

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 August 2016



Registered number: 03540878
Charity number: 1069589

WOOLF INSTITUTE
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

WOOLF INSTITUTE
(A Company Limited by Guarantee)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 August 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

CHAIR'S REPORT

In taking over as chair this year from Lord Khalid Hameed, I am very aware of the great strides forward made in the provision of research, teaching and outreach during his six years as chair.

From inception, the Woolf Institute has pursued a robust scholarly study of the historical encounter between Jews, Christians and Muslims so that we can better understand and guide our society at present, and inform and shape a more tolerant, respectful and collective future together.

This mission has become increasingly important and urgent, exacerbated by continuing prejudice and conflict.

In the last year, the Woolf Institute has continued to pursue a multi-disciplinary track record through academic research, in-house and on-line teaching, and innovative public outreach programmes. Working closely with Cambridge University, and with a particular focus on Europe, the Middle East, North Africa and America, it is the Institute's combination of scholarship of the highest order with broad-based public education that makes it distinctive and a global leader in addressing one of the most pressing and rewarding challenges of our time.

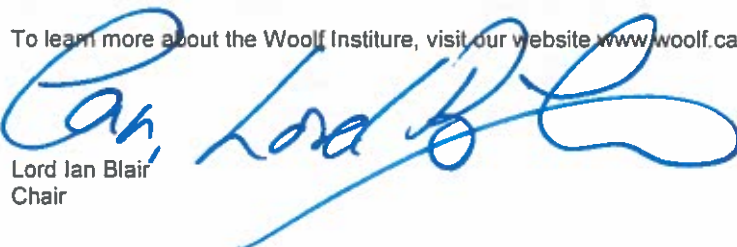
Highlighting the importance of shared values whilst acknowledging difference is not simply a prerequisite for good scholarship, it is also the practical necessity and foundation upon which lasting communal and public understanding must be built. The Institute holds that rigorous study is best undertaken collaboratively, through sometimes difficult discussions about beliefs, narratives, and attitudes that take seriously all religious and secular perspectives but privilege none.

The increasing popularity of Woolf Institute courses demonstrates the Institute's on-going and continuing relevance in the dynamic and changing environment of interfaith encounter. The Institute successfully brings together professionals (such as teachers, police officers, healthcare professionals, businessmen and women, etc.) and community leaders (both secular and religious) through a variety of academic and practice-based courses that have provided a framework in which people can establish common ground and constructively tackle differences.

In closing, I would like to acknowledge the contribution of Sir Sigmund Sternberg, known to his friends as 'Siggy', who died on 18th October 2016 after the end of the financial year. Siggy was not only a pioneer in interfaith relations but was a friend of the Woolf Institute. As he said in a talk he delivered in Cambridge many years ago, but which remains relevant today, "Global healing cannot be left to the politicians and the generals alone".

Finally, I would like to thank our staff, students and supporters for making our work possible and as you read our report, remember, the more we understand about one another, the more we understand about ourselves.

To learn more about the Woolf Institute, visit our website www.woolf.cam.ac.uk or telephone 01223-741048.



Lord Ian Blair
Chair

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

MISSION AND OBJECTIVES

Mission

The purpose of the Woolf Institute is to serve the public good. The Institute studies how relations among and between Jews, Christians, and Muslims can enhance understanding of key concepts of public life: community and identity, personal responsibility and social solidarity. Combining theology with the social sciences and the humanities, the Woolf Institute seeks to strengthen the ethical framework that is needed for political, economic and social life.

The teaching and research examine common purpose and points of difference between Jews, Christians and Muslims from a multidisciplinary perspective, focussing particularly on Europe, the Middle East, North Africa and America. In addition to the pursuit of knowledge, the Woolf Institute designs public education programmes aimed at improving public and voluntary sector services and linking difference with the broader sustainability of communities.

As an independent institute working closely with the University of Cambridge, it has the expertise and flexibility necessary to combine theory, research and practice while offering world-class scholarship in a rich learning environment. It conducts research and teaching both in the UK and internationally. Research projects are currently being carried out in France, Germany, India, Israel, Italy, Qatar, Bosnia-Herzegovina and UK. Students participating in educational programmes come from all of the above as well Australia, Canada, France, Iran, Israel, Kenya, Kosovo, Morocco, the Republic of Ireland, Serbia, Spain and Turkey.

The Institute is named in honour of Lord Harry Woolf CH, former Lord Chief Justice of England and Wales and was founded by Dr Edward Kessler MBE, described by the *Times Higher Education Supplement* as 'probably the most prolific figure in interfaith academia'.

Objects

The charity's objects are:

1. The advancement of education by the promotion of:
 - a. study and understanding of the beliefs, practices and histories of the Jewish, Christian and Muslim faiths; and
 - b. ways of improving mutual understanding and respect among Jews, Christians and Muslims;
2. The promotion of good relations between the Jewish, Christian and Muslim communities in particular by providing facilities whereby members of these faiths can work together in discussion and investigate areas of mutual concern.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake for the public benefit.

Historical Note

The Woolf Institute opened its doors in 1998, called at that time the Centre for Jewish-Christian Relations. Its founders, Rev Prof Martin Forward and Dr Edward Kessler, who had both been involved in the study and practice of interfaith relations for many years, realised that despite its importance, few colleges, seminars or universities in Europe were able to offer courses on the insights of interfaith encounter. Their aim was to develop an independent academic Centre that would bridge this gap and harness the best of contemporary scholarship in the service of inter-faith understanding. They sought to bring together community leaders, both secular and religious, clergy and lay leaders to provide a framework in which people can tackle difficult issues constructively.

