

THE GATSBY CHARITABLE FOUNDATION

ANNUAL REPORT

5 APRIL 2022

The Peak
5 Wilton Road
LONDON SW1V 1AP

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

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THE GATSBY CHARITABLE FOUNDATION

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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.

Settlor	Lord Sainsbury of Turville	
Trustees	Mr J C Burns Sir Andrew Cahn KCMG Miss J S Portrait OBE	
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP	
Principal Officers	Mr P Hesketh Mr J Highstead Mr J Searancke Mr N Thomas Mr G Wilson	Chief Executive Officer Executive Head of Finance Executive Executive
Bankers	Child & Co, 1 Fleet Street, London EC4Y 1BD	
Solicitors	Portrait Solicitors (until 31 July 2022), now 21 Whitefriars Street London EC4Y 8JJ	BDB Pitmans LLP (from 1 August 2022) 1 Bartholomew Close London EC1A 7BL
	SNR Denton LLP 1 Fleet Place London EC4M 7WS	
Auditor	Crowe U.K. LLP 55 Ludgate Hill, London EC4M 7JW	
Investment Advisers	Sarabaite Limited Lower Mill, Kingston Road, Ewell, Surrey KT17 2AE	
Investment Managers	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	
	Devon Equity Management Limited 123 Victoria Street, London, SW1E 6DE	

REPORT OF THE TRUSTEES (continued)

Legal and Administrative (continued)

Investment Powers

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.

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 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; the Centre for Cities, which provides practical research and policy advice that helps cities understand how they can succeed economically; and independent research organisations which provide evidence based advice to policy makers.

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

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REPORT OF THE TRUSTEES (continued)

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.

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 information set out in this annual report about the objects, activities and achievements in the many areas of interest that Gatsby supports demonstrates the benefit to its beneficiaries, and through them to the public.

Charity Governance

Trustees are aware of the Charity Governance Code published in 2017 (refreshed in 2021) 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.

Trustees make sure that decision-making processes are informed, rigorous and timely, and that effective delegation, control, risk-assessment, and management systems are set up and monitored. Except for those matters specifically reserved for Trustees, decisions concerning the day to day operation of the Charity are delegated to the Principal Officers, who have implemented suitable financial and related controls and reporting arrangements to make sure Trustees oversee delegated matters.

The Charity's Trustees are also trustees of other charities. Details about other charities for which the Trustees also act as trustee may be found on the Charities Commission website.

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

Gatsby received total income of £142.7 million during the year, including further gifts from the Settlor of £137.5 million. Gatsby received £5.2 million of dividends and interest income from its investment portfolio, a slight reduction in comparison to the £5.4 million of investment income received in the previous year.

This income was used to meet the Charity's grant expenditure of £69.0 million, charitable programme costs of £8.8 million and other operating expenditure of £4.3 million. The market value of Gatsby's investment portfolio increased by £27.0 million in comparison with the previous financial year, which together with the net result from charitable activities, added £87.3 million to Gatsby's expendable endowment that is available for grant making.

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REPORT OF THE TRUSTEES (continued)

The investment portfolio of Gatsby has increased in market value by £27.0 million in comparison with the previous year, with the total value of the portfolio at year end at £465.4 million. Gatsby has benefited from strong equity returns during the financial year that have been heavily influenced by monetary policy or fiscal stimulus. The Trustees have therefore taken the opportunity to protect the portfolio by placing investible cash in funds offering traditional downside protection.

Trustees are concerned about the uncertain macro-environment caused in particular by rising inflation and the war in Ukraine. In view of such conditions emphasis remains in preserving capital, achieving competitive real returns, and managing cash. Trustees expect investment income receivable by Gatsby is very likely to be substantially lower going forward.

Nevertheless Gatsby's endowment assets remain significant, and this, together with future investment income that is generated, will continue to be paid out to approved beneficiaries in accordance with the objectives of the charity.

Trustees approved grants amounting to £70.8 million during the year, and made payments of £64.8 million covering some of these grants and other grants approved in earlier years. In addition, payments of £8.8 million were made in relation to directly managed charitable programmes. Gatsby has significant unpaid grant commitments at year end totalling £63.8 million, of which £48.3 million is due to be paid within one year.

