

THE STAPLES TRUST

ANNUAL REPORT

5 APRIL 2009

Allington House (1st Floor)
150 Victoria Street
London SW1E 5AE

THE STAPLES TRUST
5 April 2009

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REPORT OF THE TRUSTEES

Legal and Administrative

The Staples Trust (No. 1010656) was established under a Trust Deed dated 31 March 1992.

Trustees	Jessica Sainsbury Peter Frankopan Alex Sainsbury James Sainsbury Judith Portrait
Registered Office	Allington House (1st Floor), 150 Victoria Street London SW1E 5AE
Principal Officers	Mr A Bookbinder Director Mr P Spokes Finance Director Miss H Marriott Executive Miss J Temple Executive
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD
Solicitors	Portrait Solicitors 1 Chancery Lane London WC2A 1LF
Auditors	Horwath Clark Whitehill LLP St Bride's House, 10 Salisbury Square London EC4Y 8EH
Investment Advisers	BlackRock Investment Management (UK) Limited 33 King William Street London EC4R 9AS

Investment Powers

The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within guidelines established by the Trustees.

Objects

The objects of the Trust as given in the Trust Deed are for general charitable purposes.

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REPORT OF THE TRUSTEES (continued)

Organisation

The Trust is one of the Sainsbury Family Charitable Trusts which share a common administration. The other Sainsbury Family Charitable Trusts which are administered from the Registered Office are as follows:

The Ashden Trust	The Kay Kendall Leukaemia Fund
The Alan and Babette Sainsbury Charitable Fund	The Linbury Trust
The Elizabeth Clark Charitable Trust	The Mark Leonard Trust
The Gatsby Charitable Foundation	The Monument Historic Buildings Trust
The Glass-House Trust	The Monument Trust
The Headley Trust	The Tedworth Charitable Trust
The Indigo Trust	The Three Guineas Trust
The J J Charitable Trust	The True Colours Trust
The Jerusalem Trust	The Woodward Charitable Trust

Policies

Proposals are generally invited by the Trustees or initiated at their request. Unsolicited applications are discouraged and are unlikely to be successful, even if they fall within an area in which the Trustees are interested. The Trustees prefer to support innovative schemes that can be successfully replicated or become self-sustaining. Grants are not normally made to individuals. Trustees are reviewing their longer term strategy and, for the foreseeable future, will tend not to make further multi-year grants. The Trustees' priorities are set out under each category heading in the report on grants approved below.

Reserves Policy

It has been the policy of the Trustees to approve grants for payment over a period of years, subject to certain conditions over the life of the grant. Those expected to be paid within twelve months of the year end are accrued in the accounts, whilst those due to be paid later than this are not accrued. These are referred to in note 3 to the accounts and amount to £730,666. They represent funds earmarked for continued support to certain existing beneficiaries, although formal commitments have not yet been made. Cash flow projections for income and expenditure are regularly reviewed to ensure that the level of available reserves is adequate and that the Trust is in a position to meet all its commitments.

The Trustees consider that when possible it is appropriate to hold free funds, both to meet the short-term working capital needs of the Trust and in anticipation of the potential payment of subsequent grant instalments. Unrestricted reserves showed a deficit of £206,042 at 5 April 2009 (2008: £33,177). In the unlikely event that the Trustees find themselves unable to meet current commitments from unrestricted reserves, they would be willing to draw on expendable endowment in order to meet those commitments, as they see fit.

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REPORT OF THE TRUSTEES (continued)

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on Charity and Public Benefit. They consider the very full information about the Trust's aims, activities and achievements in the many areas of interest that the Trust supports which follows in this annual report, demonstrates the benefit to its beneficiaries, and through them to the Public that arise from carrying out those aims.

Investment Policy and Performance

Trustees meet with their investment managers regularly to discuss investment strategy and also to seek to ensure that the Trust's income requirements are met and that long term capital growth is in line with relevant indices.

The value of the Trust's portfolio fell during the year in terms of capital value, due to the widely publicised fall in the financial markets. The Trustees normally hold investments for the long term.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, systems are in place adequate to meet such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

Environmental Policy

Since 2004, a sustainability group has been actively trying to reduce the Trusts' carbon footprint. In September 2007, the charity Global Action Plan carried out an environmental audit, whose recommendations both management and staff are committed to implementing.

Review of the Past Year

During the year the asset value of the Trust decreased from £12,650,850 at 5 April 2008 to £10,264,043 at 5 April 2009, a fall of 18.87%, largely caused by the fall in investment values as described above. The net unrestricted income of the Trust for the year after charging support and governance costs was £490,517, which was a decrease on the previous year's figure of £553,882, mostly as a result of falling interest rates on the Trust's cash based investments.