Its location in Cambridge allows the Woolf Institute to follow in the tradition of first-class scholarship, and its close relations with the University of Cambridge enables the Institute to teach students from one of the world's leading Universities and have access to its rich learning environment; as Associate Member of the Cambridge Theological Federation, the Institute also teaches future leaders from the main Christian denominations.

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FOR THE YEAR ENDED 31 AUGUST 2016

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There have been 4 stages of development:

- 1998/9-2003/4 – Stage 1: establishment of the Centre for Jewish-Christian Relations and a focus on teaching and dialogue with a small number of staff (4 in 1998/9; 6 in 2003/4) and turnover approximately £250,000;
- 2003/4-2008/9 – Stage 2: focus extends to include Islam, especially Muslim-Jewish relations, as well as outreach programmes. The first major research project begins (funded by Leverhulme Trust) and resources are devoted to public education with staff increasing from 6 to 10 and turnover approximately £500,000;
- 2009/10-2013/4 Stage 3: focus widens to all aspects of Jewish-Christian-Muslim relations as well as the encounter with wider society, resulting in a multi-disciplinary approach. The Institute establishes an increasingly close relationship with University of Cambridge and two major international research projects begin alongside a growing number of public education and policy initiatives. Consequently staff numbers increased to 12 and turnover to approximately £750k.
- 2014/15 – 2017/18 – Stage 4: research focus intensifies to generate innovative work and greater income; student body set to grow by 50%; Public Education to expand significantly. The Woolf Institute will increasingly address the nature and impact of interaction for collective, community, and individual benefit; staff to increase from 14 to 17; turnover to approximately £1m.

The success of the Institute's educational programmes lie in their accessibility and flexibility, demonstrated in particular by the Woolf Institute's expertise in e-learning. Since inception, the Institute has attracted students from around the world, many of whom cannot travel to Cambridge. It has pioneered many e-learning courses and seeks to be at the cutting-edge of distance education by investing resources in both the latest technology as well as high quality academic staff.

Thus, the Woolf Institute has successfully established itself in a remarkably short period of time. In 2011, Dr Kessler received an MBE for services to interfaith relations and in 2013 the Woolf Institute celebrated its 15th anniversary with a gala dinner at St James's Palace, London. In 2017/18, the Woolf Institute will move into its new and permanent home and a new stage in the life of the Institute will begin.

Research

Woolf Institute academic staff are increasingly engaged in high profile research, both in Cambridge University, as well as across the UK and Overseas.

Dr. Wagner is working on Muslim-Jewish relations as conveyed in the Genizah manuscripts. One her three major books in preparation: 'Merchants of Innovation. The languages of traders (with Ben Outhwaite and Bettina Beinhoff (eds.)), Berlin: de Gruyter/Mouton, 'Late Judaeo-Arabic business letters from the Cairo Genizah' (with Geoffrey Khan) and 'Wisdom and greatness in one place: the 15th-c. Alexandrian trader Moses Ben Judah and his circle' (with Dotan Arad), both Leiden: Brill. Mohamed Ahmed received a post-doctoral fellowship for three years from the DFG (Deutsche Forschungsgemeinschaft) to work with Dr Wagner on a Prize Paper Collections research project.

Dr Gorazd Andrejc, Junior Research Fellow, is an expert on theological and philosophical approaches to interfaith relations and has written a monograph on Wittgenstein and interfaith relations, published by Palgrave. Dr. Andrejc is a graduate of the MSt in the study of Jewish-Christian Relations.

Three other Research Fellows, Dr Jan Bock, Dr Sami Everett and Dr Christina Fuhr were appointed when the Woolf Institute received a major grant from the Porticus Foundation and the Templeton World Charitable Foundation (combined value: £500,000) to undertake a comparative research project to examine how and when individuals at a local level decide to trust one another and the consequences of this placement of trust on relations between Jews, Christians, and Muslims. The research commenced in September 2013 in London and the other cities included in the study are Berlin, Paris, and Rome.

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FOR THE YEAR ENDED 31 AUGUST 2016

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The 2015 Paris attacks and the impact of more than 1 million refugees into Germany have resulted in the research focusing more on issues associated with trust in crisis situations. In addition, Dr Fuhr has developed the website Trust Community (www.trustcommunity.eu) to disseminate the research findings to a wider audience. The Trust Project has so far contributed to two edited volumes and a special issue of a journal.

The aim is to write one jointly written manuscript and to publish more articles. Furthermore, the project continues to influence the development of smaller projects at the Institute such as research with the organisation Place 2 Be, which provides counselling in over 180 schools around the UK and the development of international networks, including Humboldt University in Berlin and the Sorbonne in Paris.

In 2015, the Institute received its second major research grant (value: \$900,000) this time from the Qatar National Research Fund for an international project assessing interfaith initiatives in Doha, Delhi, and London. A new Junior Research Fellow, Dr John Fahy started in January 2016 and is conducting a study assessing the effectiveness of interfaith initiatives and identifying criteria for success and failure in Doha and Delhi. The research is being undertaken in partnership with Georgetown University in Qatar as well as the Doha International Center for Interfaith Dialogue.

The Woolf Institute also invites at least one Visiting Fellow each year, who contributes to the teaching and research environment. In 2015-16 Professor John Hall, from McGill University, Montreal, spent a term at the Institute and engaged with students and staff. Prof Hall also organized a conference on 'Jewish Conditions, Theories of Nationalism'.

Finally, in collaboration with Madeleine Ary and the organisation Schools Linking, Dr Cohen completed an evaluation of a pilot project in Bradford schools on how to conduct difficult conversations amongst pupils Years 7-9. The evaluation was for the Department for Communities and Local Government, the project's funder.