It is the intention of the Trustees to spend out the assets of Gatsby. Grant making over the next two to three years is likely to be maintained at a significant level. Consequently, Gatsby had short term deposits and cash at bank of £325.1 million at the year end.

Trustees met three times during the year and used virtual communication tools as necessary to approve grants.

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 funds totalling £604.4 million (*2021: £517.1 million*) as a single resource for grant-making, and do not consider it necessary to maintain a particular level of income reserves.

A transfer of £75.9 million (*2021: £55.4 million*) has been made from the expendable endowment to unrestricted funds to cover the deficit of income that arises as a result of grant and operating expenditure charged against unrestricted income.

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.

REPORT OF THE TRUSTEES (continued)

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, in consultation with and on the advice of their Investment Advisers, maintain a diverse and balanced portfolio to mitigate so far as possible against adverse risks affecting the overall value of the investment portfolio so that Gatsby can continue to pay approved grants to its beneficiaries. In particular, a high proportion of the investment portfolio is held in cash, and the diversified investment portfolio 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.

Investment policy and performance

The Trustees maintain a diverse and balanced investment portfolio. The Trustees hold cash and near cash investments that equate approximately to at least three years of grant expenditure, which should avoid a forced sale of investments should investment markets deteriorate.

Active investment and cash management ensured that a return above normally available market rates was achieved in the previous financial year. Trustees seek to maximise yields received from cash deposits throughout the year.

Trustees met twice during the year with its investment advisers to discuss strategy and review the performance of the investment portfolio.

CHARITABLE ACTIVITIES

Gatsby was established in 1967 by David Sainsbury (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.

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REPORT OF THE TRUSTEES (continued)

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.

Gatsby takes a proactive approach to both grant-making and directly managed programmes in its respective areas of focus. 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 such tests are successful the intention is that such action is then 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.

While rigorous research from the outset can greatly reduce the chance of failure, underlying Gatsby's approach is an acceptance that 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 positive 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

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.

Sainsbury Laboratory Cambridge University (SLCU)

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 the reporting period a new career development fellow, Dr Renske Vroomans, joined SLCU. Her group will use mathematical models to simulate millions of years of plant evolution and how the accumulation of mutations leads to new organs. This will give a broader understanding of the evolutionary design principles behind plant development. Gatsby carried out a five-yearly comprehensive review of the Laboratory in June 2021. The international review panel felt the quality of the science was outstanding with a very strong and effective balance of experimental work with theory and modelling, with many collaborations between groups of different expertise. Following this very successful review, Gatsby renewed core funding for a further five-year research cycle from January 2022.

REPORT OF THE TRUSTEES (continued)

The Sainsbury Laboratory (TSL)

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. Over the past year, TSL launched a new MSc programme in Global Plant Health with a focus not only on the fundamental science underpinnings, but also agricultural technology, knowledge transfer and business practices. The first intake of students arrived in October 2021, including three new David Sainsbury International Scholars from India, Thailand and the Philippines. The latest advances at TSL include the discovery that plant immunity requires two-step detection of invading microbes, and this leads to a robust immune response producing protection from disease. These fundamental discoveries inform how resistant crop varieties could be engineered in future. TSL scientists are also studying the developmental biology of fungal pathogens that cause some of the most devastating plant diseases such as the blast fungus. Based on this work, field testing of new rice blast-resistant varieties is under way in sub-Saharan Africa.

2Blades Foundation (2Blades)

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. Research supported by 2Blades and recently published in *Nature Plants* identified promising resistance and avirulence genes that could help fight a devastating stem rust fungus that attacks wheat crops and threatens global food security. These gene discoveries will help wheat growers defend against this disease. This is particularly important in lower income countries where the fungicides may be expensive or unavailable. Building on their existing research collaboration, 2Blades are establishing a new 2Blades' research hub within the University of Minnesota to develop a programme based on genetic resistance in corn, with the aim of delivering resistant varieties for smallholder farmers in Africa and larger commercial operations elsewhere.