The Trustees met twice during the year to make grants and twice to review investment activity.

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REPORT OF THE TRUSTEES (continued)

Review of the Past Year (continued)

During the year the Trustees approved 38 grants totalling £387,658 some of which are payable over more than one year.

Indicative category allocations set by Trustees at the beginning of the year are broadly reflected by payments actually made during the year. Grants approved and payments made during the year may be analysed by number and by value in the categories set out below:

	Number of grants approved	Value of grants approved £	Payments made £
Overseas development	6	143,825	66,825
Environment	5	107,400	124,400
Gender	7	102,000	327,000
Frankopan fund	16	20,433	13,823
General	4	14,000	170,833
	38	387,658	702,881

GRANTS APPROVED

OVERSEAS DEVELOPMENT - £143,825

Trustees' priorities in this category are projects which contribute to the empowerment of women, the rights of indigenous people, improved shelter and housing, income-generation in disadvantaged communities and sustainable agriculture and forestry.

Trustees are particularly interested to support development projects which take account of environmental sustainability and, in many cases, the environmental and developmental benefits of the project are of equal importance.

Grants approved in this category were as follows:

Arab Vision Netherlands - £24,750

Towards Media House, a documentary series on domestic violence in Egypt.

Interact Worldwide - £5,075

Towards the costs of training paralegals in women's rights, as part of NACWOLA's work to improve the quality of life for women living with HIV/AIDS in Uganda.

International Service - £30,000

To support literacy and skills training amongst women's groups surrounding a zinc mining operation in Burkina Faso.

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Karuna Trust - £30,000

Towards training courses for young women in slum communities in Pune, India.

Lifeline Network International - £10,000

Towards work with child-headed households in Zimbabwe.

Widows' Rights International - £44,000

Towards the employment costs of the new director.

ENVIRONMENT - £107,400

Projects are supported in developing countries, Central & Eastern Europe and the UK. Grants are approved for renewable energy technology, training and skills upgrading and, occasionally, research.

In Central & Eastern Europe, Trustees are interested in providing training opportunities for community/business leaders and policy makers and in contributing to the process of skill-sharing and information exchange.

In the UK, Trustees aim to help communities protect, maintain and improve areas of land and to support work aimed at informing rural conservation policy.

Grants approved in this category were as follows:

Centrul Independent Pentru Dezvoltarea Resurselor de Mediu - £6,400

Towards a local campaign against the expansion of a formaldehyde plant at Sebes, Romania, which is causing environmental damage.

ClientEarth - £26,000

Towards a project to bring about legal reform of shareholders' meetings so that people affected by mining operations in the developing world have the right to report their views.

Latin American Mining Monitoring Programme (LAMMP) - £20,000

Towards core costs.

Society for the Better Understanding of the Buddhist Tradition (So-Wide) - £40,000

Towards core costs to develop the education activities of the Oxford Centre for Buddhist Studies.

The Ashden Awards - £15,000

Towards the 2009 Ashden Awards for Sustainable Energy.

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GENDER - £102,000

Trustees are committed to raising awareness of gender and how the diverse understanding and experiences of men and women have an impact on the structures of society. Trustees are willing to consider projects in the UK and overseas, focusing mainly on domestic violence and women's rights.

Grants approved in this category were as follows:

Birth Companions - £5,000

Towards core costs towards the organisation's work in supporting pregnant women, mothers and babies in prison.

Fawcett Society - £20,000

Towards core costs.

Nia Project - £2,000

Towards the renovation costs of a Family Support Centre for women and children affected by domestic and honour violence in north London.

Rosa, The Women's Fund - £25,000

Towards core costs.

Shelter - £20,000

Towards a project to support female prisoners and families of offenders to retain their homes.

STOP (Trafficking UK) - £20,000

Towards core costs.

Womankind Worldwide - £10,000

Towards the launch of the anti-sex trafficking film 'Two Little Girls' in Moldova or Romania.