Public Education

During the year, the Foreign & Commonwealth Office (FCO) renewed their training contract with the Woolf Institute, which includes a two-day study programme which provide FCO staff with an opportunity to explore the impact of religion and belief in international relations. Understanding religion, the role it plays and its impact on behaviour and decision-making is vital to the FCO's ability to understand the complexities of most countries in the world where religion is a major factor. Evaluation of the course shows that FCO staff better understand the tensions between and within religious communities and are better equipped to negotiate the role of religion in everyday life, including the sensitivity of conflict language.

The Woolf Institute also continued to deliver end-of-life training courses for healthcare professionals. The UK exhibits an increasingly diverse and older population and studies show that a lack of communication is the main complaint in end of life care. The course, which deals with religious practices around dying, was developed out of a two-year research study undertaken by the Woolf Institute and focuses on delivering training courses that seek to raise awareness and empower medical and non-medical staff. Emphasis is placed on the strengthening of relationships between staff, patients, families, and the wider community.

During the year, Sughra Ahmed led on two reports one for 'Hospice UK' and 'Together in Dying' on connecting the Muslim community with hospice care, and one evaluating a volunteer programme to support carers of dementia patients called 'Namaste'. Compassion in Dying also commissioned a new research project exploring advanced-care planning amongst British Muslim communities. The research was undertaken by Sughra Ahmed and Naved Siddiqi and the report was published after the end of the financial year.

Dr Cohen has again been commissioned to evaluate small-scale project grants for the national Near Neighbours Programme run by the Church Urban Fund and supported by the Department for Communities and Local Government.

The report of the Commission on Religion and Belief in British Public Life, convened by the Woolf Institute (www.corab.org.uk), was published on 7th December 2015. The report, 'Living with Difference: community, diversity and

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the common good' was the culmination of a two-year study by a board of twenty Commissioners, chaired by The Rt Hon Baroness Elizabeth Butler-Sloss of Marsh Green GBE with Dr Ed Kessler as Vice Chair.

One of the goals of the Commission was to generate a national debate about the place of religion and belief. In the first two days, it resulted in 60 national newspaper articles and reached nearly two million on Twitter. The Minister in the Department for Communities and Local Government, Baroness Williams formally welcomed the report in January 2016 and hosted a cross departmental meeting of senior civil servants in March. Among the outcomes resulting from the recommendations of the Commission are a review of Religious Education Curricula undertaken by The Religious Education Council of England and Wales and a Government review of minority tribunals.

Public relations

The Woolf Institute has experienced increased PR coverage this academic year, partly because of the launch of the report of The Commission on Religion and Belief in British Public Life. In addition, the Institute publishes a blog, normally once a week, through Wordpress (<https://woolfinstitute.wordpress.com/>).

Other social media platforms include Facebook and Twitter and follower are increasing steadily: Facebook now has 1500 followers, and Twitter has increased to 3000 followers.

As a result of a generous grant from the Garfield Weston Foundation, the Institute appointed a communications firm, Portland, to increase awareness of the Woolf Institute and help disseminate its educational programmes and research findings.

Establishing a Permanent Home

For the first 15 years, the Woolf Institute leased facilities at Wesley House but as a result of increasing demand for its educational programmes and consequent rise in student numbers its development was threatened by a lack of available space for much needed expansion. In addition, during 2013/14, Wesley House sold its site to Jesus College, compelling the Woolf Institute to find temporary accommodation at the Margaret Beaufort Institute whilst it seeks to establish a permanent home.

The Woolf Institute is constructing a purpose-built facility, which would satisfy its future teaching, research and outreach needs. This requires a research library and archive, seminar rooms and conference facilities, research hub, offices, student and visiting fellow accommodation, a multi-faith chapel, and – crucially for its popular, e-learning programmes – a media/ e-learning centre.

The Woolf Institute signed a conditional contract with Westminster College in 2013, with a view to moving into its own building within the Westminster Campus. In August 2014 planning permission was received from Cambridge City Council. The Governors of Westminster College, as well as the United Reformed Church Trust, welcomed the opportunities co-location will bring for both formal and informal contact and collaboration as enriching for both parties. The creation of distinct but co-located facilities express in a built form exactly the character of the relationship they are looking to foster between the two institutions.

The Woolf Institute launched a major capital appeal and in 2013 HRH The Princess Royal generously agreed to be Capital Appeal Patron. In 2015 John Lyon CB was appointed Director of Strategy and Implementation and is managing the move to the new building.

The cost of the building including land, design, planning and construction and other associated costs is £9 million. This new purpose-built facility will provide state-of-the-art educational and research facilities including a dedicated library, media centre, research hub and on-site accommodation for visiting fellows and students.

Tim Taylor of Deakin & Jones has been appointed Project Manager and Employer's Agent and works closely with Dr Kessler and John Lyon. He also chairs the Design Team (architect, mechanical engineer and other consultants) and is responsible for project delivery. The building has been designed by Bland, Brown + Cole, a leading Cambridge based architectural firm. The Woolf Institute's Trustees have established a Property Committee, chaired by Douglas Woolf, Managing Director of Romulus Construction.

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Scott Prenn, the strategic fundraising consultancy, advises on the capital campaign, which is driven by the Development Council, headed by Sir Mick Davis and Lord Woolf and whose members include Shabir Randeree CBE, Rick Sopher and James Wilcox. The Institute has been successful in raising a total £8.2 million (pledged and/or received).

After much consideration, in July 2015 the trustees agreed to go ahead with pre-construction works with Hutton Construction, a decision that was affirmed in September 2015 and a contract agreed. Construction began in December 2015 and the Institute is on schedule to move into the new building in summer 2017.

FINANCIAL REVIEW

Financial review

At the year end, the Woolf Institute had net assets of £5,321,419 (2014-15- £4,191,056). The overall surplus in 2015-16 is £1,130,363, primarily the result of funds raised for the capital appeal.

