Foundation Africa.

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

The comparative figures for 2015 were:

Group	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2015 Total £'000
Grants payable (note 7)	3,066	172	29	613	3,880
Direct costs:					
Staff	-	877	-	-	877
Consultancy	-	227	-	-	227
Travel	-	74	-	-	74
	-	1,178	-	-	1,178
YPI Programme:					
Staff	-	-	-	104	104
Consultancy	-	-	-	54	54
Travel	-	-	-	21	21
Press & publicity	-	-	-	23	23
Miscellaneous expenses	-	-	-	5	5
	-	-	-	207	207
Global Learning Partnership:					
Programme:					
Staff	-	-	75	-	75
Consultancy	-	-	50	-	50
Travel	-	-	7	-	7
Press & publicity	-	-	12	-	12
Miscellaneous expenses	-	-	-	-	-
	-	-	144	-	144
Support costs:					
Staff	-	113	67	67	247
Training & development	-	2	2	2	6
Insurance	-	13	2	2	17
Travel	-	35	3	3	41
Press & publicity	-	-	1	1	2
Database	-	10	1	2	13
Miscellaneous expenses	-	95	12	12	119
Office rent	-	-	-	-	-
Depreciation	-	26	-	1	27
Exchange gains	-	(31)	(22)	(22)	(75)
Governance costs		24	9	11	44
	-	287	75	79	441
	3,066	1,637	248	899	5,850

In 2015, of the total charitable expenditure, £4,637,000 was from unrestricted funds and £1,213,000 was from restricted funds. The gain on disposal of fixed assets was attributable in full to restricted funds. The gain on investments was attributable in full to unrestricted funds.

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Trust	Miscellaneous grants & capacity support costs £'000	Making markets work for the poor £'000	Volunteering overseas & global citizenship £'000	Developing young people in Scotland £'000	2015 Total £'000
Grants payable (note 7)	3,066	1,056	29	613	4,764
Direct costs:					
Staff	-	-	-	-	-
Consultancy	-	-	-	-	-
Travel	-	-	-	-	-
	-	-	-	-	-
YPI Programme:					
Staff	-	-	-	104	104
Consultancy	-	-	-	54	54
Travel	-	-	-	21	21
Press & publicity	-	-	-	23	23
Miscellaneous expenses	-	-	-	5	5
	-	-	-	207	207
Global Learning Partnership:					
Programme:					
Staff	-	-	75	-	75
Consultancy	-	-	50	-	50
Travel	-	-	7	-	7
Press & publicity	-	-	12	-	12
Miscellaneous expenses	-	-	-	-	-
	-	-	144	-	144
Support costs:					
Staff	-	-	67	66	133
Training & development	-	-	2	2	4
Insurance	-	-	2	2	4
Travel	-	-	3	3	6
Press & publicity	-	-	1	1	2
Database	-	-	1	2	3
Miscellaneous expenses	-	-	12	12	24
Office rent	-	-	-	-	-
Depreciation	-	-	-	1	1
Exchange gains	-	-	(22)	(22)	(44)
Governance costs			9	8	17
	-	-	75	75	150
	3,066	1,056	248	895	5,265

In 2015, of the total charitable expenditure, £5,076,000 was from unrestricted funds and £189,000 was from restricted funds. The gain on investments was attributable in full to unrestricted funds.

7 GRANTS

Group	Grants Awarded No.	2016 £'000	Grants Awarded No.	2015 £'000
Grants to institutions:				
Making markets work for the poor	4	3,340	2	172
Volunteering overseas	2	7	8	18
Developing young people in Scotland	194	1,064	144	613
	200	4,411	154	803
Miscellaneous grants:				
Other miscellaneous grants	15	40,652	14	3,066
	215	45,063	168	3,869
Grants to individuals:				
Volunteering overseas	10	8	17	11
	225	45,071	185	3,880