FRANKOPAN FUND - £20,433

Trustees have established a fund to assist exceptionally talented postgraduate students primarily from Croatia to further or complete their studies (in any discipline) in the UK. Grants from the fund were awarded as follows:

Associazione Musicale Orchestra Sinfonica Swarowsky- Davorin Brovic	£500
Boston Conservatory - Inja Davidovic	£2,000
Central St Martin's College of Art & Design - Roberta Bratovic	£2,000
City & Guilds of London Art School – Nina Vukelic	£500
Ecole Normale de Musique de Paris – Antonea Gjaja	£500
Goldsmiths College - Zlatan Krajina	£2,000
La Schola Cantorum – Ivan Pernicki	£1,933
L'Ecole Nationale de Musique et de Danse d'Evry Centre – Barbara Bicanic	£500

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London School of Economics & Political Science (LSE) – Andrej Keba	£1,000
MIB School of Management – Ivana Milos	£500
Technical University of Munich - Angela Nizic	£2,000
Universita Di Roma Tor Vergata - Cela Matan	£500
University of Cambridge - Ivana Sekol	£2,000
University of Cambridge - Ivana Cosic	£2,000
University of Middlesex - Tina Gverovic	£2,000
University of Zagreb - Filip Jelic	£500

GENERAL - £14,000

Other grants which do not naturally fit within the other categories were approved as follows:

JinLun Music Association - £3,000

Towards The Frankopan International Young Musician's Festival Zagreb.

London School of Economics & Political Science (LSE)- £5,000

Towards the Annual Fund.

The Sainsbury Archive - £5,000

Towards core costs.

University of Oxford - £1,000

Towards the Corpus Appeal.

In addition, grants to the value of £1,110 were cancelled during the year.

Approved by the Trustees on 15 September 2009 and signed on their behalf by:

..... TRUSTEE

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2009

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2009	<i>Total Funds 2008</i>
		£	£	£	£
Income and expenditure					
Incoming resources					
Donations and gifts		-	-	-	72
Investment income	2	407,180	-	407,180	413,107
Interest on short term deposits		110,847	-	110,847	173,035
Bank deposit interest		17,571	-	17,571	23,679
Total incoming resources		535,598		535,598	609,893
Resources expended					
Cost of generating funds:					
Investment management fee		-	58,130	58,130	41,343
Charitable activity:					
Grant-making	3	663,382	-	663,382	596,523
Grant related support costs	4	40,386	-	40,386	51,371
Cost of grant-making		703,768	-	703,768	647,894
Governance costs	4	4,695	-	4,695	4,568
Total resources expended		708,463	58,130	766,593	693,805
Net outgoing resources for the year		(172,865)	(58,130)	(230,995)	(83,912)
Other Recognised Gains and Losses					
Losses on investment assets:					
Realised		-	(188,538)	(188,538)	(92,333)
Unrealised	7, 10	-	(1,967,274)	(1,967,274)	(1,466,469)
Net movement in funds		(172,865)	(2,213,942)	(2,386,807)	(1,642,714)
Balances brought forward at 6 April 2008		(33,177)	12,684,027	12,650,850	14,293,564
Balances carried forward at 5 April 2009		(206,042)	10,470,085	10,264,043	12,650,850

The notes on pages 11 to 16 form part of these accounts

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BALANCE SHEET

AS AT 5 APRIL 2009

	<i>Notes</i>	2009	2008
		£	£
FIXED ASSETS			
Tangible Fixed Assets	6	2,450	3,266
Investments	7	9,778,083	12,478,034
		<u>9,780,533</u>	<u>12,481,300</u>
CURRENT ASSETS			
Debtors	8	25,952	11,255
Cash at bank and in hand		938,232	622,922
		<u>964,184</u>	<u>634,177</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	9	<u>(480,674)</u>	<u>(464,627)</u>
NET CURRENT ASSETS		483,510	169,550
NET ASSETS		<u>10,264,043</u>	<u>12,650,850</u>
CAPITAL FUNDS			
Expendable endowment	10	10,470,085	12,684,027
INCOME FUNDS			
Unrestricted funds	10	(206,042)	(33,177)
		<u>10,264,043</u>	<u>12,650,850</u>

The financial statements were approved and authorised for issue by the Trustees on 15 September 2009 and signed on their behalf by:

..... TRUSTEE

The notes on pages 11 to 16 form part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities", applicable accounting standards and the Charities Act 1993, and comply with the Charities (Accounts and Reports) Regulations 2005 issued under the Charities Act 1993.

The Charity has taken advantage of the exemptions provided under SORP 2005 and has not prepared a cash flow statement for the year.

The principal accounting policies adopted are as follows:

- a) Income
 - (i) Income is shown gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
 - (ii) Dividends are included by reference to their due dates.
 - (iii) Interest is recorded only when it has been received.

- b) Grants payable
 - Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities.
 - Payments that are due within one year of the year-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.
 - Grants approved subject to conditions that have not been met at the year-end are noted as a commitment but not accrued as expenditure (see note 3).

- c) Investments
 - Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.
 - Investments are shown at mid market value.
 - Partial disposals are accounted for using average book value.

