

**Wellcome Trust Finance plc
Annual Report and Financial Statements
Year ended 30 September 2014**

Wellcome Trust Finance plc Contents

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Wellcome Trust Finance plc

Strategic Report

For the year ended 30 September 2014

The Directors of Wellcome Trust Finance plc present their Strategic Report for the year ended 30 September 2014.

Strategy and Objectives

The principal activity of Wellcome Trust Finance plc (the "Company") is to meet its obligations relating to the bonds that it has previously issued on the London Stock Exchange and to continue to lend the proceeds to other group entities.

Review of the Business and Future Developments

The Company issued two tranches of bonds: £550 million on 25 July 2006 of 4.625% Guaranteed Bonds due July 2036 and £275 million on 28 May 2009 of 4.750% Guaranteed Bonds due May 2021 (the "Bonds"). The Bonds are listed on the London Stock Exchange. The obligations of the Company in relation to the Bonds are governed by Trust Deeds between the Company, The Wellcome Trust Limited, as trustee of the Wellcome Trust, and Citicorp Trustee Company Limited, as the trustee for the holders of the Bonds. The payment of all amounts due in respect of the Bonds is unconditionally and irrevocably guaranteed pursuant to the terms of a guarantee given by The Wellcome Trust Limited, as trustee of the Wellcome Trust; the guarantee is part of the Trust Deeds.

The Company loaned the proceeds from the Bonds issued to Wellcome Trust Group (the "Group") undertakings and receives interest on these loans. During the year the Company recalled £150 million of its loans to Wellcome Trust and made loans to Wellcome Trust Investments 1 Unlimited, a subsidiary of the Wellcome Trust.

Results for the Year

The Company made a result of £nil (2013: £nil) during the year ended 30 September 2014, after recognising a Gift Aid donation of £3,679,941 (2013: £4,934,515) to the Wellcome Trust, a charity registered in England under the UK Charities Act 2011 (registered charity number 210183). As at 30 September 2014 the Company had net assets of £137,500,000 (2013: £137,500,000).

Due to the nature of the Company's operations, the key performance measures are that the Company meets all its legal obligations to the Bond holders and that the Company achieves sufficient return on its assets to be profitable, before any donations to the Wellcome Trust under Gift Aid. During the year the Company met all its legal obligations to the Bond holders and had profits before donations to the Wellcome Trust under Gift Aid.

The Company will continue to receive interest on the loans to group undertakings and pay interest on the bond liabilities for the foreseeable future.

Principal Risks and Uncertainties

The Directors of the Company implement policies to manage the inherent risks relating to the financial assets and liabilities of the Company.

The Directors have assessed for each financial asset and liability: the market risk, interest rate risk, liquidity risk, and credit risk exposure. The Company is not exposed to significant market risk or interest rate risk because the Company's main financial assets have fixed redemption values, fixed interest rates and fixed maturity dates, which match those of its financial liabilities. The liquidity risk of the Company is mitigated by the matching of the cash flows from the Company's financial assets and liabilities. Credit risk exposure of the Company's loans is reduced by the Company only advancing loans to entities within the Group. Credit risk exposure of the Company's remaining financial assets is reduced by stringent selection procedures for any external counterparties with which the Company transacts.

Wellcome Trust Finance plc
Strategic Report
For the year ended 30 September 2014

The Company's internal control and risk management is undertaken as part of the Wellcome Trust's processes. The key elements of this specifically applicable to the Company are:

- delegation: there is a clear organisational structure with documented lines of authority and responsibility for control and documented procedures for reporting decisions, actions and issues; and
- review: the Group Audit Committee reviews the effectiveness of the Company's internal control, its financial reporting process, the independence of its statutory auditors and its compliance with relevant statutory and finance regulations and advises the Directors of any relevant matters.

Corporate and Social Responsibility

Due to the nature of its activities the Company has a minimal environmental impact. Social responsibility of the Wellcome Trust group is detailed in the Wellcome Trust Annual Report and Financial Statements, which are available at www.wellcome.ac.uk.

