

# **THE GATSBY CHARITABLE FOUNDATION**

ANNUAL REPORT

5 APRIL 2019

The Peak  
5 Wilton Road  
LONDON SW1V 1AP

**THE GATSBY CHARITABLE FOUNDATION**  
**5 April 2019**

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# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### REPORT OF THE TRUSTEES

#### Legal and Administrative

The Gatsby Charitable Foundation (Gatsby) was established under a Trust Deed dated 17 March 1967 and is registered with the Charity Commission under No. 251988.

<b>Settlor</b>	Lord Sainsbury of Turville	
<b>Trustees</b>	Sir Andrew Cahn KCMG Miss J S Portrait OBE Mr J C Burns	
<b>Registered Office</b>	The Peak, 5 Wilton Road London SW1V 1AP	
<b>Principal Officers</b>	Mr P Hesketh	CEO
	Mrs K Everett	Finance Director
	Mr J Highstead	Executive
	Mr J Searancke	Head of Finance
	Mr N Thomas	Executive
	Mr G Wilson	Executive
<b>Bankers</b>	Child & Co, 1 Fleet Street, London EC4Y 1BD	
<b>Solicitors</b>	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ	SNR Denton LLP 1 Fleet Place London EC4M 7WS
<b>Auditor</b>	Crowe U.K. LLP St Bride's House, 10 Salisbury Square, London EC4Y 8EH	
<b>Investment Advisers</b>	Sarabaite Limited Lower Mill, Kingston Road, Ewell, Surrey KT17 2AE	
<b>Investment Managers</b>	Troy Asset Management Limited Brookfield House, 44 Davies Street, London W1K 5JA	
	Cooke & Bieler, L.P. 1700 Market Street, Suite 3222, Philadelphia, USA	
	Tweedy Browne Company LLC 350 Park Avenue, New York, NY 10022, USA	
<b>Investment Powers</b>	The Trust Deed empowers the Trustees to appoint investment advisers, who have discretion to invest the funds of Gatsby within guidelines established by the Trustees.	

# THE GATSBY CHARITABLE FOUNDATION

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## REPORT OF THE TRUSTEES (continued)

### Legal and Administrative (continued)

#### Objects

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

#### Organisation

Gatsby is one of the Sainsbury Family Charitable Trusts (SFCT), which share a common administration. The remuneration of the senior staff (including key management personnel) is reviewed by the Trustees on an annual basis taking into account the requirements of their role and performance during the year. From time to time the SFCT Management Committee benchmarks pay levels against the comparable positions in similar organisations.

#### Objectives

The Trustees' objectives within their current fields of interest are:

- **Plant Science**, to develop basic research in fundamental processes of plant growth and development and molecular plant pathology, and to encourage young researchers in the field of plant science in the UK.
- **Neuroscience**, to support world-class research in the area of neural circuits and behaviour and theoretical neuroscience, and to support activities which enhance our understanding in these fields.
- **Science and Engineering Education**, to strengthen science and engineering skills in the UK by developing and enabling innovative programmes and informing national policy.
- **Africa**, to promote economic development in East Africa that benefits the poor through supporting the growth and sustainability of key sectors.
- **The Arts**, to support the fabric and programming of institutions with which Gatsby's founding family has connections.
- **Public Policy**, to support: the Institute for Government as an independent centre available to politicians and the civil service focused on making government more effective; and the Centre for Cities, which provides practical research and policy advice that helps cities understand how they can succeed economically.

The Trustees occasionally support other charitable work which falls outside their main fields of interest.

Within these categories the Trustees make grants in support of work which they judge to have particular merit. Many of their grants fund projects which Gatsby has helped to initiate. It is the policy of the Trustees to evaluate programmes and projects rigorously and carefully, and to assess when the evaluations should most usefully take place.

Generally, the Trustees do not make grants in response to unsolicited applications or to individuals.

# THE GATSBY CHARITABLE FOUNDATION

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### REPORT OF THE TRUSTEES (continued)

#### Statement on Public Benefit

Trustees are aware of the Charity Commission's guidance on Public Benefit and confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to it. They consider that the very full information about Gatsby's aims, activities and achievements in the many areas of interest that Gatsby 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.

#### Charity Governance Code

Trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Charity has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

#### Appointment and Powers of Trustees and Management

As per the Gatsby Charitable Foundation Trust Deed, the statutory powers of appointing Trustees are vested in the Settlor during his life. The Trust Deed enables the Trustees to delegate certain powers. Trustees are provided with relevant information relating to their responsibilities as Trustees.

#### Financial overview of the past year

Trustees met four times to approve grants and twice to review investments. During the year Gatsby received further gifts from the Settlor totalling £57.2 million which have been added to Gatsby's expendable endowment and is available for grant making. Gatsby also received £7.6 million from dividends and interest and £0.3 million in donations from other organisations.

Gatsby has significant unpaid forward commitments totalling £60.0 million. Trustees approved grants amounting to £56.3 million and made payments of £57.3 million covering some of these grants and others approved in earlier years. In addition, payments of £3.6 million were made in relation to directly managed charitable programmes, including the use of restricted grants. With Trustees' intention to spend out the assets of Gatsby, and with the expectation that grant making over the next two to three years is likely to be maintained at a significant level, Gatsby had short term deposits and cash at bank of £231 million at the year end. In arriving at these balances, it is the Trustees' intention to hold cash and near cash investments that equate to at least three years of grant expenditure, which should avoid a forced sale of investments should investment markets deteriorate.

Gatsby continues to consider its programme related investment in 89% of the issued capital of African Agricultural Capital Limited (AAC) as not material relative to the net assets of Gatsby. Therefore the financial results of AAC are not consolidated in the financial statements of Gatsby. The company has been put into liquidation in July 2019. During the year Gatsby received £0.4 million as a partial redemption of preference shares in AAC. In view of the uncertainty as to the amount and timing of any future repayment of capital from AAC a full provision continues to be made against the cost of the investment to bring the carrying value of the investment to £Nil.

# THE GATSBY CHARITABLE FOUNDATION

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## **REPORT OF THE TRUSTEES (continued)**

### **Future plans**

For the immediate future Trustees expect to continue to support long standing major beneficiaries and to continue making grants throughout the year in the areas in which they are interested, as detailed in the objectives section earlier in this report.

### **Reserves policy**

The Trustees treat their expendable endowment and unrestricted income funds as a single resource for grant-making, and do not consider necessary a particular level of income reserves. The Charity Commission nevertheless requires that income is shown separate from capital, and as grant expenditure is shown on the face of the Statement of Financial Activities as a charge against income, a significant deficit of income arises. As this deficit is non-reversing, a transfer of £47.0 million (2018: £20.1 million) has been made from the expendable endowment to eliminate the deficit.

### **Risk assessment**

The Trustees have examined the major strategic, business and operational risks to which Gatsby may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, adequate systems are in place to meet such potential risks as the Trustees have identified in the context of their grant-making.

The Trustees have evaluated that a major risk faced by Gatsby is that grant payments may not be applied for the charitable purposes for which they were awarded. To mitigate this risk the Trustees have implemented a rigorous, proportionate set of governance procedures which considers whether programmes and activities of the organisation which are to be the recipients of payments are aligned with the charitable objectives of Gatsby. During implementation of these programmes there is a series of performance reviews which checks, amongst other matters, that the funding paid has been and/or continues to be applied to programme outputs approved originally.

The Trustees have also identified the uncertainty of financial returns and the potential for a significant reduction in the value of investments to constitute the charity's major financial risks. This is mitigated by holding a high proportion of cash and having a diversified financial portfolio which is professionally managed. The Trustees regularly review investment strategy and monitor financial performance.

### **Fundraising**

The Charity and its Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016. Gatsby does not raise funds from the public and as such has no fundraising activities requiring disclosure under SI 62A of the Charities Act 2011.

### **Investment policy and performance**

During the year under review, Gatsby's endowment comprised mainly cash and cash equivalents, shares of J Sainsbury plc and other equity investments. Active cash management ensured that a return above normally available market rates was achieved.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### REPORT OF THE TRUSTEES (continued)

#### CHARITABLE ACTIVITIES

Gatsby was established in 1967 by David Sainsbury (now Lord Sainsbury of Turville). Gatsby acts as the enabler for projects, developing, overseeing and, in some cases, delivering activities across a small number of focus areas where the Trustees believe charitable funding can secure significant impact. Gatsby's commitment to these areas dates back many years, as Trustees understand that long-term investment and development are often needed to secure significant, sustainable change. Each of Gatsby's focus areas presents different challenges and each demands different models of support, intervention and evaluation. However, some common characteristics can be identified across the different areas.

Across all of Gatsby's programmes the Trustees aim to secure maximum impact with a minimum of bureaucracy. To this end, as well as limiting itself to a small range of fields, Gatsby also adopts a tight focus within each programme area. Trustees are very aware that across even narrowly-defined fields such as plant science or neuroscience research, there will never be a shortage of need and spreading support too thinly risks a disproportionate reduction in impact.