Trust	Grants Awarded No.	2016 £'000	Grants Awarded No.	2015 £'000
Grants to institutions:				
Making markets work for the poor	1	918	1	1,056
Volunteering overseas	2	7	8	18
Developing young people in Scotland	194	1,064	144	613
	197	1,989	153	1,687
Miscellaneous grants:				
Other miscellaneous grants	15	40,652	14	3,066
	212	42,641	167	4,753
Grants to individuals:				
Volunteering overseas	10	8	17	11
	222	42,649	184	4,764

8 GOVERNANCE COSTS

	Group		**Trust**	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Auditors' remuneration	21	21	12	12
Legal	21	9	1	5
Overseas Compliance Services	17	14	-	-
	59	44	13	17

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

	Group		Trust	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Auditors' remuneration				
Audit fees	19	19	10	10
Non-audit fees	2	2	2	2

10 STAFF COSTS AND NUMBERS

	Group		Trust	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Staff costs				
Wages and salaries	1,144	1,206	212	244
Social security	22	24	22	24
Other pension costs	56	46	21	18
	1,222	1,276	255	286

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

	Group		Trust	
	2016	2015	2016	2015
	No.	No.	No.	No.
Trustees	4	4	4	4
Management & administration	23	18	9	7
	27	22	13	11

During the year 9 employees within the group received emoluments of over £60,000 (2015: 9). Pension contributions totalling £58,000 were paid into direct contribution pension schemes in respect of 7 of these individuals (2015: £42,000, 8 individuals). The Trustees consider that it would be operationally sensitive to disclose any further remuneration information in respect of these individuals.

11 TRUSTEES' EMOLUMENTS AND EXPENSES

The Trustees received no remuneration from the Trust during the year.

No Trustees received expenses from the Trust during the current or previous year.

No employees other than the Trustees are considered to be key management personnel.

12 GAINS/(LOSSES) ON INVESTMENT ASSETS

	Group & Trust	
	2016	2015
	£'000	£'000
Realised gain/(loss) arising on disposals	(1)	86
Unrealised gains/(losses) on revaluation	(212)	6,394
	(213)	6,480

13 INVESTMENTS

	Group & Trust	
	2016	2015
	£'000	£'000
Market value at 1 April 2015	54,614	50,269
Additions at cost	23,940	2,864
Disposals at opening value	(7,761)	(4,913)
Net unrealised investment gains/(losses) on revaluation	(212)	6,394
Market value at 31 March 2016	70,581	54,614

The market value of investments at 31 March 2016 comprises:

	Group & Trust	
	2016	2015
	£'000	£'000
Listed equity investments	6,150	611
Managed funds	64,405	53,977
Cash deposits	26	26
	70,581	54,614

	Trust	
	2016	2015
	£	£
Investment in subsidiary undertakings	1	1

WFT Trading Ltd, a wholly owned subsidiary company, was incorporated on 19 December 2011 and is registered under the company number SC413410. There is one ordinary share in issue acquired by The Wood Foundation for £1. The net assets of the company at 31 March 2016 were £1 (2015: £1), profit for the year was £nil (2015: £nil).

East African Tea Investments, a company limited by guarantee, was incorporated on 26 January 2013 and is a joint venture between The Wood Foundation and the Gatsby Charitable Foundation. Further details are provided in note 22.

The Wood Foundation Africa is a wholly owned subsidiary charitable company, limited by guarantee. The Wood Foundation Africa is registered with the company number SC361033, and the charity number SC040580. The net assets of the company at 31 March 2016 were £1,161,000 (2015: £931,000), net movement in funds for the year was £231,000 (2015: £671,000).

14 TANGIBLE FIXED ASSETS

	Plant & equipment £'000	Motor vehicles £'000	Total £'000
Group			
COST			
At 1 April 2015	21	88	109
Additions	2	-	2
Disposals	-	-	-
At 31 March 2016	23	88	111
DEPRECIATION			
At 1 April 2015	7	50	57
Charge for year	4	18	22
Appropriated on disposal	-		-
At 31 March 2016	11	68	79
NET BOOK VALUES			
At 31 March 2016	12	20	32
At 1 April 2015	14	38	52

The motor vehicles are located in Africa for use for the purposes of local projects.