As for the Woolf Institute's running costs (ie. excluding the capital appeal) a transfer of £100,000 was made from the endowment funds. This is a reduction 2014-15 transfer of £150,000 and £232,834, the previous year. The Total Funds position remains strong.

At the end of the financial year we had available £86,729 unrestricted funds, together with restricted funds of £4,530,208 and unrestricted endowment funds of £704,482.

Once the capital appeal has been completed, increased attention will be directed towards increasing the Institute's endowment and unrestricted funding. However, in the short-term, the ongoing absence of Associate Director, Matthew Teather due to a serious illness is having a negative impact on income received and greater staff resource will be required to increase fundraising revenue as well as academic grant income.

As well as academic and non-academic grants, the running costs of the Institute are also supported by fundraising events such as fundraising dinners and establishing a 'Friends of the Institute' initiative and the continuing support of trusts and individuals, who are listed in this report. Many supporters have generously agreed to provide ongoing support for a number of years.

The resources expended in the year were in accordance with the key objectives of the Institute.

Risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available funds to settle debts as they fall due, fundraising activity and academic grant activity to ensure sufficient working capital by the Trust.

Attention has also been focussed on non-financial risks arising from academic research and staffing pressures. These risks are managed by ensuring accreditation is up to date, having robust policies and sound HR procedures are in place.

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Plans for the future

The teaching, research and public education programmes will continue to provide the bulk of the Woolf Institute's work. Greater emphasis will be placed on generating research income through innovative academic projects. Public Education projects will continue to expand as demand grows and the Woolf Institute becomes increasingly recognised as a Centre of Excellence both by the wider public and also in the scholarly community.

The challenging financial climate is likely to have a negative impact on the Woolf Institute's income in the next 12 months, especially as expenditure grows in preparation for a new building. However, the strong financial reserves and investment in Development put the Institute in a sound financial position.

Once funding and construction of a permanent home has been completed, the long-term financial aim is to establish an endowment fund of £15 million to underpin the future of the Woolf Institute.

Investment powers and policy

There are no specific investment powers. The Trustees have delegated investment of the expendable endowment fund to professional investment managers, Smith and Williamson Fund Managers. A total returns approach has been adopted with a cautious phased approach to investment given the current market fluctuations and uncertainties.

Investments policy

Following the investment advice from Smith and Williamson Fund Managers, the Institute is following a funds-based solution using funds approved by the Charity Commissioners, rather than a segregated account with individual securities managed by a discretionary manager.

The table below shows the preferred asset allocation.

| Strategy - | % |
|--------------------|-------|
| UK Equities | 30.00 |
| Overseas equities | 25.00 |
| Bonds | 20.00 |
| Property | 7.50 |
| Hedge fund / other | 7.50 |
| Cash | 10.00 |

Reserves policy and going concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned expenditure. The charity presently has reserves of £86,729 and an expendable endowment of £704,482.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees consider that adequate resources continue to be available to fund the activities of the Institute for the foreseeable future and that it is a going concern.

The Trustees are also aware that attention being directed to the capital appeal, together with the economic backdrop, has provided a challenging financial environment. This will continue in 2016-17, after which the Trustees expect the situation to improve when reserves and the expendable endowment will begin to accumulate from 2017/18.

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Chair

Lord Ian Blair (appointed 28/06/16)
Lord Khalid Hameed (resigned 28/06/16)
Prof Waqar Ahmad
Lord Richard Harries
Mrs Trixie Brenninkmeijer
Rev. Prof. Martin Forward
Mr Robert Glatzer
Mr Peter Halban
Dr Edward Kessler MBE (Founder Director)
Mr David Leibowitz
Prof. Julius Lipner FBA
Mr Martin Paisner CBE
Mr Shabir Randeree CBE (appointed 28/06/2016)
Mr Ed Williams (appointed 25/11/2015)
Lady Marguerite Leah Woolf

Secretary Mr John Lyon CB

Charity number 1069589

Company number 3540878

Principal address
12-14 Grange Road
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CB3 9DU

Registered office
12-14 Grange Road
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CB3 9DU

Auditors
Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers
CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Investment advisors
Smith and Williamson
25 Moorgate
London
EC2R 6AY

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Capital Appeal Patron
HRH The Princess Royal

President
The Rt. Hon. The Lord Woolf PC CH

Patrons
HRH Prince Hassan bin Talal of Jordan
The Most Revd and Rt. Hon Justin Welby, Archbishop of Canterbury
Chief Rabbi Mirvis, Chief Rabbi of the United Hebrew Congregations of the Commonwealth
Cardinal Vincent Nichols, Archbishop of Westminster
Archbishop Gregorios, Archbishop of Thyateira and Great Britain
Rev David Robertson, Free Church Moderator
Baroness Julia Neuberger, Senior Rabbi West London Synagogue
Rabbi Joseph Dweck, Spanish & Portuguese Jews' Congregation
Lord Jonathan Sacks

Honorary Vice-Presidents
Rev Dominic Fenton
Lord Khalid Hameed
Mr Clemens N Nathan
Mr John Pickering

Inter-faith Patrons
Baroness Elizabeth Butler-Sloss GBE
Sir Sigmund Sternberg KCSG (deceased 18 October 2016)
Dr Richard Stone CBE

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Woolf Institute was established by charity deed on 26 November 1996 with the Charity Commission for England and Wales (No. 1059772), under the original title, Centre for Jewish-Christian Relations. It then merged with a Charitable Company limited by Guarantee (No. 1069589) and, with the approval of Charity Commission, was incorporated at Companies House on 18 May 1998 (No. 3540878).

The change of name to the Woolf Institute was approved by Companies House on 29 June 2010.