Another common factor across all of Gatsby's focus areas is a proactive approach to both grant-making and directly managed programmes. Rather than awaiting proposals from third parties, Gatsby identifies areas for action and builds hypotheses for action which can then be tested in the field. Where successful these can then be scaled up and rolled-out. Such hypotheses are informed both by knowledge of the field in question (drawing on the experience of Trustees, expert advisers and staff) and by previous experience of what type of intervention is most likely to work. Where available, independent evaluation evidence is also fed into this process.

Underlying Gatsby's approach is an acceptance that, while rigorous research from the outset can greatly reduce the chance of failure, not all projects will be successful if innovation is to be fostered. This is especially true of proof-of-principle initiatives which seek novel solutions to stubborn problems. Trustees are therefore willing to take calculated risks with their charitable expenditure in situations where there clearly exists significant potential for impact.

This report describes Gatsby's aims in its main areas of interest and gives an indication of how Gatsby pursued them over the last 12 months. More detailed information can be found at [www.gatsby.org.uk](http://www.gatsby.org.uk)

#### PLANT SCIENCE

*"To develop basic research in fundamental processes of plant growth and development and molecular plant pathology, and to encourage young researchers in the field of plant science in the UK."*

Gatsby's work in support of plant science seeks to nurture, sustain and increase the number of high-quality researchers for fundamental studies in plant biology. The programme aims to inspire an interest and excitement in plant science at all levels – from school students to graduate researchers – while also attracting world class talent to the UK by creating centres of excellence in the field.

## THE GATSBY CHARITABLE FOUNDATION

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#### **REPORT OF THE TRUSTEES (continued)**

Gatsby's largest ever commitment in plant science funded the building of a state-of-the-art research institute, the Sainsbury Laboratory Cambridge University ('SLCU'), which opened in 2011. Set within the inspirational grounds of the University's Botanic Garden, the aim of the Laboratory is to elucidate the regulatory systems underlying plant growth and development. During this reporting period, a new research group leader joined the Laboratory, Dr François Nédélec. His group will study cell morphogenesis and developmental biology using synthetic and systems biology approaches, along with computer modelling. His expertise at the physics/biology interface will combine the molecular and cellular scales, typically using the information gathered on the molecular components and their interactions to simulate the collective behaviours that make cells 'alive'. Research activities across SLCU continue to integrate mathematical, computational and theoretical approaches with diverse experimental methods. This year SLCU hosted the second Cambridge Developmental Biology meeting that focused on quantitative approaches. They continue their ongoing computational biology workshops, and are developing closer collaborations with ENS-Lyon to run the event. SLCU continues to invest in cutting-edge technology to facilitate its experimental research. For example, they have acquired a new Zeiss upright confocal microscope for spectral detection and enhanced resolution. In-house construction of a light sheet microscope for plant imaging as part of a collaborative project with the University's Centre for Advanced Imaging and the Department of Applied Mathematics & Theoretical Physics is nearing completion. In addition, they have contributed to the successful FINESSE NanoBio strategic equipment award led by the Department of Engineering, which will support the acquisition of a helium/neon/gallium ion microscope, providing access for SLCU researchers to ultrahigh resolution imaging.

Since 1987 Gatsby has supported The Sainsbury Laboratory (TSL) at the Norwich Research Park to investigate how plants defend themselves against microbes that cause disease, and conversely how microbes manipulate host plants and cause disease. Over these three decades, TSL has built an outstanding international reputation for scientific excellence. Gatsby recently carried out a comprehensive quinquennial review of all the centre's activities, including research, training, core platforms, support and administration. Five TSL scientists - Jonathan Jones, Sophien Kamoun, Cyril Zipfel, Nicholas Talbot and Joe Win - appear in the Clarivate Analytics Highly Cited Researcher list 2018, and group leaders have also raised significant external funding from the European Research Council, the UK's Biotechnology and Biological Sciences Research Council, the Gordon and Betty Moore Foundation, the Global Challenges Research Fund and several industrial partners. Key discoveries include: identification of a domain, called MADA, present in a group of plant immune receptors, that may be involved in triggering plant cell death during immunity; identification of a novel calcium channel protein that is key to early plant defence; and, the discovery of new disease resistance genes from wild potato varieties, wheat, barley, and legumes for a range of significant crop diseases. Based on the excellent scientific developments, outputs and future plans, Gatsby confirmed renewed support for TSL for a further five-year research cycle. During the last year, new governance and advisory arrangements have been completed, including a much closer strategic relationship with the University of East Anglia. The Executive Director, Professor Nicholas Talbot FRS, has taken up post to steer a new strategic direction linking fundamental and translational research to address emerging diseases, sustainable agriculture and plant health. As part of this, the Laboratory will recruit a new faculty member with complementary expertise, and collaborative efforts will be fostered between group leaders within TSL as well as with those at other Gatsby-supported plant science activities.

A further major new direction is that TSL is developing an innovative Masters degree programme on global plant protection that will launch in 2020. It will aim to develop and equip the next generation of leaders with not only key knowledge of advanced molecular plant pathology, but also contemporary challenges in the control of emerging diseases in global agriculture, as well as knowledge transfer and business practices.



## THE GATSBY CHARITABLE FOUNDATION

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### **REPORT OF THE TRUSTEES (continued)**

Gatsby provides core support to The 2Blades Foundation, a charitable organisation that supports the development of crops with durable disease resistance and promotes their deployment in agriculture worldwide, with a particular aim to benefit developing countries. Over the past year, 2Blades reviewed its portfolio and have focused on six programmes, with the major efforts remaining in wheat, soybean and maize. The long-running wheat programme has completed two field tests to evaluate the performance of multiple stacked resistance genes, which was exceptionally successful in protecting plants from disease symptoms; this very promising finding will progress towards a demonstration trial in Kenya. The programme on Asian Soybean Rust (ASR) that includes academic partners, TSL and the Federal University of Vicosa, has recently secured a new industrial partnership with Bayer; a further exciting pipeline of ASR resistance gene candidates from multiple species related to soybean are coming out of the 2Blades group at TSL directed by Dr Peter van Esse. 2Blades continues to focus on additional fundraising and have established a Sustainability Council to aid their networking in philanthropy, business, and communications.

Gatsby further supports excellence in plant science in the UK through a suite of activities overseen by the Gatsby Plant Science Advisors. Each year this includes a summer school for 80 promising first-year bioscience undergraduates, up to seven summer research studentships for second-year undergraduates, and up to four Sainsbury PhD four-year studentships. Gatsby supports a plant science network that facilitates interaction between participants in these different programmes. The network currently consists of Gatsby undergraduate students, Sainsbury PhD students, PhD supervisors, Gatsby Alumni, and Gatsby Mentors chosen from 28 Universities across the UK with teaching and research interests in plant science. There are two meetings of the Network each year: a challenging and stimulating student training weekend in Cambridge around Easter; and, the main network meeting of presentations, talks and discussions in Oxford ahead of the start of the new academic year that provides an important forum for students to meet influential members of the UK plant science community. Earlier in the educational system, Gatsby funds the Science and Plants for Schools (SAPS) programme which supports teachers to deliver plant science lessons in engaging ways and promotes this area as a key part of the school biology curriculum.

### **TOTAL GRANT PAYMENTS made this year (from new and previous grants): £13,984,000**

#### University of Cambridge - £9,101,000

Towards research activities and equipment costs at the Sainsbury Laboratory; and the Gatsby Fellowship Programme.

#### Sainsbury Laboratory - Norwich - £2,820,000

Towards core research activities.

#### Two Blades Foundation - £1,524,000

Towards core and project costs.

#### Science & Plants for Schools (SAPS) and the Gatsby Plant Science Summer School - £414,000

To support the plant science education projects.

#### Cambridge Network - £125,000

Towards the costs of a secretariat to develop the Norwich-Cambridge Agri-Tech Cluster.

## THE GATSBY CHARITABLE FOUNDATION

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#### REPORT OF THE TRUSTEES (continued)

**TOTAL DIRECT PROGRAMME EXPENSES paid this year: £462,000**

Sainsbury PhD Studentships - £304,000

Expenditure on plant science PhD studentships.

Gatsby Plant Science Initiative - £158,000

Sainsbury Undergraduate Studentships, honoraria and administration costs, costs of the Gatsby Plant Science Network, conference attendance for students, and strategic ad hoc grants.