	Plant & equipment £'000
Trust	
COST	
At 1 April 2015	5
Additions	-
Disposals	-
At 31 March 2016	5
DEPRECIATION	
At 1 April 2015	2
Charge for year	1
Appropriated on disposal	-
At 31 March 2016	3
NET BOOK VALUES	
At 31 March 2016	2
At 1 April 2015	3

15 DEBTORS

	Group		Trust	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts due from related undertakings	430	66	-	66
Other debtors	245	243	-	-
Prepayments and accrued income	2,144	3,177	295	3,087
	2,819	3,486	295	3,153

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

Other debtors at the year end includes £198,000 (2015: £243,000), of expenditure incurred in excess of amounts received from Gatsby, as follows:

	2016 £'000	2015 £'000
Imbarutso Project		
(Debtor)/Creditor brought forward	(243)	46
Received from the Gatsby Charitable Foundation	275	-
Share of agreed costs of Imbarutso project	(230)	(289)
Debtor carried forward	(198)	(243)

16 CREDITORS: *amounts falling due within one year*

	Group		Trust	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts due to related undertakings	1,895	-	-	-
Grants payable	17,802	1,404	17,658	1,264
Taxation and social security	12	8	12	8
Trade creditors	35	23	26	10
Accruals and deferred income	121	93	100	65
Other creditors	52	53	-	-
	19,917	1,581	17,796	1,347

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

Other creditors at the year end includes £52,000 (2015: £53,000), received from Gatsby in advance of expenditure being incurred, as follows:

	2016 £'000	2015 £'000
Chai Project		
Creditor brought forward	53	40
Received from the Gatsby Charitable Foundation	-	-
Share of agreed costs of Chai project	(1)	13
Creditor carried forward	52	53

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

	Group		Trust	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Grants payable	23,677	10	23,677	10

18 FINANCIAL INSTRUMENTS

	Group		Trust	
	2016	2015	2016	2015
Financial assets	£	£	£	£
Financial assets measured at fair value through profit or loss	77,390	78,475	76,660	77,693
Financial assets measured at amortised cost	2,770	3,400	281	3,146
	80,160	81,875	76,941	80,839
Financial liabilities				
Financial liabilities measure at amortised cost	19,905	1,573	17,784	2,686
Financial liabilities measured at fair value	23,677	10	23,677	10
	43,582	1,583	41,461	2,696

19 MOVEMENT IN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	2016 £'000	2015 £'000
Group				
At 1 April 2015	134,666	370	135,036	121,334
Income	15,248	4,101	19,349	13,052
Expenditure	(42,820)	(4,124)	(46,944)	(5,850)
Other (losses)/gains	(213)	-	(213)	6,500
At 31 March 2016	106,881	347	107,228	135,036
Trust				
At 1 April 2015	134,106	-	134,106	121,075
Income	15,153	114	15,267	11,816
Expenditure	(43,047)	(48)	(43,095)	(5,265)
Other (losses)/gains	(213)	-	(213)	6,480
At 31 March 2016	105,999	66	106,065	134,106

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

19 MOVEMENT IN FUNDS (continued)

Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	2016 £'000	2015 £'000
Group				
Investments	70,581	-	70,581	54,614
Tangible fixed assets	4	28	32	52
Current assets	77,772	2,437	80,209	81,961
Current liabilities	(17,799)	(2,118)	(19,917)	(1,581)
Long term liabilities	(23,677)	-	(23,677)	(10)
At 31 March 2016	106,881	347	107,228	135,036
Trust				
Investments	70,581	-	70,581	54,614
Tangible fixed assets	2	-	2	3
Current assets	76,889	66	76,955	80,846
Current liabilities	(17,796)	-	(17,796)	(1,347)
Long term liabilities	(23,677)	-	(23,677)	(10)
At 31 March 2016	105,999	66	106,065	134,106

20 ANALYSIS OF CHANGES IN CASH IN YEAR

	Group	
	2016 £'000	2015 £'000
Cash at bank and in hand at 1 April 2015	78,475	69,865
(Decrease)/Increase in cash and cash equivalents	(1,085)	8,610
At 31 March 2016	77,390	78,475

	Trust	
	2016 £'000	2015 £'000
Cash at bank and in hand at 1 April 2015	77,693	69,540
(Decrease)/Increase in cash and cash equivalents	(1,033)	8,153
At 31 March 2016	76,660	77,693

21 RELATED PARTY TRANSACTIONS

Control

Throughout the year the Trust was controlled by the Board of Trustees.

