

**THE TOLKIEN TRUST**  
**ACCOUNTS FOR THE YEAR ENDED**  
**5 APRIL 2009**

**INDEX**

Page 1-5	Trustees Report
6-7	Auditors' Report
8	Statement of Financial Activities
9	Balance Sheet
10-17	Notes to the Accounts

**Charity Commission Reference No. 273615**

**THE TOLKIEN TRUST**  
**TRUSTEES REPORT**  
**FOR THE YEAR ENDED 5 APRIL 2009**

**REFERENCE AND ADMINISTRATIVE DETAILS**

Charity registration no	273615
Contact address	9400 Garsington Road Oxford Business Park Oxford OX4 2HN
Trustees	Christopher Reuel Tolkien Priscilla Mary Anne Reuel Tolkien Joan Anne Reuel Tolkien (retired 1 August 2008) Baillie Jean Tolkien Michael George Reuel Tolkien (appointed 1 August 2008)
Solicitors	Manches LLP 9400 Garsington Road Oxford Business Park Oxford OX4 2HN
Auditors	Critchleys Greyfriars Court Paradise Square Oxford OX1 1BE
Investment Managers	Rensburg Sheppards 2 Gresham Street London EC2V 7QN

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Tolkien Trust is constituted by a Declaration of Trust dated 1 April 1977.

This Declaration sets out the terms on which Trustees can be appointed. The Trustees have individual and collective powers of appointment. New trustees are given guidance on their legal responsibilities by the Trust's solicitors, Manches LLP, and all trustees are kept up-to-date with relevant legal developments and Charity Commission guidance.

The Trustees are responsible for all strategic decisions including deciding to whom grants should be paid. Day to day administration of the Trust is carried out by Manches LLP.

The major risks to which the charity is exposed have been reviewed and systems established to mitigate those risks.

**THE TOLKIEN TRUST**  
**TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2009**

**OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The charity's main assets comprise copyrights in certain works by J R R Tolkien, which provide royalty income to the charity, and a portfolio of investments.

The object of the charity is to apply income and capital at the discretion of the Trustees to, or for the benefit of, such charitable institutions, purpose or purposes as the Trustees shall from time to time think fit. Accordingly, the Trust clearly operates for the public benefit.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

**Grant making policy**

The charity makes donations annually (usually in the spring) to a wide range of charities and charitable causes, including those supporting children, young people, families and the elderly, and the homeless and socially disadvantaged; organisations supporting overseas aid and development and refugees; medical aid, research and education; and a number of religious, educational and arts organisations. Though the charity receives and considers a substantial volume of unsolicited applications, the majority of donations are made to charities or causes selected by the Trustees in their discretion. Guidelines for applicants can be found on the charity's website at [www.tolkientrust.org](http://www.tolkientrust.org)

**ACHIEVEMENTS AND PERFORMANCE**

During the year the Trustees made distributions from income to 124 charitable institutions.

**FINANCIAL REVIEW**

During the year the charity received royalties of £288,954 and expended grants totalling £1,090,000. Further details are included in the statement of financial activities and related notes.

The Trust does not engage in fund-raising.

The Trust has no restricted funds and no endowment.

**Investment policy**

The charity has engaged investment managers to administer its investment portfolio. The assets are invested in a medium risk portfolio of equities and fixed interest securities which are quoted on a recognised stock exchange, unit trusts and Open Ended Investment Companies, to provide both income and capital appreciation. The return will be measured on a total return basis. No individual investment will exceed 10% of the portfolio. No investments will be made in derivatives and under an ethical policy investments will not be made in tobacco companies and those whose main business is the manufacture of armaments.

## THE TOLKIEN TRUST

### TRUSTEES REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2009

#### Investment performance

The year under review has seen events in the world of finance and economics that are beyond the experience of nearly all living financial commentators and only known well to financial historians. All commentators are agreed in describing it as a period of extreme financial crisis on a global scale.