#### NEUROSCIENCE

*“To support world-class research in the areas of neural circuits and behaviour and theoretical neuroscience, and to support activities which enhance our understanding in these fields.”*

Understanding how the intricate anatomy of cells and circuits in our brain work together to generate complex behaviours is one of the most exciting challenges facing neuroscience today. Gatsby’s view, shared by many, is to work towards this by harnessing the efforts of a dynamic and multi-disciplinary group of scientists with a common interest in the workings of the brain. To this end, Gatsby is supporting a number of world-class research centres, programmes and activities:

Gatsby, in partnership with the Wellcome Trust and University College London, developed and supports the Sainsbury Wellcome Centre for Neural Circuits and Behaviour (SWC) – where scientists are using state-of-the-art techniques to investigate how circuits in the brain process information to create neural representations and guide behaviour. During the reporting period, SWC has expanded a number of its scientific activities. Development of an international workshop series (one instalment being on Predictive Processing in the Brain) is underway to encourage a wider dialogue, and to further SWC science, a visiting scholar programme was initiated with extended visits from professors at Harvard and the University of California. New faculty member, Dr Athena Akrami, joined SWC as a new group leader in October. Her research combines theory and experiment to study the fundamental principles by which the nervous system’s computations underlie learning, inference and memory; high-throughput training is used to combine sophisticated, well-controlled and quantifiable behavioural paradigms with powerful tools to monitor and manipulate neural circuits. SWC continues to develop deeper links with the Gatsby Computational Neuroscience Unit (GCNU; also located within the SWC building) via shared programmes and activities, the first of which is a programme of senior post-doctoral fellowships designed explicitly to link theorists and experimentalists. Each fellow will be jointly mentored by GCNU and SWC faculty and operate with greater independence. Projects need not necessarily involve original work in both domains but must actively engage with both such as experiments to test a theory, or advances in analysis that address neural data.

In the area of theoretical neuroscience and machine learning, Gatsby have supported for over two decades the Gatsby Computational Neuroscience Unit (GCNU) at University College London.

## THE GATSBY CHARITABLE FOUNDATION

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### REPORT OF THE TRUSTEES (continued)

These are the Centre for Theoretical Neuroscience at Columbia University in the USA and the Gatsby programme in theoretical neuroscience at the Safra Centre for Brain Sciences (ELSC) at the Hebrew University in Israel. Gatsby funding is used by these centres to support graduate students, post-doctoral scientists, bridging academic personnel, some administrative activities, and new key pieces of IT infrastructure. Gatsby has been instrumental in enabling the centres to develop their programmes further. For example, the Columbia centre secured significant US NIH BRAIN Initiative cooperative grants to link experiment and theory on visual stimuli and on motor control, while group leaders in the ELSC programme have formed international collaborations with the US and EU brain initiatives. The Gatsby-supported three-centre group have developed strong collaborative links between the theorists and the experimental scientists at each of the institutions, including those at SWC. In 2018, the annual collaborative Gatsby TriCentre Meeting was hosted in New York by the Columbia centre.

Gatsby continues to provide joint core support until the end of 2020 with Wellcome, for the Centre for Neural Circuits and Behaviour at the University of Oxford under the leadership of Professor Gero Miesenboeck. Six research groups take a multidisciplinary approach to investigate the anatomy, dynamics, computation and regulation involved in a disparate range of processes such as sleep and learning and memory.

Gatsby have made a six-year grant to initiate the Stanford Optogenetics Moonshot for Autism under the direction of Professor Karl Deisseroth. This project at Stanford University in the USA aims to elucidate the mechanisms of autism brain dynamics and to resolve relationships among multiple brain-wide projections and cell populations for particular behaviours. These findings will help Professor Deisseroth and colleagues design and create novel, safe, effective and precision therapies to have a transformative impact on the treatment landscape for Autism Spectrum Disorder. During the reporting period, they have developed an approach for cellular-resolution real-time identification and control of social neurons in part of the brain called the orbitofrontal cortex. Stimulation of these social neurons was found to modulate reward-related feeding behaviour, suggesting there are subnetworks that can control behaviours in relation to social influences. This preparation will allow deep investigation of the causal dynamics of social behaviour over the coming year.

In recent years, there has been considerable progress in the understanding of the biological basis of many brain and mental health disorders. In partnership with Wellcome, Gatsby provided and this year renewed support to the UK's Royal College of Psychiatrists to update the postgraduate curriculum for psychiatry to incorporate a modern neuroscience perspective as a core component of every formulation and treatment plan. Over the past year, the College has reviewed and updated the neuroscience components of the syllabus and all candidates taking the written examination are now required to learn the new, updated neuroscience content. The bootcamp model for teaching neuroscience principles that was successful in early phases of the project is being continued with more self-organised (and cost-neutral) events around the UK. Gatsby also provided 12 bursaries for psychiatrist trainers to attend the British Neuroscience Association (BNA) 2019 Festival of Neuroscience in Dublin to expand their knowledge and contacts in order to lead to further new training events and strengthen greatly the College's regional 'Neuroscience in Psychiatry Networks' for the future. Appetite for the latest neuroscientific information continues and an advanced bootcamp package is being considered that could be used across the country. Another major focus for the coming year will be on the College's online learning tool and what new modules should be developed to reflect the latest neuroscience innovations relevant to psychiatry.

## THE GATSBY CHARITABLE FOUNDATION

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### **REPORT OF THE TRUSTEES (continued)**

Gatsby is partnering with Federation of European Neuroscience Societies (FENS), International Brain Research Organisation (IBRO), Bordeaux Neurocampus and the Champalimaud Foundation to support the continued development and operations of the CAJAL Advanced Neuroscience Training Programme, a dedicated neuroscience training facility in Europe. This represents a much-needed European equivalent to the highly respected cutting-edge hands-on intensive training courses in Woods Hole and Cold Spring Harbor in the USA. Over the past year, plans to develop an independent CAJAL schools entity have evolved with the goal of creating a strong, sustainable programme for the future. Courses over the past year have included: Developmental Neurobiology and Pathologies; Neuroinflammation and How to Study It; Behaviour of Neural Systems; Computational Neuroscience; Advanced Imaging Methods for Cellular Neuroscience; and, Linking Neural Circuits and Behaviour.

Gatsby is collaborating with University College London, Wellcome, the Allen Institute for Brain Science, the Howard Hughes Medical Institute and IMEC on a technology development project to design and manufacture a state-of-the-art device for detecting simultaneously the activity of many hundreds of neurons in animal brains. During the year, the final product probe was commercially released. Gatsby looks forward to seeing its impact over the next year as more groups worldwide begin to tackle new questions of how the brain works and experiments that can only be answered with these probes that have nearly 400 recording channels.

Gatsby believes in the value of publicly available, up-to-date, authoritative information about the progress and promise of brain research. Gatsby continues to support the Society for Neuroscience to maintain and expand BrainFacts.org. This highly successful website targets information about the brain and nervous system to the public, educators and public policy audiences.

### **TOTAL GRANT PAYMENTS made this year (from new and previous grants): £10,962,000**

#### University College London - £8,753,000

Towards the research activities and core costs of the Sainsbury Wellcome Centre for Neural Circuits and Behaviour; the core costs of the Gatsby Computational Neuroscience Unit; and the development of very high site-count silicon probes.

#### Stanford University - £774,000

Towards support for Stanford Optogenetics Moonshot for Autism.

#### University of Oxford - £474,000

Towards the Oxford Centre for Neural Circuits and Behaviour.

#### Columbia University - £306,000

Towards the Centre for Theoretical Neuroscience.

#### Hebrew University of Jerusalem - £215,000

Towards research into Dynamics and Plasticity of Cortical Circuits: Computational Studies.

#### Federation of European Neurosciences - £214,000

Towards the development and operations of the CAJAL Advanced Neuroscience Training Programme.

## THE GATSBY CHARITABLE FOUNDATION

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#### **REPORT OF THE TRUSTEES (continued)**

Society for Neuroscience - £99,000

Towards the continued development and operations of Brainfacts.org.

Further grant payments totalling £127,000 were also paid in the year.

**TOTAL DIRECT PROGRAMME EXPENSES paid this year: £18,000**

#### **SCIENCE AND ENGINEERING EDUCATION**

*“To strengthen science, technology, engineering and mathematics (STEM) skills in the UK by informing national policy and developing innovative programmes.”*

Gatsby’s current areas of focus in this category are: the reform of technical education; the supply of STEM skills in the workforce; career guidance; science and maths in schools; and business education for engineers. Gatsby funds the core costs of a separate organisation – Gatsby Technical Education Projects, a registered charity and company limited by guarantee – to manage many of its programmes in this area.

In 2015, the government asked Lord Sainsbury of Turville, Gatsby’s settlor, to chair an independent review of technical education: the ‘Sainsbury Review’. The review’s final report recommended wide-ranging reforms to the technical education system in England. All of the review’s recommendations were accepted by the government and Gatsby continues to work closely with the Department for Education (DFE) and the Institute for Apprenticeships and Technical Education to ensure successful implementation of the reforms. These include the phased introduction, from 2020, of new technical qualifications for 16-19 year olds: T-levels, which will sit alongside A-levels as the qualifications of choice for the majority of young people. A mandatory component of every T-level will be a 9-12 week placement with a relevant employer, and Gatsby continues to explore innovative approaches to ensuring that sufficient numbers of placements can be sourced across the country and in every relevant industry. Similarly, the successful introduction of T-levels will require a strong supply of expert teachers in the Further Education sector and Gatsby continues to support programmes which seek to increase the supply and skills of these individuals.