This report was approved by the Board of Directors and signed on its behalf on 16 December 2014 by:



Daniel Truell
Director
16 December 2014

Wellcome Trust Finance plc
Directors' Report
For the year ended 30 September 2014

Report of the Directors

The Directors of Wellcome Trust Finance plc present their report and the audited Financial Statements for the year ended 30 September 2014.

Charitable Donations

The Company made charitable donations of £3,679,941 (2013: £4,934,515) to the Wellcome Trust under Gift Aid.

Employees

There are no employees of the Company (2013 nil).

The management and administration of the Company is undertaken by staff from the Wellcome Trust. The Wellcome Trust has not incurred any incremental staff costs due to the management of this Company.

Dividend

The Directors do not propose the payment of a dividend (2013: £nil).

Corporate Governance

The Company is limited by shares. Its governing documents are its articles of association. The shareholder of the company is The Wellcome Trust Limited, as trustee of the Wellcome Trust.

The Company is considered to be a wholly owned subsidiary of The Wellcome Trust Limited, as trustee of the Wellcome Trust. The Company is not subject to the requirements of the UK Corporate Governance Code because it does not have any equity shares listed on the London Stock Exchange. A statement on governance policies of the Group and of the Wellcome Trust is included in the Wellcome Trust's Annual Report and Financial Statements for the year ended 30 September 2014.

The Audit Committee, the Investment Committee, the Risk Committee and the internal audit function of the Wellcome Trust oversee all group entities.

The Company complies with all appropriate filing and information requirements of the Financial Conduct Authority.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

Simon Jeffreys (resigned 30 June 2014)
Nicholas Moakes
Peter Pereira Gray
Daniel Truell

None of the Directors held any beneficial interest in the shares of the Company or any interest in its parent company, The Wellcome Trust Limited, as trustee of the Wellcome Trust.

Each of the Directors is an employee of the Wellcome Trust and receives remuneration from the Wellcome Trust as an employee. No remuneration is paid to any Director for their services as a Director.

Directors' Indemnity Policy

There are no qualifying indemnity provisions (as defined in the Companies Act 2006) that benefit the Directors of the Company.

Wellcome Trust Finance plc
Directors' Report (continued)
For the year ended 30 September 2014

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements respectively;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Director's Report confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and result of the company; and
- the Directors' report contained in this section of the Annual Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

Statement of disclosure of information to auditors

Each Director in office at the date of approving this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that ought to have been taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Wellcome Trust Finance plc
Directors' Report (continued)
For the year ended 30 September 2014

Independent Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution dated 16 December 2014 was passed by the members reappointing PricewaterhouseCoopers LLP as auditors of the Company.

This report was approved by the Board of Directors and signed on its behalf on 16 December 2014 by:

A handwritten signature in black ink, appearing to read 'D. Truell', with a long, sweeping horizontal stroke underneath.

Daniel Truell
Director
16 December 2014

**Wellcome Trust Finance plc
Independent Auditors' Report
For the year ended 30 September 2014**

Independent auditors' report to the members of Wellcome Trust Finance plc

Report on the Financial Statements

Our opinion

In our opinion, Wellcome Trust Finance plc's Financial Statements (the "Financial Statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its result and cash flows 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.

What we have audited

Wellcome Trust Finance plc's Financial Statements comprise:

- the Balance Sheet as at 30 September 2014;
- the Profit and Loss Account for the year then ended;
- the Cash Flow Statement for the year then ended; and
- the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Wellcome Trust Finance plc
Independent Auditors' Report (continued)
For the year ended 30 September 2014

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of Financial Statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 directors; and
- the overall presentation of the Financial Statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



Alison Morris (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2014

- a) The maintenance and integrity of the Wellcome Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Wellcome Trust Finance plc
Profit and Loss Account
For the year ended 30 September 2014

	Note	2014 £	2013 £
Turnover	2	42,836,101	44,065,245
Cost of sales		(39,076,292)	(39,049,568)
Gross profit		3,759,809	5,015,677
Administrative expenses	3	(79,868)	(81,162)
Operating profit		3,679,941	4,934,515
Gift Aid donation		(3,679,941)	(4,934,515)
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	6	-	-
Result for the financial year		-	-

All results are derived from continuing activities.