The Tolkien Trust's investments fared reasonably well under these circumstances. During the period £647,500 was withdrawn from each portfolio. Each asset class did, broadly, what was expected of it: the fixed interest investments continued paying their income, although the rush to government bonds did negatively affect the portfolios' higher-yielding, but ultimately safe, corporate bonds and preference shares. The relatively defensively positioned UK equities lost materially less than the FT All Share index's -29.3% whilst the overseas equities lagged the global index, essentially because of the use of investment trusts rather than unit trusts for overseas investment. Investment trusts' pricing allows an expansion in the discount to net asset value which pushes down the share price. Investment trusts' discounts to their asset values are monitored constantly and they are bought in preference to unit trusts when discounts are at or close to historic lows: in times of extreme stress in markets investment trusts' discounts can widen as selling pressure depresses prices - a temporary factor for the blue-chip investment trusts employed. The Main Fund was 1% behind the WM Unconstrained Index's return of -19.4% for the twelve months to 31st March 2009 and the Legacy Fund lagged by 0.3% (the WM benchmark only reports returns to quarter days). Having reported on the slight performance lag for the funds, it is true to say that the income from both funds would have been healthily in excess of that returned by a fund that mirrored the asset allocation of the WM Index. Furthermore, in the six months to end September 2009 both funds were comfortably ahead of the WM Index and indeed outperforming in all asset classes.

Looking ahead, and bearing in mind always that these are long term funds with the need to preserve the real buying power of the assets and income, the aim is to continue to focus on equity issues of the highest quality, concentrating for the moment on international stocks rather than shares which rely too heavily on a revival in the UK economy. Fears abound that the recovery currently making its mark in stock markets is but the result of restocking and cost-cutting across industry rather than real resurgent demand characteristic of economic growth. Only time will tell, but it is feared that the extraordinary strength in asset prices and consequent bursting of the balloon is too strong a phenomenon simply to be blown away by a few quarters of low interest rates.

**THE TOLKIEN TRUST**  
**TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2009**

**Reserves policy**

The charity's policy is to establish specific reserves where necessary to meet particular charitable purposes benefited by the Trust. To this end, the following reserves were created:

- (i) £100,000 was designated for a grant to the Bodleian Library in the University of Oxford to cover the cost of employing an archivist to sort and classify the papers of J R R Tolkien held by the Library. The balance on the fund as at 5 April 2009 was nil;
- (ii) £60,000 was designated for a grant to the Bodleian Library to cover conservation and archival work on the Tolkien photographic archive and a digitisation project for the photographs and Tolkien's original drawings. The balance on the fund as at 5 April 2009 is £15,218;
- (iii) £450,000 has been set aside for the funding of a curatorial position related to the Tolkien archive at the Bodleian Library. The balance on the fund as at 5 April 2009 is £450,000;
- (iv) £200,000 has been designated as a donation to the Alan Klass Memorial Fund of the University of Manitoba, to be paid in equal annual instalments in the period 2005-2013, to enable the University to obtain matching funding from local sources; the balance on this fund as at 5 April 2009 was £120,000;
- (v) £25,000 has been designated as a donation to the Cathedral of St Andrew and St Michael, Bloemfontein, South Africa to fund the Cathedral's community outreach work, to be paid in equal annual instalments in the period 2006 – 2010; the balance of this fund as at 5 April 2009 was £10,000; and
- (vi) £150,000 has been designated as a donation to the Grail Trust for its project in Kleinmond, near Cape Town, South Africa, providing life skills and professional training to the indigenous poor and under privileged, to be paid in equal annual instalments in the period 2007 – 2009; the balance of this fund as at 5 April 2009 was £50,000.

The charity established a general reserve from the book royalties it received in the period 2002 - 2004 (during which period certain films of "The Lord of the Rings" were released), with a view to supplementing distributions in future years. The charity takes the view that it is preferable to make grants to charitable causes which can, where appropriate, be sustained over a number of years, albeit in relatively modest amounts, than to make large one-off donations which cannot be repeated. As the level of royalties has declined markedly since 2004, this policy has enabled the charity to make distributions considerably in excess of current income. The balance on the general reserve as at 5 April 2009 was £26,878,762.