The Sainsbury Review also recommended a strengthening of Higher Technical Education (HTE), including Level 4 and 5 qualifications like HNCs and HNDs that sit below undergraduate degrees (Level 6) but above A-levels and T-levels (Level 3). Until recently, HTE has been a neglected area of education policy, with much more attention being paid to the phases above and below it. However, a robust system of qualifications and training at this level is essential if the UK is to remain competitive in fields such as advanced manufacturing. Because of this, Gatsby is increasingly taking an interest in HTE, including commissioning research regarding its availability and take-up in the UK and how this compares to other countries. Gatsby has also worked closely with the DFE in the run-up to a government consultation on HTE, launched in July 2019, and supported the High Value Manufacturing Catapult to undertake a series of international visits exploring how Catapult-style innovation centres can play a role in defining and delivering HTE.

Although technical education is currently enjoying something of a renaissance in government policy circles, the many and varied technician roles that technical education leads to remain poorly understood by the general public and, most notably, by young people and their parents. This year, Gatsby has built on the success of its Technicians Make it Happen campaign, expanding its reach through national events and social media, to promote positive messages about technicians.

## THE GATSBY CHARITABLE FOUNDATION

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#### **REPORT OF THE TRUSTEES (continued)**

Gatsby has also recently embarked on an ambitious partnership with the Science Museum Group that will see a new gallery, showcasing the work of technicians, opening at the Science Museum in London in mid-2021.

Recognising the contribution of technicians already in the workforce is also important, and Gatsby continues to support initiatives that raise the professional recognition of existing technicians. To this end, Gatsby has supported the creation and development of the Technician Commitment, an initiative that works to create a culture in higher education institutions in which technical careers are recognised, supported and developed. Gatsby's longstanding support of professional registration schemes for technicians also continues, notably through its partnerships with the Science Council and the BCS, the Chartered Institute for IT, to expand registration schemes in science and information technology.

Following several years of work by Gatsby to define what career guidance in schools should look like, in December 2017 the government placed the Gatsby Benchmarks for Good Career Guidance at the heart of its new national careers strategy. Gatsby continues to support schools and colleges in implementing the strategy, including this year producing – in partnership with the Careers & Enterprise Company and Disability Rights UK – reflections from leading practitioners and experts on the importance of career guidance for students with Special Educational Needs and Disabilities (SEND).

Gatsby's support for science and maths in schools is limited to a small number of programmes that seek to enable effective approaches to teacher recruitment and retention, and strengthen practical work in school science lessons. Gatsby also supports a few initiatives which aim to bring coherence to what can sometimes be a cluttered STEM education landscape. These include: the Big Bang Fair, that brings together a range of STEM prizes and events under one umbrella; the National STEM Learning Centre, which houses the UK's largest collection of STEM curriculum support materials; and activity to support schools to establish and develop STEM Clubs.

Gatsby's objective to promote business education for those in the engineering profession is delivered through support for the Engineers in Business Fellowship (EIBF), a charity established in 2012 to manage the Sainsbury Management Fellowships (SMFs) scheme and associated activity. The SMFs scheme was created in 1987 to encourage outstanding, early-career engineers to study for an MBA at a top international business school. Each year, ten bursaries of £50,000 are awarded and many of the scheme's alumni – now 355 strong – have gone on to hold senior executive roles or start their own companies. Since 2017, the EIBF has also been developing a competition for engineering undergraduates in which students compete in teams to produce a compelling business plan – and in some cases a working prototype – of an engineering-based product. Now in its second year, the competition has expanded to 23 universities; EIBF's aim is to have 50 universities involved by 2022.

#### **TOTAL GRANT PAYMENTS made this year (from new and previous grants): £4,720,000**

##### Gatsby Technical Education Projects (GTEP) - £2,988,000

Towards the core costs of Gatsby Technical Education Projects

##### Engineers in Business Fellowship - £902,000

Towards the Sainsbury Management Fellowships scheme, core costs, and a business competition for engineering undergraduates.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### **REPORT OF THE TRUSTEES (continued)**

##### Baker Dearing Educational Trust - £400,000

Towards development of the University Technical Colleges initiative.

##### National STEM Centre - £245,000

Towards core costs.

##### Engineering UK - £75,000

Towards the costs of the Big Bang Fair.

Further grant payments totalling £110,000 were also paid in the year.

#### **TOTAL DIRECT PROGRAMME EXPENSES paid this year: £2,899,000**

##### Promoting technician roles - £432,000

Expenditure on a campaign promoting the roles of technicians and their contribution to the UK economy.

##### Career Guidance in schools - £384,000

Expenditure on work to improve career guidance in schools.

##### Implementation of technical education reform - £380,000

To support the implementation of technical education routes across England.

##### Technician registration schemes - £346,000

To support the expansion of professional registration schemes for science and IT technicians.

##### National STEM Centre - £343,000

Towards core costs.

##### Practical Work in School Science - £188,000

Expenditure on a programme of work to support practical work in school science.

##### New gallery in the Science Museum promoting technicians - £178,000

Towards the first phase of work by the Science Museum to create a new technicians gallery.

##### High Value Manufacturing Catapult international work on innovation and skills - £105,000

Towards a series of international study visits examining the role of technology and innovation centres in skills development.

##### Technician Commitment for HEIs and research institutions - £102,000

Towards the roll-out of the Technician Commitment initiative in HEIs and research institutions.

##### Initial teacher training for Further Education teachers - £66,000

Work to improve the quality of subject specific initial teacher training for science and engineering teachers in FE

Further direct programme expenses totalling £375,000 were also paid in the year.

**THE GATSBY CHARITABLE FOUNDATION**  
**5 April 2019**

**REPORT OF THE TRUSTEES (continued)**

**AFRICA**

*“To promote economic development in East Africa that benefits the poor through support to the growth and sustainability of key sectors.”*

Gatsby has funded, designed and run programmes in Africa since 1985, with the overall aim of driving sustainable economic growth to create jobs and raise incomes for poor people. Gatsby’s programmes in Africa are now mainly implemented by a separate UK charitable company - Gatsby Africa (GA) - with registered branches in Tanzania and Kenya.

GA’s mission is to accelerate inclusive and resilient economic growth in East Africa by demonstrating how key economic sectors - such as cotton in Tanzania - can be transformed, thereby reducing poverty. GA aims to achieve this by:

- Funding and implementing programmes that look to catalyse and influence large-scale and lasting change in priority sectors;
- Building and supporting local organisations dedicated to sector transformation; and
- Sharing lessons with others - including donors and governments - who are trying to transform sectors.

GA is implementing programmes in the Tanzanian cotton and textiles sectors, forestry sectors in Kenya and Tanzania, and (in partnership with The Wood Foundation) the Tanzanian and Rwandan tea sectors. It has also invested resources in building two local independent organisations - Kenya Markets Trust and Msingi - to undertake similar work and influence the broader debate on how to ensure economic growth benefits poor people in East Africa.

GA and its partner organisations are running 10 sector programmes across East Africa. Yet many other sectors also need support. Each programme and organisation thus aims to capture what is working and what is not, and to share this with other stakeholders - particularly governments and donors - so that they can benefit from the lessons learned. In this way, GA aims to contribute to a wider movement, and to see a series of sectors in East Africa and beyond transformed by its own efforts and those of others. This would lead to large-scale and lasting change – accelerating economic growth, creating jobs, raising incomes and reducing poverty.

Beyond GA, during the year Gatsby provided a final grant payment to Aquifer Limited (Aquifer) to support its efforts to create sustainable agri-businesses in Mozambique. Aquifer, previously a wholly owned subsidiary of Gatsby, was disposed of in the previous financial year. The terms of the sale and purchase agreement provided that Gatsby would make a final grant in furtherance of its charitable objective of poverty alleviation to enable Aquifer’s operations to continue, encouraging industrialisation, food production and job creation in Mozambique

**TOTAL GRANT PAYMENTS made this year (from new and previous grants): £16,436,000**

Gatsby Africa (GA) - £15,338,000

Towards GA programmes and core office costs from 1 October 2016.



## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### **REPORT OF THE TRUSTEES (continued)**

##### Aquifer - £1,080,000

Towards maintaining operations and thereby employment opportunities and income generation for subsistence farmers in one of the poorest regions of Mozambique.

Further grant payments totalling £18,000 were also paid in the year.

#### **THE ARTS**

*“To support the fabric and programming of institutions with which Gatsby’s founding family has connections.”*

Trustees continue to provide core support for organisations with which Gatsby has a long-standing history, in particular the Sainsbury Centre for Visual Arts, the Sainsbury Institute for the Study of Japanese Arts and Cultures, and the Sainsbury Research Unit (all at the University of East Anglia), the Backstage Trust, the Royal Shakespeare Company and the Chamber Orchestra of Europe.