The Company has no other gains or losses other than the results for the financial year as set out above and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 11 to 16 form part of these Financial Statements.

There is no material difference between the result on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalents.

Wellcome Trust Finance plc
Balance Sheet
As at 30 September 2014

	Note	2014 £	2013 £
Fixed assets			
Loans to Group undertakings	7	702,611,604	702,263,449
Current assets			
Loans to Group undertakings	7	245,500,000	245,500,000
Amounts owed by Group undertakings		1,741,879	524,484
Accrued interest on loans		9,936,096	15,058,253
Prepayments		18,900	18,900
Cash at bank and in hand		37,098	439,919
		257,233,973	261,541,556
Creditors: amounts falling due within one year	8	(9,680,291)	(14,216,011)
Net current assets		247,553,682	247,325,545
Total assets less current liabilities		950,165,286	949,588,994
Creditors: amounts falling due after more than one year	8	(812,665,286)	(812,088,994)
Net assets		137,500,000	137,500,000
Capital reserves			
Called up share capital	10	137,500,000	137,500,000
Profit and loss account		-	-
Total shareholders' funds	9	137,500,000	137,500,000

The Financial Statements on pages 8 to 16 were approved by the Board of Directors on 16 December 2014 and signed on its behalf by:



Daniel Truell
 Director
 16 December 2014

Wellcome Trust Finance plc
Cash Flow Statement
For the year ended 30 September 2014

Cash Flow Statement

	2014 £	2013 £
Net cash inflow from operating activities	7,851,178	550,741
Gift aid donations paid	(8,253,999)	(398,782)
Net (decrease)/increase in cash	(402,821)	151,959
Cash at beginning of year	439,919	287,960
Cash at end of year	37,098	439,919

Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	3,679,941	4,934,515
Increase in loans to Group undertakings	(348,155)	(331,623)
(Increase)/decrease in amounts owed by Group undertakings	(1,217,395)	454,312
Increase in Bond liabilities	576,292	549,569
Decrease/(increase) in prepayments and accrued income	5,122,157	(5,097,022)
Increase in accruals and deferred income	38,338	40,990
Net cash inflow from operating activities	7,851,178	550,741

Reconciliation to net debt

	At 1 October 2013 £	Cash flow £	Non-cash changes: effective interest £	At 30 September 2014 £
Cash in hand and at bank	439,919	(402,821)	-	37,098
Debt due after one year				
Bond liabilities	(812,088,994)	-	(576,292)	(812,665,286)
Debt due within one year				
Bond liabilities	(9,212,500)	-	-	(9,212,500)
Net debt	(820,861,575)	(402,821)	(576,292)	(821,840,688)

Wellcome Trust Finance plc
Notes to the Financial Statements
For the year ended 30 September 2014

1. ACCOUNTING POLICIES

(a) Basis of preparation of the Financial Statements

The Financial Statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Company has adopted fair value accounting rules and applies the related suite of Financial Reporting Standards (FRS):

- FRS 23 "The Effects of Changes in Foreign Exchange Rates";
- FRS 25 "Financial Instruments Presentation";
- FRS 26 "Financial Instruments Measurement"; and
- FRS 29 "Financial Instruments Disclosures", including the amendment issued by the Accounting Standards Board in May 2009.

Accounting policies have been reviewed in accordance with FRS 18 "Accounting Policies". There have been no changes to accounting policies during the year.

All income and expenditure is recognised in the Financial Statements on an accruals basis. A summary of the more important accounting policies, which have been consistently applied, is set out below:

(b) Turnover

Turnover is interest derived from loans to Wellcome Trust Investment Limited Partnership and Wellcome Trust Investments 1 Unlimited, undertakings in the Group, and the Wellcome Trust. Turnover is calculated using the effective interest rate method and is recognised on an accruals basis.

(c) Cost of sales

Cost of sales is the effective interest on the Bond liabilities (as described in note 1(f)) and is recognised on an accruals basis.

(d) Gift Aid donation

The Gift Aid donation recognised is equal to estimated taxable profits of the Company at the time of the approval of the Financial Statements. The Gift Aid paid within nine months of the balance sheet date is equal to the estimated taxable profits of the Company at time of payment. Any difference between the Gift Aid donation accrued and the Gift Aid donation paid is recognised at the time of payment.