**THE TOLKIEN TRUST**  
**TRUSTEES REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2009**

**DEBTORS**

In the previous year's report it was noted that the Trustees had been advised that they were entitled to an accounting for their share of a gross profit participation due in respect of the "The Lord of the Rings" films, as successors-in-interest under a contract entered into in July 1969 which disposed of the film rights in that work. Together with two other plaintiffs jointly entitled to such accounting, they commenced legal proceedings against New Line Cinema in the courts of Los Angeles in February 2008.

In September 2009 the claim against New Line Cinema was settled and consequently a debtor for the Trust's estimated share of the net settlement has been included in these accounts.

**PLANS FOR THE FUTURE**

Subject to investment performance and future royalty levels, the Trustees hope to continue to make annual distributions at the levels achieved in recent years. They anticipate that the proceeds of the settlement of the New Line Cinema litigation will greatly enhance their ability to do so.

**Trustees Responsibilities**

The Trustees are responsible for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the Trustees to prepare accounts for each financial year. In preparing those accounts, the Trustees are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees

*Ruscilla Tolkien*

.....  
Trustee

Date: 29-01-10

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE TOLKIEN TRUST  
FOR THE YEAR ENDED 5 APRIL 2009**

We have audited the accounts of The Tolkien Trust for the year ended 5 April 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under 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 accounts give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those accounts, if the charity has not kept sufficient accounting records, if the charity's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming an opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE TOLKIEN TRUST (CONTINUED)  
FOR THE YEAR ENDED 5 APRIL 2009

**Opinion**

In our opinion the accounts:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the charity's state of affairs 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.



Critchleys  
Chartered Accountants  
Statutory Auditors

Oxford

1/2/2010



**THE TOLKIEN TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 5 APRIL 2009**

	Note	2009 £	2008 £
<b>Incoming resources</b>			
<i>Incoming resources from generated funds</i>			
Investment income			
Royalties received		288,954	350,160
Interest receivable		42,759	37,126
Dividends received		<u>204,425</u>	<u>190,474</u>
		536,138	577,760
Film Rights Settlement	10	<u>24,000,000</u>	<u>-</u>
<b>Total incoming resources</b>		<u>24,536,138</u>	<u>577,760</u>
<b>Resources expended</b>			
<i>Costs of generating funds</i>			
Investment management costs	2	1,192,277	311,737
Charitable activities	3	1,098,289	1,339,164
Governance costs	6	<u>33,558</u>	<u>22,580</u>
<b>Total resources expended</b>		<u>2,324,124</u>	<u>1,673,481</u>
<b>Net incoming resources / (resources expended)</b>		22,212,014	(1,095,721)
Gains and losses on revaluation and disposal of investment assets	8	<u>(1,484,716)</u>	<u>(685,608)</u>
Net movement in funds		20,727,298	(1,781,329)
Funds brought forward		<u>6,784,682</u>	<u>8,566,011</u>
<b>Funds carried forward</b>		<u>27,511,980</u>	<u>6,784,682</u>

All funds are unrestricted.

## THE TOLKIEN TRUST

BALANCE SHEET  
AS AT 5 APRIL 2009

	Note	£	2009	£	£	2008	£
<b>Fixed assets</b>							
Investments	8			3,424,344			6,000,198
<b>Current assets</b>							
<b>Debtors</b>							
Film Rights Settlement	10	24,000,000			-		
Trade debtors					11,780		
VAT recoverable		<u>11,889</u>			<u>79,584</u>		
			24,011,889			91,364	
<b>Cash at bank and in hand</b>		<u>396,188</u>			<u>797,153</u>		
			24,408,077			888,517	
<b>Creditors: amounts falling due within one year</b>							
Accruals		<u>(320,441)</u>			<u>(104,033)</u>		
<b>Net current assets</b>				<u>24,087,636</u>			<u>784,484</u>
<b>Net assets</b>				<u>27,511,980</u>			<u>6,784,682</u>
<b>Represented by:</b>							
<b>Unrestricted funds</b>							
General fund	9			26,866,762			6,051,464
Designated funds	9			<u>645,218</u>			<u>733,218</u>
				<u>27,511,980</u>			<u>6,784,682</u>

These accounts were approved and authorised for issue by the Trustees on 29-01-10 and are signed on their behalf by:

Ruscilla Tolkien Trustee

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009**

**1 ACCOUNTING POLICIES**

**a) Basis of accounting**

The accounts are prepared in accordance with the Statement of Recommended Practice (SORP) – "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Charities Act.