This period has seen the 40<sup>th</sup> Anniversary of the Sainsbury Centre for Visual Arts which staged five major exhibitions, installed five new works in the Sculpture Park and loaned an almost unprecedented number of works both nationally and internationally. The Sainsbury Institute for the Study of Japanese Art and Cultures also embarked on an extended two years of celebrations to mark their 20<sup>th</sup> Anniversary since it was established in late 1998. Their international reputation continues to grow and alongside an exciting programme of activities they have also now launched the first MA in Interdisciplinary Japanese in partnership with University of East Anglia.

#### **TOTAL GRANT PAYMENTS made this year (from new and previous grants): £3,216,000**

##### Backstage Trust - £1,000,000

Towards core and project costs.

##### Sainsbury Centre for Visual Arts - £706,000

Towards core costs, special exhibitions and the museum leadership programme.

##### Chamber Orchestra of Europe - £500,000

Towards core costs.

##### Sainsbury Institute for the Study of Japanese Arts and Cultures - £400,000

Towards core costs.

##### Royal Shakespeare Theatre & Royal Shakespeare Company (RSC) - £268,000

Towards the Artists Development Programme.

##### Sainsbury Research Unit for the Arts of Africa, Oceania & the Americas - £250,000

Towards core costs.

Further grant payments totalling £92,000 were also paid in the year.

**THE GATSBY CHARITABLE FOUNDATION**  
**5 April 2019**

**REPORT OF THE TRUSTEES (continued)**

**PUBLIC POLICY**

*“To support independent research organisations which provide evidence-based advice to policy makers.”*

Gatsby’s grant making in public policy focuses on four organisations – the Institute for Government; the Centre for Cities; the Centre for Science, Technology & Innovation Policy; and, Policy Links.

Gatsby established the Institute for Government in 2008 with the ambitious objective of improving the working of government in the UK. It is directed by Bronwen Maddox and accountable to a distinguished all-party board of governors chaired by Lord Sainsbury. The Institute is independent and non-partisan, and works with the main political parties in Westminster, senior civil servants in Whitehall, and officials, politicians, academics and other stakeholders across the UK to promote more effective government. It provides impartial, evidence-based research, advice and training drawing on best practice and experience from within government and the public sector, universities and business not just in the UK but from around the world. Its findings and ideas are disseminated through a wide range of channels including reports, blogs, public and private roundtable events and seminars.

Government in the last year has been dominated by Brexit and the Institute has analysed the government’s efforts to negotiate, legislate for and implement new policies in response to the UK’s decision to leave the EU. Beyond Brexit, it has continued to develop Ministers Reflect as well as to support current ministers to increase their effectiveness and has undertaken ground-breaking analysis of the implications of turnover in the civil service as well as continuing actively to support the development of the functional agenda alongside a new study of key accountability issues in government and how they should be addressed. As well as analysing Parliament’s key role in the Brexit process the Institute launched a new annual document, Parliamentary Monitor, looking at how well Parliament runs and carries out its role and has continued to develop the Performance Tracker report, expanding it to cover new sectors of public services, and dealing more explicitly with the impact of rising demand for services, and analysis of whether they have become more efficient. Having strengthened its economic expertise through the recruitment of a Chief Economist the Institute has examined the economic impact of Brexit and how to improve the Spending Review process and has begun a significant programme of work on government’s relationship with the private sector with an analysis of the extent of government procurement. The twentieth anniversary of devolution to Scotland, Wales and Northern Ireland was marked with the publication of a set of interviews with devolved ministers. A data-based look at devolved government and a book of essays on devolution follow in 2019/20. The Institute has also continued to deliver professional development for government, providing high-level advice, seminars and research to support ministers, advisers, senior officials and select committees.

The Centre for Cities is an independent research and policy organisation, chaired by Nigel Hugill and directed by Andrew Carter. The Centre is committed to helping Britain’s cities improve their economic performance by focusing on the drivers of urban success. The Centre produces practical research and policy advice for city leaders, national government and businesses.

During 2018, the Centre focused on six policy areas (and their inter-relations) that affect cities: Brexit; Devolution; The future of work; Productivity; High Streets; and, Housing. The Centre has published 16 major research reports and posted 90 blogs on these hot topics. They worked with and advised government on the development of policy in relation to the industrial strategy, future of the high streets fund, productivity review and devolution framework.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### **REPORT OF THE TRUSTEES (continued)**

The team have made 16 in-depth visits to cities this year, typically comprising meetings with leaders from local authorities, chambers of commerce the local enterprise partnerships to deepen the Centre's understanding of the cities' economies, build local networks, gather intelligence and share their research findings. The Centre has hosted 18 public events and roundtables around the country, including at the Conservative and Labour party conferences. Through their work with the What Works Centre for Local Economic Growth, they have run five workshops on Building a Local Industrial Strategy in Bristol, Warrington, Leeds, London and Newcastle, with extra dates being added due to high demand. In addition, the Centre has been invited to speak and participate in 136 events organised by others.

The Centre relaunched its website with a design that enables highlighting more clearly how their work related to current issues, underlining its relevance to the news and policy agenda. The reach of the Centre was expanded through a new partnership with the BBC Experts' Network. Four in-depth articles written by the Centre on demographic change, urban living, wages and the relative decline and rise of cities, each had more than a million views and generated substantial traffic to their new website with follow-up coverage across national media outlets.

The Centre for Science, Technology & Innovation Policy (CSTI), based at Cambridge University's Institute for Manufacturing, carries out practical policy research exploring what makes national innovation systems effective at translating new science and engineering ideas into technologies, industries and economic wealth. Under the direction of Dr Eoin O'Sullivan, CSTI brings a science and engineering perspective to innovation and industrial policy.

During the current reporting period, CSTI continued investigating its core interests within the main project areas of Emerging technologies; Advanced manufacturing; Technology and Innovation Centres / Research and Technology Organisations; and, Patterns of knowledge exchange between the research base and industry. The CSTI research group has produced more than a dozen research outputs including journal articles, academic conference papers and policy studies, as well as contributing to many of the reports of CSTI's Policy Links Unit (see below). There continues to be a large number of UK policy engagements, including offering evidence and insights related to an industrial strategy for HM Treasury, emerging technologies for Innovate UK, and engineering services for Business, Energy and Industrial Strategy (BEIS) manufacturing.

A distinctive new feature of CSTI has been increasing international engagements, including presenting papers at international conferences (for example, Industry Studies Association), engaging in academic-policy workshops (for example, running a session on the impact of national Research & Technology Organisations at an innovation management conference); and convening policy practitioners to discuss research needs and effective practices (for example, a 'roundtable' event involving 'Future of Manufacturing' experts from OECD, UN and World Economic Forum). One new direction developed during this year was regional innovation policy.

In collaboration with Policy Links, CSTI convened a workshop for UK Research and Innovation (UKRI) to begin to develop policies for 'place-based' innovation decision-making. CSTI also has a new PhD student working on this topic and hopes to host visiting policy officials to collaborate on work in this area in the coming year.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### **REPORT OF THE TRUSTEES (continued)**

Gatsby also supports the knowledge transfer unit of CSTI, called Policy Links (PL). PL provides education and consulting services grounded in the latest academic research to address the needs of officials and civil servants working in the fields of science, technology and innovation policy.

The previous year was the first year of operation, which saw the establishment of the core team and the positioning of PL in the market. In this second year PL has increased its delivery capacity to respond effectively to a growing number of institutional enquiries, engaged in strategic, pro bono activities with the UK government, and supported the government's international policy workshops. In addition, preparatory work to conceptualise and develop an 'Innovation Policy Training Handbook' was initiated in collaboration with CSTI, and in consultation with selected UK and international policy stakeholders.

PL has assisted governments and other institutions understand the implications of new innovations in their economies through training workshops, international benchmarking reports and consultancy services. PL delivered a number of projects to support policy making efforts in the UK and abroad. In the UK, new collaborations were established with Innovate UK, part of UK Research and Innovation (UKRI), on the practical impact of digital manufacturing that informed a successful business case for additional funding for the 'Made Smarter' accelerator initiative. Ad hoc support was provided to the work of the Advanced Manufacturing team at the Department for Business, Energy and Industrial Strategy (BEIS). PL convened several workshops in the UK and Japan to support the UK-Japan Industrial Policy Dialogue. There was further international expansion of PL's activities to South-East Asia, with projects delivered in Singapore and Indonesia. In Singapore PL provided bespoke training for government officials in the intellectual property office, and in Indonesia PL investigated the implications of disruptive emerging technologies with the Asian Development Bank. PL continues to expand its network of international collaborators and in-country experts that can provide select analysis to support PL's international benchmarking studies.

#### **TOTAL GRANT PAYMENTS made this year (from new and previous grants): £5,720,000**

Institute for Government - £4,063,000 (three grants)

Towards core costs.