Appointment of Trustees and director's interests

The directors of the company are also charity Trustees for the purpose of charity law and under the company's Articles are known as members of the Board. As set out in the Articles of Association, the Chair of the Trustees is nominated by the Board.

The method of recruitment and appointment of Trustees is carried out by the Board of Trustees.

There is no restriction on the maximum number of Trustees that can be appointed. The minimum number is three.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Induction and training of Trustees

The Trustees are already qualified by being involved in or supportive of inter-faith activities or by being professional religious clerics or academics. The induction process is by presentation of information packs provided by the Charity and meetings dedicated to explaining the charity's ethos and aims.

Pay of Key Management Personnel

The pay of key management personnel is set having regard to Cambridge University and Cambridge Theological Federation analogues. This year, as in previous years, these personnel, in line with all permanent staff, received a cost of living increase of 2%. No key management personnel received remuneration more than £60,000 in the year.

Organisational structure

There are no specific restrictions imposed by the governing document concerning the way the charity can operate.

Partnerships and Collaborations

Since inception, the Woolf Institute has been an Associate Member of the Cambridge Theological Federation and has an academic agreement with St Edmunds College, Cambridge, signed in 2014.

The Woolf Institute also collaborates with Cambridge University's Prince Alwaleed Bin Talal Centre for Islamic Studies, Cambridge Commonwealth, European and International Trust and the Faculty of Asian and Middle Eastern Studies as well as contributes to the provision of the University's undergraduate and postgraduate teaching programme.

International academic cooperation has been a vital part of the Institute's academic outreach and cooperation for over a decade. An agreement was made with the American University in Washington in 2010 to deliver an annual e-learning programme entitled Bridging the Great Divide: the Jewish-Muslim Encounter and an academic Memorandum of Understanding was signed with the Doha International Center for Interfaith Dialogue, based in Qatar, in 2012.

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FOR THE YEAR ENDED 31 AUGUST 2016

Financial support through grants and donations

The Woolf Institute greatly appreciates the support of individuals, private companies, public bodies, Trusts and Foundations in support of its educational activities.

We would like to acknowledge with gratitude the following who have supported the Institute through significant grants and donations in 2015-16:

Siftung Auxilium
The B-L Foundation
The Stichting Benevolentia
The Davis Foundation
The Dorset Trust
D'Oyly Carte Charitable Trust
The Eranda Foundation
The Garfield Weston Foundation
The Headley Trust
The Humanitarian Trust
The Ian Karten Charitable Trust
The Joseph Rowntree Charitable Trust
Kessler Charitable Trust
Laing Charitable Trust
The Mallinckrodt Foundation
The Open Society Foundation
Patrick Rowland Foundation
Ploughshare Trust
Porticus
Quraysh
Qatar National Research Foundation
Romulus
Ronson Foundation
Rothschild, Europe
The Sansom-Eligator Foundation
Schroder Foundation
The Shasha Foundation
Sir James Knott Trust
Sultan Nazrin Shah Foundation
The Spalding Trust
Templeton World Charitable Foundation
Charles Wolfson Charitable Trust

We also acknowledge with gratitude those Trusts and individuals who prefer to remain anonymous.

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TRUSTEES' RESPONSIBILITIES

Trustees' responsibilities statement

The trustees (who are also directors of Woolf Institute for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

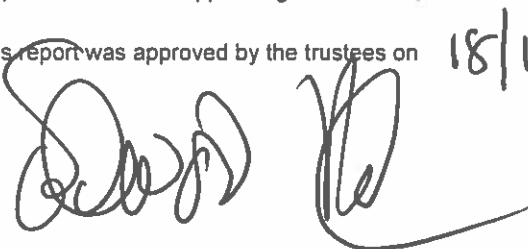
Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The Designated trustees will propose a motion re-appointing the auditors, Peters Elworthy & Moore at a meeting of the trustees.

This report was approved by the trustees on 18/1/17 and signed on their behalf by:



Dr Edward Kessler MBE (Founder and Director)
Trustee

WOOLF INSTITUTE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOOLF INSTITUTE

We have audited the financial statements of Woolf Institute for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of 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 company'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 Trustees' 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 charitable company's affairs as at 31 August 2016 and of its 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOOLF INSTITUTE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Judith Coplowe (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
3 March 2017

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

| | Note | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations & legacies: | | | | | | |
| Building fund donations | 3 | - | 1,204,724 | - | 1,204,724 | 2,197,500 |
| Other donations and legacies | 3 | 305,899 | 330,184 | - | 636,083 | 312,371 |
| Charitable activities | 4 | 163,268 | 137,969 | - | 301,237 | 269,287 |
| Investments | 5 | 24,835 | - | - | 24,835 | 31,889 |
| TOTAL INCOME AND ENDOWMENTS | | 494,002 | 1,672,877 | - | 2,166,879 | 2,811,047 |
| EXPENDITURE ON: | | | | | | |
| Raising funds: | | | | | | |
| Fundraising and trading expenditure | 6 | 54,292 | 259,490 | - | 313,782 | 199,052 |
| Investment management | 7 | - | - | 2,399 | 2,399 | 3,228 |
| Charitable activities | 8 | 446,984 | 327,686 | - | 774,670 | 736,123 |
| TOTAL EXPENDITURE | | 501,276 | 587,176 | 2,399 | 1,090,851 | 938,403 |
| NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES) | | (7,274) | 1,085,701 | (2,399) | 1,076,028 | 1,872,644 |
| Net gains/(losses) on investments | 14 | - | - | 54,335 | 54,335 | (14,848) |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | (7,274) | 1,085,701 | 51,936 | 1,130,363 | 1,857,796 |
| Transfers between Funds | 18 | 89,219 | 10,781 | (100,000) | - | - |
| NET MOVEMENT IN FUNDS | | 81,945 | 1,096,482 | (48,064) | 1,130,363 | 1,857,796 |
| NET MOVEMENT IN FUNDS | | 81,945 | 1,096,482 | (48,064) | 1,130,363 | 1,857,796 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 4,784 | 3,433,726 | 752,546 | 4,191,056 | 2,333,260 |
| TOTAL FUNDS CARRIED FORWARD | | 86,729 | 4,530,208 | 704,482 | 5,321,419 | 4,191,056 |

All activities relate to continuing operations.