**b) Incoming resources**

Royalties are included in incoming resources when they are received. Dividends are included when they are received.

**c) Uncapitalised fixed assets**

The assets of the charity consist mainly of copyrights in relation to works written by the late J R R Tolkien. These are shown in note 7. They have not been valued for inclusion in the accounts as these were mostly settled into the Trust many years ago and it is not practical and cost-effective to obtain an accurate current valuation

**d) Grants and other resources expended**

Grants are recognised as an expense when they are approved for payment by the Trustees. Other resources expended are recognised on an accruals basis and include any irrecoverable VAT. Any costs that need to be apportioned between costs of generating funds, support costs and governance costs are done so based on the Trustees' estimate of the amount of costs applicable to each category.

**e) Foreign currencies**

Transaction in foreign currencies are translated into sterling at the exchange rate at the date of the transaction.

**f) Designated funds**

When Trustees have set monies aside for specific project this is shown in a separate designated fund.

**g) Investment assets**

Investments are shown at market value at the balance sheet date. Any realised or unrealised gains and losses are included in the Statement of Financial Activities

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009**

<b>2 INVESTMENT MANAGEMENT COSTS</b>	<b>2009</b>	<b>2008</b>
	£	£
Solicitors' costs for administering contracts and copyrights	321,871	212,157
Other legal fees	842,120	133,869
Investment manager fees	28,286	13,184
Input VAT recoverable re prior years	<u>-</u>	<u>(47,473)</u>
	<u><b>1,192,277</b></u>	<u><b>311,737</b></u>

The substantial increase in Solicitors' costs and Other legal fees arises from the claim against New Line Cinema in connection with which legal proceedings were commenced in February 2008 (see the section headed 'Debtors' on page 17).

Included within other legal fees is £10,450 of fees payable to the auditors for non-audit services.

<b>3 EXPENDITURE ON CHARITABLE ACTIVITIES</b>	<b>(Note 4)</b>	<b>(Note 5)</b>	
	<b>Grants Payable</b>	<b>Support Costs</b>	<b>Total</b>
	£	£	£
Grants to charities	<u>1,090,000</u>	<u>8,289</u>	<u>1,098,289</u>

<b>4 GRANTS TO ORGANISATIONS</b>	<b>2009</b>	<b>2008</b>
	£	£
The Ace Centre Advisory Trust	6,000	6,000
Action Aid	10,000	10,000
Action Contre la Faim	40,000	-
Aid to the Church in Need (UK)	3,000	3,000
Alzheimer's Society	2,000	2,000
Amnesty International UK	16,000	16,000
Anglo-Peruvian Child Care Mission	2,000	2,000
Association pour la Promotion des Extraits Foliaires en Nutrition	10,000	6,000
Asylum Welcome	7,000	7,000
Awel Aman Tawe	1,000	-
The Bat Conservation Trust	1,500	-
BBOWT	-	20,000
Bhopal Medical Appeal	6,000	6,000
The Big Issue Foundation	6,000	6,000
Birdlife International	15,000	15,000
Birmingham Diocesan Trust	3,000	3,000
The Birmingham Oratory	10,000	10,000
Blaen Wern Farm Trust	10,000	10,000
The Bodleian Library - Archivist	25,000	30,925
The Botley Alzheimer's Home	20,000	15,000
Breakthrough Breast Cancer	15,000	15,000