Centre for Cities - £800,000

Towards core costs.

University of Cambridge Institute for Manufacturing – £712,000

Towards the creation of the Policy Links Unit, and towards the academic research of the Centre for Science, Technology & Innovation Policy.

School of Oriental and African Studies, University of London - £90,000

Towards research on 'Financialisation, Innovation and Productivity UK'

Further grant payments totalling £55,000 were also paid in the year.

#### **TOTAL DIRECT PROGRAMME EXPENSES paid this year: £183,000**

**THE GATSBY CHARITABLE FOUNDATION**  
**5 April 2019**

**REPORT OF THE TRUSTEES (continued)**

**GENERAL**

*'To support on occasion other charitable work which falls outside the Trustees' main fields of interest.'*

Healthcare innovation research – There is growing recognition that current healthcare systems are not designed optimally to meet the needs of patients with a chronic neurological disease. Consequently, many patients experience unnecessary disability and a poor quality of life, while society is faced with rapidly rising (yet partially avoidable) medical costs. Gatsby is supporting a cohesive set of studies to trial and evaluate an integrated care approach that delivers high-quality personalised care to patients with Parkinson's Disease in their home or local community. Aspects to be investigated include: roles of caseworkers and specialist nurses working in the community in coordinating and integrating care and in coaching of patients; regional teams including medical specialists and a community-based network of specifically-trained allied health therapists; centre(s) of expertise that supports the specialist nurses and regional teams and that can consider complex cases; and, training and education resources to empower patients, carers and healthcare professionals. The eight-year project is entitled Proactive and Integrated Management and Empowerment in Parkinson's Disease (PRIME-Parkinson) and will take place in the UK and the Netherlands (NL), drawing on and building on strengths in each country. The project will be led by Dr Emily Henderson (geriatrician) and Professor Yoav Ben-Shlomo (clinical epidemiologist) in the greater Bath/Bristol area in England and Professor Bas Bloem (neurologist) and Dr Marten Munneke (physical therapist and movement scientist) in the greater Nijmegen area in NL. The early stages of the project in 2018 and 2019 will involve detailed planning between the NL and UK sites, then four years of intense activity when the trials happen, followed by three years of analysis and dissemination to bring into practice any benefits of the new model. The main aim is to share this optimised approach, thereby facilitating a widespread implementation of optimal care for persons with Parkinson's disease worldwide. The team will also be open to bringing the knowledge to other fields of medicine, so that patients with a wide range of other chronic medical conditions may benefit as well.

**TOTAL GRANT PAYMENTS made this year (from new and previous grants): £2,224,000**

**Radboud University Medical Centre - £2,055,000**

To support the Proactive and Integrated Management and Empowerment in Parkinson's Disease (PRIME-PD) programme at Radboud University in the Netherlands in partnership with the University of Bristol in the UK.

Further grant payments totalling £169,000 were also paid in the year.

**GRANTS CANCELLED**

Grants totalling £1,106,000 were cancelled or amended during the year.

Approved by the Board of Trustees on 16 October 2019 and signed on their behalf by



.....  
 Mr J C Burns  
 TRUSTEE

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2019

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2019	Total Funds 2018
		£'000	£'000	£'000	£'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and gifts	2	-	57,467	57,467	53,442
Investments	3	7,616	-	7,616	5,845
<b>Total income</b>		<b>7,616</b>	<b>57,467</b>	<b>65,083</b>	<b>59,287</b>
<b>EXPENDITURE ON:</b>					
<i>Raising funds</i>					
Investment management costs	4	-	(1,106)	(1,106)	(907)
<i>Charitable activities</i>					
Grant expenditure	5	(48,635)	-	(48,635)	(18,956)
Direct programme costs	6	(3,563)	-	(3,563)	(3,237)
Support costs	7,8	(2,463)	-	(2,463)	(3,728)
Total cost of grant making		(54,661)	-	(54,661)	(25,921)
<b>Total expenditure</b>		<b>(54,661)</b>	<b>(1,106)</b>	<b>(55,767)</b>	<b>(26,828)</b>
Gains and (losses) on investment assets		-	9,500	9,500	(5,827)
<b>Net income/(expenditure) for the year before transfers</b>		<b>(47,045)</b>	<b>65,861</b>	<b>18,816</b>	<b>26,632</b>
Transfers between funds	16	47,045	(47,045)	-	-
<b>Net income/(expenditure) for the year after transfers</b>		<b>-</b>	<b>18,816</b>	<b>18,816</b>	<b>26,632</b>
<b>Other recognised gains and losses</b>					
Foreign exchange gains/(losses)		-	-	-	1
<b>Net movement in funds</b>		<b>-</b>	<b>18,816</b>	<b>18,816</b>	<b>26,633</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 6 April 2018		-	423,454	423,454	396,821
Total funds carried forward at 5 April 2019		-	<b>442,270</b>	<b>442,270</b>	423,454

The notes on pages 24 to 34 form part of these accounts.

# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### BALANCE SHEET AS AT 5 APRIL 2019

	<i>Note</i>	<u>2019</u> £'000	<u>2018</u> £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	230	306
Investments	10	428,965	348,337
		<u>429,195</u>	<u>348,643</u>
<b>CURRENT ASSETS</b>			
Debtors	11	2,529	3,840
Cash at bank and in hand		70,962	139,976
		<u>73,491</u>	<u>143,816</u>
<b>LIABILITIES</b>			
Creditors - amounts falling due within 1 year	12	(45,514)	(50,378)
<b>NET CURRENT ASSETS</b>			
		<u>27,977</u>	<u>93,438</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		457,172	442,081
<b>LIABILITIES</b>			
Creditors - amounts falling due after 1 year	13	(14,902)	(18,627)
<b>NET ASSETS</b>			
		<u>442,270</u>	<u>423,454</u>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Capital funds</b>			
Expendable endowment		442,270	423,454
<b>Income funds</b>			
Unrestricted funds		-	-
Restricted funds		-	-
	14	<u>442,270</u>	<u>423,454</u>

These financial statements were approved and authorised for issue by Trustees on 16 October 2019 and were signed on their behalf by:



Mr J C Burns  
TRUSTEE

The notes on pages 24 to 34 form part of these accounts

# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2019

	<u>2019</u>	<u>2018</u>
	<u>£'000</u>	<u>£'000</u>
Net cash used in operating activities	(32,767)	(64,261)
Net cash (used in)/provided by investing activities	(36,247)	52,068
<b>Change in cash and cash equivalents during the year</b>	<b>(69,014)</b>	<b>(12,193)</b>
Cash and cash equivalents at the beginning of year	139,976	152,170
Change in cash and cash equivalents due to exchange rate movements	-	1
<b>Cash and cash equivalents at the end of year</b>	<b><u>70,962</u></b>	<b><u>139,976</u></b>

### Reconciliation of net income/(expenditure) to net cash used in operating activities

	<u>2019</u>	<u>2018</u>
	<u>£'000</u>	<u>£'000</u>
Net income for the year (as per the Statement of Financial Activities)	18,816	26,633
Gift of investments	(27,265)	(49,003)
(Gains)/losses on investments	(9,500)	5,827
Depreciation charges	76	77
Income from investments (interest and dividends)	(7,616)	(5,845)
Exchange rate movements	-	(1)
Decrease/(increase) in debtors	1,311	(2,684)
Decrease in creditors	(8,589)	(39,265)
<b>Net cash used in operating activities</b>	<b><u>(32,767)</u></b>	<b><u>(64,261)</u></b>

### Net cash (used in)/provided by investing activities

	<u>2019</u>	<u>2018</u>
	<u>£'000</u>	<u>£'000</u>
Purchase of investments	(75,305)	(32,145)
Income from investments	7,616	5,845
Proceeds from sale of investments	31,442	78,368
<b>Net cash (used in)/provided by investing activities</b>	<b><u>(36,247)</u></b>	<b><u>52,068</u></b>

### Cash and cash equivalents

	<u>Change in year</u>	<u>2019</u>	<u>2018</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cash at bank and in hand	(68,642)	70,362	139,004
Cash balances held by investment managers	(372)	600	972
	<b><u>(69,014)</u></b>	<b><u>70,962</u></b>	<b><u>139,976</u></b>

The notes on pages 24 to 34 form part of these accounts.



# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### NOTES TO THE ACCOUNTS

#### 1. PRINCIPAL ACCOUNTING POLICIES

##### a) Basis of preparation and consolidation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Gatsby constitutes a public benefit entity as defined by FRS102.

In the view of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity.

Gatsby owns 89% of the issued share capital of African Agricultural Capital Limited (AAC). The Trustees do not consider this investment to be material relative to the net assets of Gatsby, and therefore the financial statements of AAC have not been consolidated. Total assets of AAC as at its most recent year end for which financial statements were prepared, 30 June 2018, were £2,285,000 (US \$3.3 million). The company has been put into liquidation in July 2019.