The notes on pages 19 to 30 form part of these financial statements.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

| | | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| | Note | | | | |
| GROSS INCOME IN THE REPORTING PERIOD | | 494,002 | 1,672,877 | 2,166,879 | 2,811,047 |
| Less: Total expenditure | | 501,276 | 587,176 | 1,088,452 | (935,175) |
| NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS | | (7,274) | 1,085,701 | 1,078,427 | 1,875,872 |
| Transfers between funds | 18 | 89,219 | 10,781 | 100,000 | 150,000 |
| Net income for the year after transfers | | 81,945 | 1,096,482 | 1,178,427 | 2,025,872 |
| NET INCOME FOR THE FINANCIAL YEAR | 18 | 81,945 | 1,096,482 | 1,178,427 | 2,025,872 |

The notes on pages 19 to 30 form part of these financial statements.

WOOLF INSTITUTE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03540878

BALANCE SHEET
AS AT 31 AUGUST 2016

| | Note | £ | 2016 £ | £ | 2015 £ |
|---|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 3,426,348 | | 1,010,525 |
| Investments | 14 | | 808,140 | | 760,053 |
| | | | <u>4,234,488</u> | | <u>1,770,578</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 1,405 | | 13,924 | |
| Investments | 16 | - | | 2,379,370 | |
| Cash at bank and in hand | | 1,742,891 | | 72,117 | |
| | | <u>1,744,296</u> | | <u>2,465,411</u> | |
| CREDITORS: amounts falling due within one year | 17 | (657,365) | | (44,933) | |
| NET CURRENT ASSETS | | | <u>1,086,931</u> | | <u>2,420,478</u> |
| NET ASSETS | | | <u>5,321,419</u> | | <u>4,191,056</u> |
| CHARITY FUNDS | | | | | |
| Endowment funds | 18 | | 704,482 | | 752,546 |
| Restricted funds | 18 | | 4,530,208 | | 3,433,726 |
| Unrestricted funds | 18 | | 86,729 | | 4,784 |
| TOTAL FUNDS | | | <u>5,321,419</u> | | <u>4,191,056</u> |

The financial statements were approved by the trustees on

18/2/17

and signed on their behalf, by:



Dr Edward Kessler MBE, Founder and Director
Trustee

The notes on pages 19 to 30 form part of these financial statements.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

| | Note | 2016 £ | 2015 £ |
|--|------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 3,206,722 | 48,976 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 24,835 | 31,889 |
| Purchase of tangible fixed assets | | (2,428,428) | (441,897) |
| Proceeds from sale of investments | | 135,165 | 116,656 |
| Purchase of investments | | (128,917) | (13,572) |
| Net cash used in investing activities | | (2,397,345) | (306,924) |
| Change in cash and cash equivalents in the year | | 809,377 | (257,948) |
| Cash and cash equivalents brought forward | | 72,117 | 330,065 |
| Cash and cash equivalents carried forward | 21 | 881,494 | 72,117 |

The notes on pages 26 to 37 form part of these financial statements.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Woolf Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

Gains and losses on investments now form part of net income.

In accordance with FRS 102, a reconciliation of opening balances is provided here:

| | |
|---|---------------------------------|
| | 31 August 2015 £ |
| Reconciliation of reported net income | |
| Net income as previously stated | 1,872,644 |
| Adjustment for gains/(losses) on investments now treated as a component of net income | (14,848) |
| Net income as restated as at 31/08/2015 | 1,857,796 |

1.3 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

There is also an expendable endowment fund, which has been set up from appeal donations. The income from this fund is unrestricted and is to be used to support the company's general charitable objectives. The terms of the endowment allow the capital of the fund to be spent if the trustees so determine.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

With an expendable endowment, the Trustees are able to cover the deficit arising on its unrestricted funds, when necessary. Nevertheless the Trustees have taken steps to reduce this deficit and eliminate the need to draw from its endowment. This includes the establishment of a Development office and improved financial monitoring to ensure its plans are met. Accordingly, the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.6 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donation income is recognised when received or before receipt if it becomes reasonably certain that the donation will be received and the value of the income can be reliably measured.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the company that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Course fee income represents net course fees receivable during the year, in respect of educational courses provided during the year.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.7 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs including governance costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

All resources expended are inclusive of irrecoverable VAT.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|--------------------------------|---|--|
| Leasehold Property | - | Over the life of the lease |
| Assets under construction | - | No depreciation is provided on these assets until they are completed and brought into use. |
| Fixtures, fittings & equipment | - | 33.33% straight line |

Assets under construction include capitalised staff time relating to the management of the construction project.

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Current asset investment represents cash investments made by the charity.

1.10 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.15 FINANCIAL INSTRUMENTS

The company only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. NET INCOME / (EXPENDITURE)

This is stated after charging:

| | 2016 £ | 2015 £ |
|---|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 12,605 | 5,434 |
| Auditors' remuneration - audit | 5,250 | 4,725 |
| Auditors' remuneration - other services | 10,470 | 12,163 |
| Operating lease rentals | 50,030 | 45,738 |
| | <u>78,355</u> | <u>68,060</u> |

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Building fund donations | - | 1,204,724 | - | 1,204,724 | 2,197,500 |
| Other donations | 305,899 | 330,184 | - | 636,083 | 302,371 |
| Legacies | - | - | - | - | 10,000 |
| Subtotal | <u>305,899</u> | <u>330,184</u> | <u>-</u> | <u>636,083</u> | <u>312,371</u> |
| Total donations and legacies | <u>305,899</u> | <u>1,534,908</u> | <u>-</u> | <u>1,840,807</u> | <u>2,509,871</u> |

In 2015, of the total income from donations and legacies, £250,371 was to unrestricted funds and £2,259,500 was to restricted funds.