Gatsby Plant Science Research Network

Gatsby further supports excellence in plant science in the UK through a suite of activities overseen by the Gatsby Plant Science Advisers. The Gatsby Plant Science Network consists of Gatsby-funded undergraduates, postgraduates, postdocs and alumni, with mentors chosen from UK universities with teaching and research interests in plant science. Two new Sainsbury PhD students started their research training in the previous period. Katie Long will look at carpel development to engineer novel variation for improved wheat yields at the John Innes Centre; and William Davis will research the circadian regulation of inter-individual variability in gene expression at SLCU. The 2022 training weekend for the PhD students was held in person in Cambridge in early April with sessions on drafting papers and applications, and presenting posters and communicating research to different audiences; the plenary talk was delivered by the Deputy Director General of the European Molecular Biology Laboratory, Professor Ewan Birney FRS on *Big data in biology: Lessons from plants and the pandemic*.

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REPORT OF THE TRUSTEES (continued)

Gatsby Plant Science Education Programme (GPSEP)

The GPSEP aims to improve the teaching and learning of plant science at all ages, engaging and inspiring the next generation of plant scientists through projects in both schools and higher education. The programme is overseen by SLCU and the Cambridge University Botanic Garden. The Gatsby Plant Science Summer School was held online in June 2021. Over four days, 166 first-year bioscience undergraduates attended five keynote talks, three tutorials and four interactive practical workshops showcasing the exciting research in and potential of plant science. The Science and Plants for Schools (SAPS) website is being redeveloped to enable greater access and versatility to this core resource for teachers. Appealing directly to the student audience they have also developed a greater presence on social media platforms and continued with the development of the new *Plant Science Futures* website for post-16 to undergraduate age students.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £12,482,000

University of Cambridge - £8,411,000

Towards research activities and core costs at the Sainsbury Laboratory; the provision of Gatsby Fellowships to Principal Investigators at the Sainsbury Laboratory; and start-up funding for new lecturers in the Department of Plant Sciences.

Sainsbury Laboratory - Norwich - £3,145,000

Towards core and research support; and the temporary accommodation and associated costs for the Executive Director, Professor Nick Talbot.

2Blades Foundation - £726,000

Towards core and project costs.

Cambridge Network - £200,000

Towards core costs of Agri-TechE.

A further grant payment totalling £53,000 was also paid in the year.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £1,822,000

University of Cambridge – The Sainsbury Laboratory - £689,000

Towards Gatsby Fellowships to Principal Investigators at the Sainsbury Laboratory and the costs of the peer review.

Science & Plants for Schools (SAPS) and the Gatsby Plant Science Summer School - £485,000

Towards the Gatsby Plant Science Education Programme, including SAPS and the Undergraduate Summer School.

Sainsbury PhD Studentships - £263,000

Towards the Sainsbury PhD studentships in plant science.

Gatsby Plant Science Ad Hoc - Gatsby Initiative - £159,000

Towards the plant science advisers' ad hoc grants.

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REPORT OF THE TRUSTEES (continued)

Intellectual Property Maintenance - £100,000

To cover the costs of maintaining patents on wheat stem rust resistance.

Further direct programme expenses totalling £126,000 were also paid in the year.

NEUROSCIENCE

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

Understanding how the intricate anatomy of cells and circuits in the 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.

Sainsbury Wellcome Centre for Neural Circuits and Behaviour (SWC)

Gatsby, in partnership with Wellcome and University College London (UCL), developed and supports 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. It is directed by Professor Thomas Mrsic-Flogel. During the past year, Dr Jeffrey Erlich joined SWC as a Group Leader where he will study the behavioural, computational, and neurobiological basis of cognition. The long-term goal of his research into the neurobiology of financial decisions is to understand how chronic stress influences economic preferences and the link between genes, neural circuits and economic decisions. SWC have launched the Carer’s Support Fund to deliver targeted and progressive positive action to promote increased diversity among early career researchers and support the transition to independent faculty members. Data will be gathered to understand whether a dependent supplement is a viable potential solution to addressing some EDI challenges.