- d) Support costs
 - Most of these costs support the grant-making activity of the Trust and are so allocated. They comprise in the main a share of the staff and office costs of the joint office of the Sainsbury Family Charitable Trusts, which are allocated in proportion to time spent on Trust matters and grants paid.

- e) Charitable activity
 - The Trustees consider that grant-making is the Trust's sole charitable activity.

- f) Governance costs
 - Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit, legal fees where relevant, together with an allocation of support costs.

- g) Depreciation
 - Fixed assets are depreciated at rates which reflect their useful life to the Trust.
 - The following rate has been used:
 - Leasehold Improvements (excluding land) - 10% per annum

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NOTES TO THE ACCOUNTS (Continued)

2. INCOME ON INVESTMENTS

Income received on investments may be analysed as follows:

	2009		2008	
	£	%	£	%
U.K. Fixed Interest	184,719	45	187,159	45
U.K. Equities	220,833	54	224,432	54
Overseas Equities	1,628	1	1,516	1
	<u>407,180</u>	<u>100</u>	<u>413,107</u>	<u>100</u>

3. GRANTS PAYABLE

	2009		2008	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2008		459,083		174,793
Grants not accrued at 6 April 2008	1,007,500		334,403	
Grants approved in the year	387,658		1,269,974	
Grants cancelled, refunded or amended	(1,110)		(354)	
Grants not accrued at 5 April 2009	<u>(730,666)</u>		<u>(1,007,500)</u>	
Grants payable for the year		663,382		596,523
Grants paid during the year		(702,881)		(312,233)
Commitments at 5 April 2009		<u>419,584</u>		<u>459,083</u>

Commitments at 5 April 2009 are payable as follows:

	2009	2008
	£	£
Within one year (note 9)	<u>419,584</u>	<u>459,083</u>

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants that are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2009 was £730,666 (2008: £1,007,500).

The amount payable in the year included the following:

	£
Overseas Development	
Arab Vision Network	24,750
Interact Worldwide	5,075
International Service	25,000
Lifeline Network Association	5,000
Widows' Rights International	44,000

NOTES TO THE ACCOUNTS (Continued)

3. GRANTS PAYABLE (Continued)

	£
Environment	
Centrul Independent Pentru Dezvoltarea Resurselor de Mediu	6,400
ClientEarth	26,000
Latin American Mining Monitoring Programme (LAMMP)	20,000
Society for the Better Understanding of the Buddhist Tradition (So-Wide)	40,000
The Ashden Awards	15,000
 Gender	
Best Beginnings	10,000
Birth Companions	5,000
Co-ordinated Action Against Domestic abuse (CAADA)	15,000
Fawcett Society	20,000
Gender Studies Institute	250,000
Nia Project	2,000
Rosa, The Women's Fund	25,000
Shelter	20,000
STOP (Trafficking UK)	20,000
 Frankopan Fund	
Associazione Musicale Orchestra Sinfonica Swarowsky- Davorin Brovic	£500
Boston Conservatory - Inja Davidovic	£2,000
Central St Martin's College of Art & Design - Roberta Bratovic	£2,000
City & Guilds of London Art School – Nina Vukelic	£500
Ecole Normale de Musique de Paris – Antonea Gjaja	£500
Goldsmiths College - Zlatan Krajina	£2,000
La Schola Cantorum – Ivan Pernicki	£1,933
L'Ecole Nationale de Musique et de Danse d'Evry Centre – Barbara Bicanic	£500
London School of Economics & Political Science (LSE) – Andrej Keba	£1,000
MIB School of Management – Ivana Milos	£500
Technical University of Munich - Angela Nizic	£2,000
Universita Di Roma Tor Vergata - Cela Matan	£500
University of Cambridge - Ivana Sekol	£2,000
University of Cambridge - Ivana Cosic	£2,000
University of Middlesex - Tina Gverovic	£2,000
University of Zagreb - Filip Jelic	£500
 General	
JinLun Music Association	15,000
London School of Economics & Political Science	5,000
The Sainsbury Archive	6,334
St Paul's Girls' School	50,000
University of Cambridge	500
University of Oxford	1,000

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NOTES TO THE ACCOUNTS (Continued)

4. ALLOCATION OF SUPPORT COSTS

	Charitable Activity	Governance	2009 Total	2008 Total
	£	£	£	£
Staff costs	25,464	1,992	27,456	37,590
Office costs	9,017	-	9,017	9,444
Depreciation	816	-	816	816
	35,297	1,992	37,289	47,850
Legal fees	5,089	-	5,089	5,386
Auditor's fees		2,703	2,703	2,703
	40,386	4,695	45,081	55,939

Included above is £5,089 payable for legal services to Portrait Solicitors, a firm in which Miss J S Portrait is a partner. No Trustees received remuneration or were reimbursed expenses during the year (2008: £nil).