(e) Loans to Group undertakings

The loans to group undertakings are to Wellcome Trust Investment Limited Partnership, Wellcome Trust Investments 1 Unlimited and the Wellcome Trust, with fixed redemption value and fixed interest payments. The loans are not quoted in an active market. The loans were recognised initially at fair value and after initial recognition are measured at amortised cost using the effective interest method.

(f) Bond Liabilities

The Bond liabilities relate to the 30-year corporate bonds issued by the Company in July 2006 and the 12-year corporate bonds issued by the Company in May 2009, listed on the London Stock Exchange (the "Bonds"). The initial measurement of the liability is equal to the proceeds of issue less all transaction costs directly attributable to the issue for each Bond. After initial recognition the liability is measured at amortised cost using the effective interest method. The fair value of the Bond liabilities disclosed within the notes to the Financial Statements is the market value of the Bonds at the year end date. The Company is not required to, and therefore does not, recognise any adjustment to fair value in the Balance Sheet and Profit and Loss Account.

(g) Foreign Currencies

Transactions in currencies other than Sterling are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary assets and liabilities and balances carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. All realised and unrealised profits and losses arising on exchange are included in net profit or loss for the period.

Wellcome Trust Finance plc
Notes to the Financial Statements (continued)
For the year ended 30 September 2014

2. TURNOVER

	2014 £	2013 £
Interest receivable on loans to Group undertakings	42,836,101	44,065,245
	42,836,101	44,065,245

Interest receivable on loans to Group undertakings (see note 7) is the effective interest on:

- Loan A to Wellcome Trust Investment Limited Partnership at a fixed rate of 4.75%;
- Loan (new bond) to Wellcome Trust at fixed rate of 4.80%; and
- Loan C to Wellcome Trust at fixed rate of 4.00%;
- Loan D to Wellcome Trust Investments 1 Unlimited at fixed rate of 4.125%.

3. ADMINISTRATIVE EXPENSES

	2014 £	2013 £
Auditors' remuneration	9,120	8,880
Rating agency fees	65,547	64,647
Tax compliance	371	2,805
Other	4,830	4,830
	79,868	81,162

Auditors' remuneration is solely in relation to the statutory audit of the Financial Statements.

4. EMPLOYEE INFORMATION

The Company has no employees. Personnel from the Wellcome Trust undertake the management and administration of the Company at no incremental cost to the Wellcome Trust.

5. REMUNERATION OF DIRECTORS

The Directors of the Company received no remuneration from the Company for their services. There were no Directors for whom retirement benefits are accruing under a money purchase or defined benefit scheme. The Company does not issue share options or offer any long-term incentive schemes, so there were no Directors who exercised share options during the year or became entitled to shares under a long-term incentive scheme.

6. TAX ON RESULT ON ORDINARY ACTIVITIES

The profits of the Company for the year will be paid under Gift Aid to the Wellcome Trust, a charity registered in England under the UK Charities Act 2011 (registered charity number 210183). There is no difference between accounting and taxable profits, so there is no provision required for deferred tax.

Wellcome Trust Finance plc
Notes to the Financial Statements (continued)
For the year ended 30 September 2014

7. LOANS TO GROUP UNDERTAKINGS

	Principal amount £	Interest rate per annum %	Loan anniversary date	Amortised cost 2014 £	Amortised cost 2013 £
Current Assets					
Loan A	245,500,000	4.750	25 July	245,500,000	245,500,000
	245,500,000			245,500,000	245,500,000
Fixed Assets					
Loan (new bond)	275,000,000	4.800	28 May	272,111,604	271,763,449
Loan C	280,500,000	4.000	25 July	280,500,000	430,500,000
Loan D	150,000,000	4.125	25 July	150,000,000	-
	705,500,000			702,611,604	702,263,449

Loans to Group undertakings are loans (the "Loans") to Wellcome Trust Investment Limited Partnership (Loan A), Wellcome Trust (Loan C and Loan (new bond)) and Wellcome Trust Investments 1 Unlimited (Loan D). The principal under Loan A is repayable on demand by the Company. The principal under Loan C and Loan (new bond) is repayable on agreement between the Company and Wellcome Trust. The principal under Loan D is repayable on agreement between the Company and Wellcome Trust Investments 1 Unlimited. The Loans have an agreed repayment date in 22 years (Loan A, Loan C and Loan D) and 7 years (Loan (new bond)). Each Loan has a fixed redemption value equal to the principal amount and a fixed interest rate. During the year the Company recalled £150 million of Loan C and funded £150 million as Loan D.