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|---------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Course income | 163,268 | 137,969 | - | 301,237 | 269,287 |
| | <u>163,268</u> | <u>137,969</u> | <u>-</u> | <u>301,237</u> | <u>269,287</u> |

In 2015, of the total income from charitable activities, £62,101 was to unrestricted funds and £207,186.

5. INVESTMENT INCOME

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|-----------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Dividends and distributions | 17,669 | - | - | 17,669 | 23,665 |
| Interest received | 7,166 | - | - | 7,166 | 8,224 |
| | <u>24,835</u> | <u>-</u> | <u>-</u> | <u>24,835</u> | <u>31,889</u> |

In 2015, all investment income related to unrestricted funds.

6. FUNDRAISING EXPENSES

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| General fundraising expenses | 54,142 | - | - | 54,142 | 179 |
| Building fund fundraising expenses | - | 171,138 | - | 171,138 | 101,715 |
| Voluntary income staff costs | 150 | 88,352 | - | 88,502 | 97,158 |
| | <u>54,292</u> | <u>259,490</u> | <u>-</u> | <u>313,782</u> | <u>199,052</u> |

In 2015, of the stated fundraising expenses, £24,840 was to unrestricted funds and £174,212 was to restricted funds.

7. INVESTMENT MANAGEMENT COSTS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|----------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Investment management fees | - | - | 2,399 | 2,399 | 3,228 |
| | <u>-</u> | <u>-</u> | <u>2,399</u> | <u>2,399</u> | <u>3,228</u> |

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Direct costs 2016 £ | Support costs 2016 £ | Total 2016 £ | Total 2015 £ |
|---|---------------------------|-------------------------------|--------------------|--------------------|
| Educational programmes (see notes 9 and 10) | 551,357 | 223,313 | 774,670 | 736,123 |

9. DIRECT COSTS

| | Educational programmes £ | Total 2016 £ | Total 2015 £ |
|--------------------|--------------------------------|--------------------|--------------------|
| Direct costs | 163,937 | 163,937 | 146,068 |
| Wages and salaries | 316,088 | 316,088 | 306,787 |
| National insurance | 31,803 | 31,803 | 21,269 |
| Pension cost | 26,924 | 26,924 | 19,483 |
| Depreciation | 12,605 | 12,605 | 5,434 |
| | 551,357 | 551,357 | 499,041 |

10. SUPPORT AND GOVERNANCE COSTS

| | Governance £ | Educational programmes £ | Total 2016 £ | Total 2015 £ |
|--------------------|-----------------|--------------------------------|--------------------|--------------------|
| Support costs | - | 126,442 | 126,442 | 147,908 |
| Non- audit fees | 2,970 | - | 2,970 | 1,550 |
| Audit remuneration | 5,250 | - | 5,250 | 4,725 |
| Wages and salaries | - | 74,231 | 74,231 | 69,292 |
| National insurance | - | 7,818 | 7,818 | 7,238 |
| Pension cost | - | 6,602 | 6,602 | 6,369 |
| | 8,220 | 215,093 | 223,313 | 237,082 |

WOOLF INSTITUTE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

| | 2016 £ | 2015 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 466,226 | 458,609 |
| Social security costs | 46,289 | 37,682 |
| Other pension costs | 39,453 | 31,305 |
| | <u>551,968</u> | <u>527,596</u> |

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

| | 2016 No. | 2015 No. |
|----------------|-------------|-------------|
| Executive | 4 | 4 |
| Academic | 8 | 7 |
| Administration | 3 | 3 |
| | <u>15</u> | <u>14</u> |

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel of the charity comprises the Trustees, the Deputy Director and the Director of Strategy and Implementation. The total employment benefits of key management personnel, including employer pension contribution were £201,101 (2015 - £194,058).

During the year, one Trustee received remuneration of £57,035 (2015 - £56,008) in respect of his role as Executive Director. This payment has been exceptionally approved by the Charity Commission.

During the year, one Trustee (2015 - one Trustee) received reimbursement of expenses or benefits in kind of £15,917 (2015 - £6,723).

WOOLF INSTITUTE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Assets under construction £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------|----------------------------|-----------------------------------|---|------------|
| COST | | | | |
| At 1 September 2015 | - | 999,028 | 79,709 | 1,078,737 |
| Additions | 1,053,392 | 1,370,252 | 4,784 | 2,428,428 |
| At 31 August 2016 | 1,053,392 | 2,369,280 | 84,493 | 3,507,165 |
| DEPRECIATION | | | | |
| At 1 September 2015 | - | - | 68,212 | 68,212 |
| Charge for the year | 5,725 | - | 6,880 | 12,605 |
| At 31 August 2016 | 5,725 | - | 75,092 | 80,817 |
| NET BOOK VALUE | | | | |
| At 31 August 2016 | 1,047,667 | 2,369,280 | 9,401 | 3,426,348 |
| At 31 August 2015 | - | 999,028 | 11,497 | 1,010,525 |

13. FIXED ASSET INVESTMENTS

| | Listed securities £ | Cash £ | Total £ |
|--|---------------------------|-----------|------------|
| MARKET VALUE | | | |
| At 1 September 2015 | 645,407 | 114,646 | 760,053 |
| Additions | 141,490 | - | 141,490 |
| Disposals (Disposal proceeds - £135,165) | (127,261) | - | (127,261) |
| Movement in year | - | (12,573) | (12,573) |
| Revaluations | 46,431 | - | 46,431 |
| At 31 August 2016 | 706,067 | 102,073 | 808,140 |
| HISTORICAL COST | 540,845 | 102,073 | 642,918 |

INVESTMENTS AT MARKET VALUE COMPRISE:

| | 2016 £ | 2015 £ |
|---------------------------|----------------|----------------|
| Listed investments | 706,067 | 645,407 |
| Cash at brokers | 102,073 | 114,646 |
| Total market value | 808,140 | 760,053 |

All the fixed asset investments are held in the UK.