5. ANALYSIS OF STAFF COSTS

	2009	2008
	£	£
Wages and salaries	22,351	31,160
Social security costs	2,589	3,631
Other pension costs	2,516	2,799
	27,456	37,590

As mentioned in Note 1(d), the Trust is one of the Sainsbury Family Charitable Trusts, which share a joint administration at the Registered Office. 1.2% of the total support and administration costs of these trusts have been allocated to The Staples Trust, including a proportionate share of the cost of employing the total number of staff serving in the office in 2008/09. Staff costs equivalent to 0.5 full time employees was charged to The Staples Trust (2007/08: 0.7 employees). Included in staff costs are contributions to money purchase pension schemes.

6. TANGIBLE FIXED ASSETS

	<u>Leasehold Improvements</u>
	£
<u>Cost</u>	
At 6 April 2008 and 5 April 2009	8,165
<u>Depreciation</u>	
At 6 April 2008	4,899
Charge for the year	816
Accumulated depreciation at 5 April 2009	5,715
Net book value at 5 April 2009	2,450
Net book value at 5 April 2008	3,266

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NOTES TO THE ACCOUNTS (Continued)

7. FIXED ASSET INVESTMENTS

	2009	2008
	£	£
Market value 6 April 2008	12,478,034	14,036,545
Less: Disposals	(1,526,756)	(1,329,684)
Add: Acquisitions at cost	794,079	1,237,642
Net gains on revaluation	(1,967,274)	(1,466,469)
Market value 5 April 2009	9,778,083	12,478,034
Historical cost 5 April 2009	11,778,155	12,678,835

The investments held as at 5 April 2009 were as follows:

	2009		2008	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Fixed Interest	3,863,887	3,434,273	3,564,751	3,316,761
U.K. Equities	5,879,604	4,321,610	5,979,420	6,026,060
Overseas Equities	34,664	22,200	34,664	35,213
Short-Term Securities	2,000,000	2,000,000	3,100,000	3,100,000
	11,778,155	9,778,083	12,678,835	12,478,034

Fixed interest investments at 5 April 2009 included the following at market value:

	£
Charinco Distribution Units	1,426,400
Charity Funds Fixed Income (COIF)	589,843
Elders Investment Co '23A' UK Protected Growth & Income	697,950

U.K. Equities at 5 April 2009 included the following at market value:

Charishare	1,419,750
J Sainsbury plc	1,023,750

Short-term deposits at 5 April 2009 included the following at market value:

Barclays Bank plc	1,000,000
Lloyds Bank plc	1,000,000

8. DEBTORS

Debtors consist of the following:

	2009	2008
	£	£
Income tax recoverable	9,028	5,395
Other debtors	16,924	5,860
	25,952	11,255

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NOTES TO THE ACCOUNTS (Continued)

9. CREDITORS

	2009	2008
	£	£
Grants payable (note 3)	419,584	459,083
Investment management fee	10,000	-
Professional charges	5,166	5,544
Other creditors	45,924	-
	<u>480,674</u>	<u>464,627</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2009
	£	£	£
Fund balances at 5 April 2009 are represented by :			
Tangible fixed assets	-	2,450	2,450
Investments	-	9,778,083	9,778,083
Current assets	218,708	745,476	964,184
Current liabilities	(424,750)	(55,924)	(480,674)
Total net assets	<u>(206,042)</u>	<u>10,470,085</u>	<u>10,264,043</u>

Unrealised losses included in the above

On investment assets (see note below)	-	(2,000,072)	(2,000,072)
Total unrealised losses at 5 April 2009	<u>-</u>	<u>(2,000,072)</u>	<u>(2,000,072)</u>

Reconciliation of movements in unrealised losses on investment assets

Unrealised gains at 6 April 2008	-	(200,801)	(200,801)
Add in respect of disposals in year	-	168,003	168,003
	-	(32,798)	(32,798)
Deduct: net losses arising on revaluation in year	-	(1,967,274)	(1,967,274)
Unrealised losses at 5 April 2009, as above	<u>-</u>	<u>(2,000,072)</u>	<u>(2,000,072)</u>

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF STAPLES TRUST

We have audited the financial statements of The Staples Trust for the year ended 5 April 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages 9 to 16. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and the accounting policies set out on page 11.

This report is made solely to the charity trustees, as a body, in accordance with Regulation 7(2) of the Charities (Accounts and Reports) Regulations 2005 (SI 2005/572). Our audit work has been undertaken so that we might state to the charity Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

The Trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 17.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 5 April 2009 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Date

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