##### b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairments in value. Fixed assets are depreciated at rates which reflect their useful lives to Gatsby. The following rates have been used:

Leasehold improvements	- over the remaining lifetime of the lease
Equipment	- 10-33% straight line

##### c) Income

- (i) Donations are 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 on an accruals basis.

##### d) Grants payable

Grants for which there is a legal obligation, or a valid expectation of receipt by the beneficiary at the year end, and for which conditions attaching to their payment have been fulfilled, are accounted for within the Statement of Financial Activities. Grants approved subject to conditions that have not been met at the year end are not accrued (see note 5).

##### e) 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. Unquoted investments which represent programme related investments are carried at cost less provision for impairment where required (See note 10).

##### f) Support costs

These costs support predominantly the grant-making activity of Gatsby. Such costs include 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 Foundation matters and grants paid.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### NOTES TO THE ACCOUNTS (continued)

##### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

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) Fund accounting

Details of the nature and purpose of each fund is set out in note 16.

##### h) Pension costs

Gatsby has a money purchase scheme for qualifying employees. Pension costs charged to the Statement of Financial Activities represent the contributions payable by Gatsby in the year (See Note 8).

##### i) Foreign currencies

Foreign currency transactions are translated into sterling at the rate prevailing at the time of the transaction. Balance sheet items are translated using the year end rate of exchange. Foreign exchange gains and losses resulting from the settlement of transactions and from translation using year end rates of exchange, are recognised in the Statement of Financial Activities.

##### j) Financial instruments

Gatsby has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals. Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

At the balance sheet date the Group held financial assets at amortised cost of £73,491,000 (2018: £143,816,000), financial assets at fair value of £428,965,000 (2018: £348,337,000) and financial liabilities at amortised cost of £60,416,000 (2018: £69,005,000).

##### k) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, cash held for reinvestment and short term deposits.

##### l) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, the critical judgments that have been made at arriving at the amounts recognised in the financial statements and the key estimation uncertainty that has a significant risk of causing a material adjustment to the carrying values of assets and liabilities in the next financial year are as follows:

###### *Impairment of programme related investments.*

The carrying values of these investments are reviewed for impairment only when events or circumstances arise which may indicate impairment. Assessment is made initially in relation to the investments ability to continue to operate and deliver charitable benefit, the net asset values of the companies involved, and the consideration of budgets and any wider economic factors.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### NOTES TO THE ACCOUNTS (continued)

##### 2. GRANTS AND DONATIONS

Gatsby received donations from the Settlor during the year totalling £57,265,000 (2018: £53,440,500) and £202,000 (2018: £722) in grants and donations from other sources.

##### 3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2019		2018	
	£'000	%	£'000	%
UK equities	4,637	61%	3,308	63%
Overseas equities	1,298	17%	1,040	20%
Short term deposits	1,681	22%	1,497	17%
	<b>7,616</b>	<b>100%</b>	<b>5,845</b>	<b>100%</b>

##### 4. COST OF RAISING FUNDS

Fund raising costs comprise the fees of investment managers. Investment management fees amount to £1,106,000 (2018: £907,000). The Trustees are of the opinion that these costs contribute to the generation of a total return on the investment portfolio and, as such, have charged the Expendable Endowment with these fees.

##### 5. GRANTS PAYABLE

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Reconciliation of grants payable:</b>				
Commitments at 6 April 2018		68,643		108,002
Grants not accrued at 6 April 2018	58,395		60,406	
Grants approved in the year	56,293		24,477	
Grants cancelled, refunded or amended	(1,106)		(7,532)	
Grants not accrued at 5 April 2019	(64,947)		(58,395)	
<b>Grants payable for the year</b>		<b>48,635</b>		<b>18,956</b>
Grants paid during the year		(57,261)		(58,315)
Commitments at 5 April 2019		<b>60,017</b>		<b>68,643</b>

Commitments at 5 April 2019 are payable as follows:

	2019	2018
	£'000	£'000
Within one year (note 12)	45,115	50,016
After more than one year (note 13)	14,902	18,627
	<b>60,017</b>	<b>68,643</b>

# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### NOTES TO THE ACCOUNTS (continued)

#### 5. GRANTS PAYABLE (continued)

##### Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions relating to the delivery of the grant-funded activities.

The total amount authorised but not accrued as expenditure at 5 April 2019 was £64,947,152 (2018: £58,394,881). Of this total, £22,457,125 will be payable during 2020/21 and £18,858,004 during 2021/22.

The amount payable during 2019/20 includes the following: £

##### Neuroscience

University College London – Sainsbury Wellcome Centre for Neural Circuits and Behaviour	10,034,346
University College London - Gatsby Computational Neuroscience Unit	2,332,541
Stanford University	746,305
Columbia University – New York	693,781
University of Oxford	379,854
Hebrew University of Jerusalem	342,399
University of Cambridge	306,458
Federation of European Neuroscience	215,106
New York University – School of Medicine	150,580
British Neuroscience Association	145,492
Royal College of Psychiatrists	132,339
Ascona meetings on neuronal circuits	68,948
Cosyne	35,613
Smaller grants	49,732

##### Plant Science

University of Cambridge – the Sainsbury Laboratory	9,656,350
The Sainsbury Laboratory – Norwich	4,920,000
Two Blades Foundation	786,443
Science & Plants for Schools (SAPS) and the Gatsby Plant Science Summer School	530,000
Cambridge Network	
University of Cambridge - Department of Plant Sciences	100,000

##### Science and Engineering Education

Engineers in Business Fellowship (formerly Sainsbury Management Fellows' Society)	959,000
Gatsby Technical Education Projects	312,251
National STEM Centre	164,425
STEM Learning Limited	91,852
Engineering UK	75,000
Smaller grants	19,578

##### Africa

Gatsby Africa	4,508,000
Smaller grants	18,000

##### Arts

Clore Duffield Foundation	90,000
Sainsbury Centre of Visual Arts	54,000
The Sainsbury Archive	32,000
Smaller grants	1,563

# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### NOTES TO THE ACCOUNTS (continued)

#### 5. GRANTS PAYABLE (continued)

The amount payable in the year includes the following: £

##### Public Policy

Institute for Government	4,430,367
University of Cambridge - Institute for Manufacturing	626,781
Smaller grants	25,000

##### General

Raboud University Medical Centre	2,056,171
Smaller grants	25,000

**Total due within one year (Note 12)** **45,115,275**

#### 6. DIRECT PROGRAMME EXPENSES

	2019	2018
	£'000	£'000
Neuroscience	18	16
Plant Science	462	519
Public Policy	183	100
Science and Engineering Education	2,899	2,588
Other	1	14
	<b>3,563</b>	<b>3,237</b>

#### 7. ALLOCATION OF SUPPORT COSTS

	Charitable Activities	Governance	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
Staff costs	828	20	848	760
Share of joint office costs	685	-	685	583
Direct costs including travel	350	-	350	559
Other exceptional items	-	-	-	1,251
Depreciation	76	-	76	77
	<b>1,939</b>	<b>20</b>	<b>1,959</b>	<b>3,230</b>
Legal and professional fees	164	-	164	294
Consultancy	316	-	316	180
Auditors' remuneration	-	24	24	24
	<b>2,419</b>	<b>44</b>	<b>2,463</b>	<b>3,728</b>

Other exceptional items recorded in 2018 include a loss on the disposal of Aquifer Limited of £877,000 and asset impairment charges of £374,000. Audit fees include irrecoverable VAT of £4,000 (2018: £4,000).

# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### NOTES TO THE ACCOUNTS (continued)

#### 8. ANALYSIS OF STAFF COSTS

	2019	2018
	£'000	£'000
Wages and salaries	708	636
Social security costs	84	79
Other pension costs	56	45
	<b>848</b>	<b>760</b>

The average number of employees within the charity was as follows

	2019	2018
	No.	No.
Charity	4	4

As mentioned in Note 1a, Gatsby is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 16.4% of the total support and administration costs of these trusts have been allocated to the Gatsby Charitable Foundation, including a proportionate share of the costs of employing the total number of staff serving in the office in 2018/19.

A total of 12 staff (2018: 12) were charged to Gatsby during the year, with some being on a part-time basis. This equates to 3.4 full-time employees (2018: 3.2).

The Trust considers its key management personnel to comprise of 4 staff (2018: 4). The total employment benefits, including employer pension contributions, of these key management personnel, were £271,252 (2018: £279,267).

No Trustee received any remuneration for their services during the year or claimed expenses (2018: £Nil).