Gatsby Computational Neuroscience Unit (GCNU)

Gatsby founded GCNU at UCL over two decades ago to bring together a critical mass of theoreticians focusing on the computational theories of perception and action in neural and machine systems. It is directed by Professor Maneesh Sahani. During the last year, he and Professor Arthur Gretton were elected fellows of ELLIS: the European Laboratory for Learning and Intelligent Systems. The Unit organised a successful symposium on *Perception, planning and control in an uncertain world* at the British Neuroscience Association 2021 Festival of Neuroscience. A major review of the Unit took place in September 2021, led by an independent review panel of international experts from academia and industry. The panel concluded the Unit remains a world leader through its cutting-edge research, the strong training of its PhD students and post-docs, and the impact of its alumni in both academia and industry. Following this successful review, Gatsby renewed core funding for a further research cycle from November 2021.

REPORT OF THE TRUSTEES (continued)

Stanford Optogenetics Moonshot for Autism (SOMA)

Gatsby is supporting the Stanford Optogenetics Moonshot for Autism (SOMA) 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 defined behaviours with the ultimate aim of creating novel therapies to impact on the treatment landscape for Autism Spectrum Disorder. The finished prototyping and testing of their new STARmap technology platform is facilitating the cutting-edge precision of single cell real-time identification and control of brain cells to elucidate the circuits and long-range connections involved in social function. They have also identified receptor targets and potentially relevant drug interventions, and are building a clinical pipeline around this with the principle of minimising adverse treatment effects.

Theoretical neuroscience and machine learning

Gatsby's support in the area of theoretical neuroscience and machine learning also includes two other world-class centres as part of an on-going partnership with GCNU. 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. Over the past year, four postdoctoral scientists at Columbia received Gatsby fellowships to work on theory, computation and machine learning applied to learning, vision, and somatosensation. 19 trainees across eight groups at ELSC received support working across broad topics including navigation, olfaction and learning. The annual tricentre meeting in June 2021 was held online due to COVID-19 restrictions, providing for a full and broad exchange of ideas between the sites.

Neuromatch Academy (NMA)

NMA is a fully online three-week global summer school for computational neuroscience aimed at early career researchers. NMA is a series of plenary lectures from top researchers in the field along with instructional videos from faculty mentors. The lectures were complemented with extensive teaching assistance and tutoring in small groups in their own time zone and often in their first language. Gatsby supported NMA 2021, which expanded the core NMA to 3,300 students from more than 60 countries, as well as added NMA-DL, a new three-week immersive deep learning course. Given the successes to date, Gatsby also provided further support for the coming four years to allow NMA to continue to expand its offering, to reach sustainability, and to continue to innovate to benefit neuroscience and other scientific fields.

Cajal Advanced Neuroscience Training Programme

Gatsby is partnering with Federation of European Neuroscience Societies (FENS), International Brain Research Organisation (IBRO), Champalimaud Foundation and Bordeaux Neurocampus to support the continued development of the CAJAL programme, a dedicated neuroscience advanced training facility. During the reporting period, NeuroKit courses on *Extracellular Electrophysiology Acquisition* and an *Experimental Neuroscience Bootcamp* were run online. There were also four on-site hands-on three-week advanced training courses: *Ageing Cognition*; *Advanced imaging techniques for cellular and systems neuroscience*; *Optogenetics, chemogenetics, and biosensors for cellular and circuit neuroscience*; and, *Bioenergetics for brain function*.

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REPORT OF THE TRUSTEES (continued)

British Neuroscience Association (BNA)

Gatsby provides support to the BNA to implement a new strategy to broaden membership and stakeholder engagement with a wider range of activities. Such support ensures the Association is truly representative and relevant to everyone in neuroscience including those in the private sector, the clinic and in wider society. Over the past year BNA convened its four-day flagship conference, the Festival of Neuroscience, in partnership with the UK Dementia Research Initiative. BNA also delivered a high informative five-part webinar series in partnership with The Psychiatry Consortium on *Building bridges along the psychiatric drug discovery pipeline*.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £11,586,000

University College London - £9,377,000

Towards the research activities and core costs of the Sainsbury Wellcome Centre for Neural Circuits and Behaviour; and the Gatsby Computational Neuroscience Unit.

Stanford University - £911,000

Towards research costs for Stanford Optogenetics Moonshot for Autism (SOMA) programme

Columbia University, New York - £283,000

Towards the Centre for Theoretical Neuroscience.