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009 (CONTINUED)**

4	<b>GRANTS TO ORGANISATIONS (continued)</b>	<b>2009</b>	<b>2008</b>
		£	£
	British Red Cross	2,000	2,000
	British Refugee Council	9,000	9,500
	British Retinitis Pigmentosa Society	2,000	2,000
	CAFOD	8,000	8,000
	Campaign to Protect Rural England	6,500	6,000
	Cancer Active	3,000	4,000
	Cancer Research UK	2,000	2,000
	Cathedral of St Andrew and St Michael	5,000	5,000
	Childaid to Russia and the Republics	3,000	3,000
	Christian Peace Education Fund	3,000	3,000
	City of Birmingham Symphony Orchestra	15,000	-
	Climate Outreach Information Network	9,000	9,000
	Complementary Health Trust	-	2,000
	Create (Arts) Limited	6,000	6,000
	Cued Speech Association UK	2,000	2,000
	Cuttleslowe and District Community Association	3,000	3,000
	Dames of Ypres/Benedictine Sisters - Kylesmore Abbey	5,000	10,000
	Diocese of Nottingham Sick and Retired Priests Fund	2,000	2,000
	Dresden Trust	3,000	3,000
	EducAid Sierra Leone	2,000	2,000
	Emmaus Oxford	14,000	14,000
	Enfants du Monde – Droits de l'Homme	120,000	20,000
	Find Your Feet Limited	25,000	25,000
	The Foundation for Children with Leukaemia	2,000	2,000
	Friends of Cardigan Bay	1,500	-
	The Friends of the Connection at St Martin-in-the-Fields	7,000	7,500
	Gloucester Community Church	2,000	2,000
	The Grail Centre Trust	50,000	50,000
	Guideposts Trust Limited	6,000	9,000
	The Guild of Handicraft Trust	3,000	3,000
	Hallé Concert Society	2,000	-
	Handicap International	15,000	15,000
	Helen and Douglas House	-	3,000
	The Horse's Voice	2,000	3,000
	The Howard League for Penal Reform	9,000	9,000
	Independence at Home (formerly Invalids at Home)	2,000	2,000
	Inter Faith Network	3,000	3,000
	Intercontinental Church Society	2,000	2,000
	International Women's Health Coalition	10,000	10,000
	Koestler Trust	10,000	7,500
	La Cimade	2,500	-
	Lady Balogh's Psychotherapy Trust	3,000	3,000
	Landmine Action	5,000	5,000
	Let the Children Live	2,000	2,000
	The Lincoln Clinic and Centre for Psychotherapy	3,000	3,000
	Macmillan Cancer Relief	2,000	3,000
	Maison Shalom France	10,000	10,000
	Medical Foundation for the Care of the Victims of Torture	7,500	10,000
	Medecins du Monde	10,000	10,000
	Medecins Sans Frontieres (France)	20,000	20,000
	The Merlin Project Cornwall: Cornwall MS & Resource Therapy Centre	3,000	3,000