The number of employees whose earnings in relation to time spent on Gatsby's affairs exceeded £60,000 p.a. excluding pension contributions was:

	2019	<i>Restated</i> 2018
	No.	No.
£70,000 - £80,000	1	1
£210,001 - £220,000	1	1

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### NOTES TO THE ACCOUNTS (continued)

##### 9. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000
Cost			
As at 6 April 2018 & 5 April 2019	767	34	801
Depreciation			
As at 6 April 2018	461	34	495
Charge for the year	76	-	76
As at 5 April 2019	537	34	571
<b>Net book value at 5 April 2019</b>	<b>230</b>	<b>-</b>	<b>230</b>
Net book value at 5 April 2018	306	-	306

Leasehold improvements consist of Gatsby's share of the cost of refurbishment of leasehold premises at The Peak, 5 Wilton Road, London SW1.

##### 10. FIXED ASSET INVESTMENTS

	2019	<i>Restated</i> 2018
	£'000	£'000
Market value 6 April 2018	348,337	351,384
Less: Disposals	(31,442)	(78,368)
Add: Acquisitions at cost	75,305	32,145
Gift of shares	27,265	49,003
Net gains/(losses) on investments	9,500	(5,827)
<b>Market value 5 April 2019</b>	<b>428,965</b>	<b>348,337</b>
Historical cost 5 April 2019	397,926	319,270

Total disinvestments from fixed asset investments during the year to meet operating cash requirements amounted to £59,545,000 (2018: £19,408,000).

The investments held as at 5 April 2019 were as follows:

	2019		2018	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
U.K. equities	176,753	189,502	146,483	161,113
Overseas equities	50,184	73,323	43,184	62,914
Overseas equities – unquoted	4,867	-	5,276	-
Short-term deposits	166,122	166,140	124,327	124,310
	<b>397,926</b>	<b>428,965</b>	<b>319,270</b>	<b>348,337</b>

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### NOTES TO THE ACCOUNTS (continued)

##### 10. FIXED ASSET INVESTMENTS (continued)

UK equities held at 5 April 2019 has the following market values:

	2019	2018
	£'000	£'000
J Sainsbury plc	89,439	64,692
Trojan Investment Funds	63,891	61,854
LF Ruffer Funds	28,767	26,282
Other UK equities	7,405	8,015
	<b>189,502</b>	<b>161,113</b>

Overseas equities - unquoted comprises shares in AAC Limited. AAC Limited is a programme related investment to provide both equity finance and loans to small and medium sized enterprises in the agricultural sector in East Africa, and to improve overall employment opportunities, and support sector development. During the year Gatsby received £409,000 as a partial redemption of preference shares in AAC Limited.

Short term deposits include Lloyds Bank money market deposits and a treasury facility with Barclays Bank which at 5 April 2019 had a market value of £160,000,000 (2018: £115,000,000).

##### 11. DEBTORS

	2019	2018
	£'000	£'000
Gift Aid receivable	-	588
Other debtors	2,465	3,188
Loans due within one year	64	64
	<b>2,529</b>	<b>3,840</b>

##### 12. CREDITORS - amounts falling due within 1 year

	2019	2018
	£'000	£'000
Grants payable (note 5)	45,115	50,016
Trade creditors	77	178
Other creditors	134	24
Accruals and deferred income	188	160
	<b>45,514</b>	<b>50,378</b>

##### 13. CREDITORS - amounts falling due after more than 1 year

	2019	2018
	£'000	£'000
Grant payable (note 5)	14,902	18,627



## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### NOTES TO THE ACCOUNTS (continued)

#### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Expendable Endowment	Total Funds 2019
	£'000	£'000	£'000
Fund balances at 5 April 2019 are represented by:			
Tangible fixed assets	-	230	230
Investments	-	428,965	428,965
Current assets	-	73,491	73,491
Current liabilities	-	(45,514)	(45,514)
Long term liabilities	-	(14,902)	(14,902)
	-	442,270	442,270
<b>Movement in the year</b>			
Opening balance as at 5 April 2018	-	423,454	423,454
Total income and endowments	7,616	57,467	65,083
Cost of raising funds	-	(1,106)	(1,106)
Cost of grant-making	(54,661)	-	(54,661)
Net gains on investments	-	9,500	9,500
Transfers between funds	47,045	(47,045)	-
Closing balance as at 5 April 2019	-	442,270	442,270

#### 15. CONTINGENT LIABILITIES AND GUARANTEES

Gatsby has indemnified the Trustees of two Settlements which donated assets to Gatsby against any claims which may be brought against the Trustees of the Settlements. The Indemnity is limited to the value of the funds at the time the donations were made which totalled £18.15 million, and security has been provided by Gatsby for the same amount.

Gatsby acts as guarantor for certain property leasehold arrangements on behalf of the Sainsbury Family Charitable Trusts (from which Gatsby has received counter-indemnities). Gatsby also acts as guarantor for the Institute for Government in relation to its lease of premises at 2 Carlton Gardens, London. Gatsby has provided undertakings in connection with funds it has received from third parties.

#### 16. FUNDS

**Unrestricted funds** comprise those funds which the Trustees are free to use in accordance with the charitable objects.

**Restricted funds** comprise those funds held by Gatsby which can be used solely for the purpose which they were given.

**Expendable Endowment** represents those assets held by the Trustees principally in investments. Income arising on the expendable endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Investment management charges are charged against the fund. The fund is available to meet grant commitments as the Trustees may see fit.

#### **Material transfers between funds**

Transfers have been made from expendable endowment to eliminate the deficit on unrestricted funds where the deficit is considered to be non-reversing with regard to Gatsby's normal grant making.

# THE GATSBY CHARITABLE FOUNDATION

## 5 April 2019

### NOTES TO THE ACCOUNTS (continued)

#### 17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2018

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Expendable Endowment £'000	Restated Total Funds 2018 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and gifts	2	-	1	53,441	53,442
Investments	3	5,845	-	-	5,845
<b>Total income</b>		<b>5,845</b>	<b>1</b>	<b>53,441</b>	<b>59,287</b>
<b>EXPENDITURE ON</b>					
<i>Raising funds</i>					
Investment management costs	4	-	-	(907)	(907)
<i>Charitable activities</i>					
Grant expenditure	5	(18,956)	-	-	(18,956)
Direct programme costs	6	(3,236)	(1)	-	(3,237)
Support costs	7,8	(3,728)	-	-	(3,728)
Total cost of grant making		(25,920)	(1)	-	(25,921)
<b>Total expenditure</b>		<b>(25,920)</b>	<b>(1)</b>	<b>(907)</b>	<b>(26,828)</b>
Loss on investment assets		-	-	(5,827)	(5,827)
<b>Net income/(expenditure) for the year before transfers</b>		<b>(20,075)</b>	<b>-</b>	<b>46,707</b>	<b>26,632</b>
Transfers between funds		20,075	-	(20,075)	-
<b>Net income/(expenditure) for the year after transfers</b>		<b>-</b>	<b>-</b>	<b>26,632</b>	<b>26,632</b>
<b>Other recognised gains and losses</b>					
Gains and (losses) on investment assets		-	-	-	-
Foreign exchange gains/(losses)		-	-	1	1
<b>Net movement in funds</b>		<b>-</b>	<b>-</b>	<b>26,633</b>	<b>26,633</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 6 April 2017		-	-	396,821	396,821
Total funds carried forward at 5 April 2018		-	-	<b>423,454</b>	<b>423,454</b>

**THE GATSBY CHARITABLE FOUNDATION**  
**5 April 2019**

**NOTES TO THE ACCOUNTS (continued)**

**18. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 5 APRIL 2018**

	<b>Unrestricted Funds</b>	<b>Restricted Fund</b>	<b>Expendable Endowment</b>	<b>Total Funds 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fund balances at 5 April 2018 are represented by:				
Tangible fixed assets	-	-	306	306
Investments	-	-	479,026	479,026
Current assets	-	-	13,127	13,127
Current liabilities	-	-	(50,378)	(50,378)
Long term liabilities	-	-	(18,627)	(18,627)
	-	-	423,454	423,454
<b>Movement in the year</b>				
Opening balance as at 5 April 2017	-	-	396,821	396,821
Total income and endowments	5,845	1	53,441	59,287
Cost of raising funds	-	-	(907)	(907)
Cost of grant-making	(25,920)	(1)	-	(25,921)
Net gains on investments	-	-	(5,826)	(5,826)
Transfers between funds	20,075	-	(20,075)	-
Closing balance as at 5 April 2018	-	-	423,454	423,454

**19. RELATED PARTY TRANSACTIONS**

Included within grant-related support costs is a total of £161,058 (2018: £167,682), of which £Nil (2018: £83,598) is included within creditors payable, for legal services to Portrait Solicitors, a firm in which Miss J S Portrait OBE is a partner.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE GATSBY CHARITABLE FOUNDATION

#### Opinion

We have audited the financial statements of the Gatsby Charitable Foundation for the year ended 5 April 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## THE GATSBY CHARITABLE FOUNDATION

### 5 April 2019

#### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE GATSBY CHARITABLE FOUNDATION (continued)

##### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

##### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 34, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

##### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

##### Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe U.K. LLP*

Crowe U.K. LLP  
Statutory Auditor  
London

*16 October 2019*

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.