8. CREDITORS

	2014 £	2013 £
Accruals and deferred income	107,334	68,996
Gift Aid due to the Wellcome Trust	360,457	4,934,515
Bond liabilities	9,212,500	9,212,500
Total creditors: amounts falling due within one year	9,680,291	14,216,011
Falling due between one and five years	-	-
Bond liabilities	812,665,286	812,088,994
Falling due after five years	812,665,286	812,088,994
Total creditors: amounts falling due after one year	812,665,286	812,088,994

The Bond liabilities are stated at the amortised cost using the effective interest method for the £550 million 4.625% Guaranteed Bonds due July 2036 ("£550 million Bonds"), issued by the Company on 25 July 2006, and the £275 million 4.750% Guaranteed Bonds due May 2021 ("£275 million Bonds"), issued by the Company on 28 May 2009. The Bond liabilities falling due within one year are the unpaid coupon interest accrued for the year to 30 September 2014 for each Bond. The interest payment to the Bond holders is at a fixed rate of 4.625% per annum (£550 million Bonds) and 4.750% per annum (£275 million Bonds) and is paid in arrears on 25 July or 28 May respectively each year until repayment of the Bond principals. No amounts fall due between one and five years because the remainder of the Bond liabilities at the balance sheet date is the amortised cost of the amount due to be repaid upon expiry of the 30-year term on 25 July 2036 (£550 million Bonds) or upon the expiry of the 12-year term on 28 May 2021 (£275 million Bonds) and therefore falls due after five years.

Wellcome Trust Finance plc
Notes to the Financial Statements (continued)
For the year ended September 2014

8. CREDITORS (continued)

The obligation of the Company on the Bonds is governed by a Trust Deed dated 25 July 2006 (£550 million Bonds) or 28 May 2009 (£275 million Bonds) between the Company, The Wellcome Trust Limited, as trustee of the Wellcome Trust, and Citicorp Trustee Company Limited, as the trustee for the holders of the Bonds (the "Trust Deed" and the "new Trust Deed" respectively). The payment of all amounts due in respect of the Bonds is unconditionally and irrevocably guaranteed pursuant to the terms of a guarantee given by The Wellcome Trust Limited, as trustee of the Wellcome Trust; the guarantee is part of the Trust Deed and the new Trust Deed.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
As at 1 October	137,500,000	137,500,000
As at 30 September	137,500,000	137,500,000

10. CALLED UP SHARE CAPITAL

	Number	2014 £	2013 £
Authorised ordinary shares of £1 each	137,500,000	137,500,000	137,500,000
Issued and fully paid ordinary shares of £1 each	137,500,000	137,500,000	137,500,000

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained in FRS 8 Related Party Disclosures, which exempts it from disclosing details of transactions with the Wellcome Trust and its subsidiary undertakings, as the Company and its related undertakings with whom it may have transactions are wholly owned subsidiaries of the Wellcome Trust.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise the loans to Group undertakings and the liability arising from the issue of the Bonds. The Company's loans are non-derivative financial assets with fixed payments which are not available for sale. The Bond liability is a non-derivative financial liability with a fixed redemption value, fixed interest rate and fixed maturity date. The Company has not undertaken any trading in financial instruments during the year.

The financial instruments issued by, or held by, the Company are Sterling denominated and at fixed interest rates and carry no foreign exchange risk or interest rate risk.