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009 (CONTINUED)**

4	<b>GRANTS TO ORGANISATIONS (continued)</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Methodist Homes for the Aged	2,000	2,000
	Mildmay Mission Hospital	-	6,000
	MIND (The National Association for Mental Health)	2,000	3,000
	Music in Lyddington	2,000	2,000
	National Children's Home	2,000	2,000
	National Council on Ageing	2,000	3,000
	National Deaf Children's Society – Birmingham and District Region	2,000	2,000
	Neve Shalom Wahat Al-Salam (NSWAS) School (British Friends of NSWAS)	5,000	5,000
	NSPCC	3,000	3,000
	The Oratory School	10,000	15,000
	Orchestra of St. Johns Limited	6,000	6,000
	Oxfam International	-	220,000
	Oxford Bach Choir	6,000	6,000
	Oxford Homeless Medical Fund	9,000	9,000
	Oxford Parent Infant Project (OXPIP)	6,000	6,000
	The Oxford Philomusica Trust	6,000	6,000
	The Oxford Playhouse Trust	9,000	9,000
	Oxfordshire Victoria County History	-	5,000
	Performing Rights Society	3,000	3,000
	The Poetry Trust (formerly The Aldeburgh Poetry Trust)	-	4,000
	The Porch	6,000	6,000
	Practical Action (Intermediate Technology Development Group Ltd)	20,000	20,000
	Prisoners' Education Trust	3,000	3,000
	Rebuilding Sri Lanka	60,000	100,000
	Red Cross		50,000
	Reprieve	7,000	3,000
	Rochdale Special Needs Cycling Club	8,000	10,000
	The Royal National Lifeboat Institution	3,000	5,000
	The Royal National Institute for the Blind	3,000	3,000
	RSPCA	2,000	2,000
	Sacred Heart Church	-	5,000
	The Samaritans	4,000	4,000
	The Save the Children Fund	2,000	2,000
	Shelter, National Campaign for Homeless People Limited	10,000	10,000
	Shelter Cymru	7,000	7,500
	Sightsavers International	15,000	15,000
	Simon Wiesenthal Centre	2,000	2,000
	Sobell House Hospice Charity	3,000	3,000
	The Society of Analytical Psychology (SAP)	3,000	-
	St Aloysius Appeal	20,000	10,000
	St Hilda's College Oxford	5,000	-
	St Peter's Church, Bromsgrove	5,000	-
	St Peter's Church, Eynsham	-	30,000
	The Story Museum	2,000	2,000
	Survive - Miva	-	2,000

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009 (CONTINUED)**

<b>4</b>	<b>GRANTS TO ORGANISATIONS (continued)</b>	<b>2009</b>	<b>2008</b>
		£	£
	Swansea Russian Ballet	10,000	10,000
	The Tablet Trust	7,000	6,000
	Talking Newspaper Association of the UK (TNAUK)	3,000	3,000
	Teacher Support Network	3,000	-
	The Thomley Hall Centre Limited	6,000	6,000
	Trefnu Cymunedol Cymru	-	5,000
	Trust for Research and Education on the Arms Trade	7,000	6,000
	Ty Hafan Children's Hospice	12,000	12,500
	United Christian Broadcasters Ltd	2,000	2,000
	The United Kingdom Committee for UNICEF	20,000	20,000
	University of Oxford Refugee Study Centre	-	1,000
	University of Manitoba (Alan Klass Memorial Fund)	20,000	20,000
	University of Manitoba (Medical School)	-	10,000
	Vision Africa give a child a future	3,000	3,000
	WaterAid	20,000	20,000
	West London Churches Homeless Concern	6,000	6,000
	The Wildlife Trust for Birmingham and the Black Country	-	5,000
	Womankind Worldwide	15,000	15,000
	The Woodland Trust	12,500	15,000
	World Cancer Research Fund	6,000	6,000
	WWF - Canada	5,000	5,000
	WWF - UK	<u>15,000</u>	<u>15,000</u>
		1,090,000	1,325,425
	<b>Less: returned grants</b>		
	The GYL Project	-	(2,500)
	The Aldeburgh Trust	<u>-</u>	<u>(2,000)</u>
	<b>Total</b>	<u><b>1,090,000</b></u>	<u><b>1,320,925</b></u>
<b>5</b>	<b>SUPPORT COSTS</b>	<b>2009</b>	<b>2008</b>
		£	£
	Solicitors' charges for grant distribution	5,715	18,024
	Other	<u>2,574</u>	<u>215</u>
		<u><b>8,289</b></u>	<u><b>18,239</b></u>

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009 (CONTINUED)**

6	<b>GOVERNANCE COSTS</b>	2009	2008
		£	£
	Solicitors' charges for administration of the Trust	29,831	18,024
	Auditors' remuneration	<u>3,727</u>	<u>4,556</u>
		<u>33,558</u>	<u>22,580</u>

No trustee received any remuneration or reimbursement of expenses.