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13. FIXED ASSET INVESTMENTS (continued)

INVESTMENT RISK

All investments are listed on recognised stock exchanges. Day-to-day management of the investments was delegated by the trustees during the year to Smith & Williamson.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

14. DEBTORS

| | 2016 £ | 2015 £ |
|--------------------------------|--------------|---------------|
| Trade debtors | - | 8,210 |
| Other debtors | 74 | 134 |
| Prepayments and accrued income | 1,331 | 5,580 |
| | <u>1,405</u> | <u>13,924</u> |

15. CURRENT ASSET INVESTMENTS

| | 2016 £ | 2015 £ |
|---------------|-----------|------------------|
| Cash deposits | - | 2,379,370 |
| | <u>-</u> | <u>2,379,370</u> |

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|---------------|
| Trade creditors | 1,889 | 8,894 |
| Other taxation and social security | 12,572 | 12,536 |
| Other creditors | 600,000 | 17 |
| Accruals | 42,904 | 23,486 |
| | <u>657,365</u> | <u>44,933</u> |

17. STATEMENT OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|-------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 4,784 | 494,002 | (501,276) | 89,219 | - | 86,729 |
| ENDOWMENT FUNDS | | | | | | |
| Appeal fund | 752,546 | - | (2,399) | (100,000) | 54,335 | 704,482 |
| RESTRICTED FUNDS | | | | | | |
| Research grants and projects | 169,845 | 173,153 | (282,685) | 10,781 | - | 71,094 |
| Building fund | 3,263,881 | 1,204,724 | (259,491) | - | - | 4,209,114 |
| Student bursaries | - | 45,000 | (45,000) | - | - | - |
| Public relations | - | 250,000 | - | - | - | 250,000 |
| | <u>3,433,726</u> | <u>1,672,877</u> | <u>(587,176)</u> | <u>10,781</u> | <u>-</u> | <u>4,530,208</u> |
| Total of funds | <u>4,191,056</u> | <u>2,166,879</u> | <u>(1,090,851)</u> | <u>-</u> | <u>54,335</u> | <u>5,321,419</u> |

Appeal fund

The appeal fund was launched in 2002 and represents expendable donations received to help establish and secure the Woolf Institute's financial future. These funds are expendable at the discretion of the Trustees.

Research grants and projects

This fund represents grants received for research projects.

Building fund

The building fund represents monies to support the purchase of land and development of a new building for a permanent home for the Woolf Institute.

Student bursaries

This fund represents donations received to support student bursaries for those wishing to study at the Institute.

Public relations

This fund represents donations received which are used to raise the profile of the Institute.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

There were two transfers between funds in the year:

The transfer from the appeal fund to general funds represents an application of the expendable endowment for the charity's objects.

The transfer from general funds to research grants and projects and student bursaries represents costs incurred in excess of restricted income received borne by the unrestricted funds.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Endowment funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|-------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| | - | - | - | - | 1,010,525 |
| Tangible fixed assets | 603,676 | 2,822,672 | - | 3,426,348 | - |
| Fixed asset investments | - | - | 808,140 | 808,140 | 760,053 |
| Current assets | 6,719 | 1,737,577 | - | 1,744,296 | 2,465,411 |
| Creditors due within one year | (627,324) | (30,041) | - | (657,365) | (44,933) |
| Interfund loan | 103,658 | - | (103,658) | - | - |
| | <u>86,729</u> | <u>4,530,208</u> | <u>704,482</u> | <u>5,321,419</u> | <u>4,191,056</u> |

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2016 £ | 2015 £ |
|--|------------------|---------------|
| Net income for the year (as per Statement of financial activities) | 1,130,363 | 1,857,796 |
| Adjustment for: | | |
| Depreciation charges | 12,605 | 5,434 |
| (Gains)/losses on investment | (54,335) | 14,848 |
| Dividends and interest from investments | (24,835) | (31,889) |
| Decrease in debtors | 12,519 | 6,677 |
| Increase/(decrease) in creditors | 612,432 | (96,321) |
| Movement in current asset investments | 1,517,973 | (1,707,569) |
| Net cash provided by operating activities | <u>3,206,722</u> | <u>48,976</u> |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2016 £ | 2015 £ |
|--------------|----------------|---------------|
| Cash in hand | 881,494 | 72,117 |
| Total | <u>881,494</u> | <u>72,117</u> |

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21. CAPITAL COMMITMENTS

At 31 August 2016 the company had capital commitments as follows:

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | 6,307,369 | - |

22. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £39,453 (2015 - £31,305). At the year end contributions not paid over to the scheme amounted to £Nil (2015 - £Nil).

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

| | 2016 £ | 2015 £ |
|-------------------------|-----------|-----------|
| AMOUNTS PAYABLE: | | |
| Within 1 year | 50,030 | 45,738 |
| Between 1 and 5 years | - | 50,030 |
| Total | 50,030 | 95,768 |

24. RELATED PARTY TRANSACTIONS

During the year donations totalling £20,180 (2015 - £12,500) were received from the trustees.