Transactions

The charity has taken advantage of the exemption contained in Financial Reporting Standard 102 S33.1A from disclosing transactions with parties wholly owned within the same group.

During the year donations totalling £42,000 (2015: £42,000) were awarded by the Speratus Group Limited to the group. Garreth Wood is a shareholder and director of this company. The total amount outstanding in relation to this donation as at 31 March 2016 was £42,000 (2015: £NIL).

During the year, the trust made grant commitments totalling £25,250,000 (2015 - £NIL) to Opportunity North East, a company of which Sir Ian Wood is a director. There remains £25,000,000 (2015 - £NIL) outstanding in respect of these commitments at the year end.

At the year end the charity had amounts due totalling £265,000 (2015 - £NIL) from Mulindi Tea Factory Company Limited and £165,000 (2015 - £NIL) from Shagasha Tea Company Limited, subsidiaries of East African Tea Investments. The balances arose as a result of certain cost recharges and management fees charged to the companies. In addition, grants of £65,000 were paid to each of the tea factories during the year, these have been settled in full prior to the year end.

22 JOINT VENTURE

East African Tea Investments (EATI) (formerly Rwanda Tea Investments) is a charitable company limited by guarantee and jointly controlled by The Wood Foundation (TWF) and the Gatsby Charitable Foundation (Gatsby). In December 2012 EATI purchased the majority shareholdings in two tea factories in Rwanda.

During the year, the charity made grants totalling £3,206,286 (2015 - £NIL) to EATI. A balance of £1,894,742 (2015 - £NIL) remains outstanding in relation to these grants at the year end.

EATI produced consolidated accounts for the year to 31 March 2016 incorporating the 12 month trading period of those factories.

The consolidated balance sheets to 31 March 2016 show:

	2016 £'000	2015 £'000 (Restated)
FIXED ASSETS		
Intangible fixed assets	(443)	(711)
Tangible fixed assets	10,342	10,942
	9,899	10,231
CURRENT ASSETS		
Stock	2,030	1,301
Debtors	3,576	1,490
Cash at bank and in hand	3,187	1,388
	8,793	4,179
CREDITORS: *amounts falling due within one year*	(2,051)	(1,860)
NET CURRENT ASSETS	6,742	2,319
TOTAL ASSETS LESS CURRENT LIABILITIES	16,641	12,550
CREDITORS: *amounts falling due after more than one year*	(35)	(94)
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	(132)	(26)
NET ASSETS	16,474	12,430
FUNDS		
Unrestricted funds		
General	255	(200)
Minority interests	(13)	(409)
	242	(609)
Restricted funds		
Tea Investment Fund	12,513	8,826
Minority interests	4,576	4,814
Exchange reserve	(857)	(601)
	16,232	13,039
TOTAL FUNDS	16,474	12,430

22 JOINT VENTURE (continued)

The Trustees believe that the inclusion of TWF's share of the EATI result and financial position in the consolidated accounts of TWF would not provide a realistic view of the nature of the investment in EATI. In line with the charitable aims of the Imbarutso project, TWF's investment in EATI is focussed on improving the smallholder farmers' performance and earnings in the tea industry, thus increasing their livelihoods and reducing poverty. The investment is not geared towards generating a return to TWF, and the Trustees intend to recycle any realised return from the investment into further such investments. Any return of value from the EATI investment will be treated as income in the TWF accounts at the time it is received.

23 FIRST TIME ADOPTION OF SORP (FRS 102)

It is the first year that the charity has presented its financial statements under SORP (FRS102). The last financial statements prepared under the previous SORP were for the year ended 31 March 2015 and the date of transition to SORP (FRS102) was therefore 1 April 2014. The policies applied under the entity's previous accounting framework are not materially different to SORP (FRS102) and have not impacted reserves or net movement in funds.