**7 COPYRIGHT ASSETS**

The charity's literary assets comprise:

- 7.1 The copyright in *Smith of Wootton Major* by J R R Tolkien.
- 7.2 The copyright in *Tree and Leaf* by J R R Tolkien.
- 7.3 The copyright in *Roverandom* by J R R Tolkien.
- 7.4 The United States renewal copyrights in *The Fellowship of the Ring* and *The Return of the King* and (excepting non-material legible form rights) in *The Two Towers*, by J R R Tolkien.
- 7.5 The copyright in *Mythopoeia* by J R R Tolkien.
- 7.6 A 40% interest in the United States renewal copyright in *the Tolkien Reader* by J R R Tolkien.
- 7.7 The right to receive the author's royalties and other moneys arising from *The Tolkien Family Album* by J F R Tolkien and P M A R Tolkien.
- 7.8 The copyrights in the published editions of various philological writings and fragments by J R R Tolkien.
- 7.9 Certain unpublished papers, pictures, photographs and other documents forming part of the Estate of J R R Tolkien, and the copyright in all such materials formerly owned by the Estate.
- 7.10 Letters from J R R Tolkien to A B M Ronald.
- 7.11 Letters from J R R Tolkien acquired from Ms C Martin.
- 7.12 Posters drawn by Pauline Baynes acquired from Ms Baynes.
- 7.13 The copyright in *The Legend of Sigurd and Gudrun* by J R R Tolkien (published May 2009).



**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009 (CONTINUED)**

8	INVESTMENTS	MV b/fwd £	Purchases in year £	Disposals at market value £	Change in Market value £	Market value c/fwd £
	Equities	4,894,346	641,716	(1,727,523)	(1,490,471)	2,318,068
	Fixed interest securities	<u>374,184</u>	<u>492,438</u>	<u>-</u>	<u>5,755</u>	<u>872,377</u>
	Cash held by investment managers	5,268,530	1,134,154	(1,727,523)	(1,484,716)	3,190,445
		<u>731,668</u>				<u>233,899</u>
		<u>6,000,198</u>				<u>3,424,344</u>

**THE TOLKIEN TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2009 (CONTINUED)**

**9 UNRESTRICTED FUNDS**

	At 6 April 2008 £	Net incoming resources £	Transfers from general fund £	At 5 April 2009 £
<b>Designated Funds</b>				
Cathedral of St Andrew and St Michael	15,000	(5,000)	-	10,000
The Grail Centre Trust	100,000	(50,000)	-	50,000
Bodleian Library	463,000	(13,000)	-	450,000
Bodleian photographic archive	15,218	-	-	15,218
Alan Klass Memorial Fund (University of Manitoba)	<u>140,000</u>	<u>(20,000)</u>	-	<u>120,000</u>
	733,218	(88,000)	-	645,218
<b>General funds</b>	<u>6,051,464</u>	<u>20,815,298</u>	-	<u>26,866,762</u>
	<u>6,784,682</u>	<u>20,727,298</u>	-	<u>27,511,980</u>

Cathedral of St Andrew and St Michael represents money set aside for five years to support the outreach work of the Cathedral in Bloemfontein, South Africa.

The Grail Centre Trust represents money set aside for the Kleinmond project situated near Cape Town, South Africa over three years.

Bodleian Library represents money set aside for medium term funding of a curator devoted to looking after the Tolkien archive and its use by scholars.

Bodleian photographic archive represents money set aside for the conservation and cataloguing of the Tolkien family photographic collection and the digitisation of that collection and original Tolkien drawings held by the Bodleian Library.

The Alan Klass Memorial Fund represents money set aside to fund donations of £20,000 per annum for the next 10 years.

**10 DEBTORS**

In the previous year's accounts it was reported that the Trustees had been advised that they were entitled to an accounting for their share of a gross profit participation due in respect of the films based on "The Lord of the Rings", as successors-in-interest under a contract entered into in July 1969 which disposed of the film rights in that work. Together with two other plaintiffs jointly entitled to such accounting, they commenced legal proceedings against New Line Cinema in the courts of Los Angeles in February 2008.

In September 2009 the claim against New Line Cinema was settled and consequently a debtor for the Trust's estimated share of the net settlement has been included in these accounts.