The key risks relating to the financial instruments held by the Company are the credit risk and liquidity risk of the counterparties Wellcome Trust Investment Limited Partnership, Wellcome Trust Investments 1 Unlimited and the Wellcome Trust in relation to the loans to Group undertakings. These risks are in respect of the Wellcome Trust Investment Limited Partnership's, Wellcome Trust Investments 1 Unlimited's and the Wellcome Trust's ability to meet the interest and principal payments as they fall due. The total value exposed to credit risk as at 30 September 2014 is £959.8 million (2013: £963.8 million), which comprises the value of the loans to Group undertakings, amounts owed by Group undertakings, accrued interest on loans and cash at bank and in hand.

Wellcome Trust Finance plc
Notes to the Financial Statements (continued)
For the year ended 30 September 2014

12. FINANCIAL INSTRUMENTS (continued)

The following tables detail the maturity of the Company's undiscounted contractual payments as at 30 September:

Contractual payments falling due within one year

	2014			2013		
	Three months or less	Between three months and one year	Total	Three months or less	Between three months and one year	Total
	£	£	£	£	£	£
Accruals and deferred income	107,334	-	107,334	68,996	-	68,996
Gift Aid due to the Wellcome Trust	-	360,457	360,457	-	4,934,515	4,934,515
Bond liabilities	-	38,500,000	38,500,000	-	38,500,000	38,500,000
Contractual payments falling due within one year	107,334	38,860,457	38,967,791	68,996	43,434,515	43,503,511

Contractual payments falling due after one year

	2014			2013		
	Between two and five years	After five years	Total	Between two and five years	After five years	Total
	£	£	£	£	£	£
Bond liabilities	154,000,000	1,283,562,500	1,437,562,500	154,000,000	1,322,062,500	1,476,062,500
Contractual payments falling due after one year	154,000,000	1,283,562,500	1,437,562,500	154,000,000	1,322,062,500	1,476,062,500

Gift Aid payments are made under a Deed of Covenant dated 11 September 2008 which can be terminated by the Company at any time.

Wellcome Trust Finance plc
Notes to the Financial Statements (continued)
For the year ended 30 September 2014

12. FINANCIAL INSTRUMENTS (continued)

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table is a comparison of fair values and book values of all financial assets and liabilities as at the end of the year:

	Fair value	Book value
	2014	2014
	£	£
Financial assets		
Loans to Group undertakings	1,101,892,170	948,111,604
Amounts due from Group undertakings	1,741,879	1,741,879
Accrued interest	9,936,096	9,936,096
Cash at bank and in hand	37,098	37,098
Financial liabilities		
Accrued interest on Bond liabilities	(9,212,500)	(9,212,500)
Bond liabilities	(954,450,750)	(812,665,286)

The fair value of the Bond liabilities as at 30 September 2014 was £954.5 million (2013: £916.7 million) and is based on the market value of the Bonds at that date. The fair value of the loans to Group undertakings as at 30 September 2014 was £1,101.9 million (2013: £1,055.2 million); this is calculated using a valuation model for which the key input is the market value of the Bonds, instruments that are substantially the same as the loans in term, interest rate and magnitude. The book values of amounts owed by Group undertakings, accrued interest, cash at bank and in hand and accrued interest on Bond liabilities represent their fair values.

13. COMMITMENTS

The Company has no outstanding commitments at 30 September 2014 (2013: £nil).

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's shares are held by The Wellcome Trust Limited, as trustee of the Wellcome Trust. The Company is a wholly owned subsidiary undertaking of the Wellcome Trust for accounting purposes, and its assets, liabilities and results have been consolidated with those of the Wellcome Trust as required by FRS 2 "Accounting for Subsidiary Undertakings".

The ultimate parent undertaking and controlling party is the Wellcome Trust, which is the parent undertaking of the smallest and largest group to consolidate these Financial Statements.

Copies of the Wellcome Trust *Annual Report and Financial Statements 2014* are available from the Trust's website (www.wellcome.ac.uk) or from the company secretary.

Wellcome Trust Finance plc
Administrative Details
As at 30 September 2014

Directors

Nicholas Moakes
Peter Pereira Gray
Daniel Truell

Company Secretary

Susan Wallcraft

Registered Company Number

5857955

Registered Office

Gibbs Building
215 Euston Road
London
NW1 2BE

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

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31 Holborn Circus
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