Hebrew University of Jerusalem - £283,000

Towards the Gatsby Theoretical Neuroscience Programme.

Cajal Advanced Neuroscience Training Programme AISBL - £213,000

Towards the CAJAL Advanced Neuroscience Training Programme.

University of Oxford - £196,000

Towards the Oxford Centre for Neural Circuits and Behaviour.

British Neuroscience Association - £150,000

To support the strategic plan, core costs and activities of the British Neuroscience Association.

Further grant payments totalling £173,000 were also paid in the year.

REPORT OF THE TRUSTEES (continued)

SCIENCE AND ENGINEERING EDUCATION

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

Gatsby structures its work to support education around five objectives: to support improvements in technical education; to promote awareness and understanding of the benefits of technical education; to support improvements in career guidance; to support STEM in schools; and to promote business education for engineers. Gatsby funds the core costs of a separate organisation – Gatsby Technical Education Projects (GTEP), a registered charity and company limited by guarantee – to oversee many of its programmes in this area. While the Covid-19 pandemic has continued to affect Gatsby-supported programmes in the last year, with some delivery timelines slipping, overall, Trustees remain extremely pleased with the progress made across Gatsby’s education portfolio.

Gatsby continues to make significant efforts to ensure the successful implementation of the current government reforms to technical education in England. The most significant of these reforms came originally from a government-commissioned review in 2016 (the Sainsbury Review), conducted by an expert panel chaired by Gatsby’s settlor, Lord Sainsbury of Turville. Perhaps the most high-profile outcome of the review is the development of T-levels – new qualifications, designed with employers, to equip 16-19-year-olds with the knowledge, skills and behaviours necessary to secure and succeed in skilled employment. Currently, 10 T-levels are available, and a further 13 will be introduced by 2023. Gatsby has supported most aspects of the implementation of T-levels in colleges and schools. Over the past year, this has included supporting five Mayoral Combined Authorities and LEPs to develop coherent plans for the introduction of the new qualifications; and working with the Association of Colleges, the Local Government Association, several NHS Trusts, and others to support the sourcing of high-quality industry placements – a mandatory component of all T-level courses. Gatsby has also continued to work with the Department for Education and others to ensure greater attention is paid to higher technical education (HTE) at Levels 4 and 5, a strong supply of which is critical to the UK’s future economic prosperity. Key to these efforts is the establishment of 21 Institutes of Technology (IoTs) around the country that are centres of excellence for HTE. Gatsby remains committed to their success, and is exploring how IoTs can play a leading role in delivering the skills needed to exploit new and emerging technologies.

The importance of technical education, and the variety of skilled technician roles that it can lead to, remains poorly understood by the public. Without greater awareness of the vital contribution technicians make, employers will continue to struggle to recruit the skilled technicians this country needs, both to remain economically competitive and to run core public services like the armed services and the NHS. In the past year, Gatsby has increased its efforts to raise the profile and understanding of the wide range of technician roles and the technical education pathways that lead to them. Campaigns targeting young people and their parents are underway, and an ambitious partnership with the Science Museum in London will see a new gallery at the museum open in November 2022 that profiles the work of technicians. Gatsby also continues to support the development of the *Technician Commitment*, which aims to ensure visibility, recognition, and career development for technicians working in universities and research institutions.

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REPORT OF THE TRUSTEES (continued)

Gatsby's work has significantly shaped career guidance in schools and colleges in England. The Gatsby Benchmarks of Good Career Guidance remain central to government policy on career guidance, with all maintained schools required to work towards achieving them. The past year also saw the launch of Gatsby's *Talking Futures* campaign to engage more parents in conversations with their children about career options.

Even though Gatsby's work to support STEM in schools is relatively modest in scale, Gatsby has a long-standing interest and expertise in issues affecting science teacher recruitment and retention; and research commissioned by Gatsby continues to influence government policy in this area, including policy on differential pay for teachers of shortage subjects. Gatsby also continues to support the core costs of the National STEM Learning Centre in York and a programme to develop STEM Clubs in schools.

Gatsby's final objective in education is to promote business education for engineers, which is delivered through Gatsby's support of the Engineers in Business Fellowship (EIBF). The EIBF, a registered charity, manages the Sainsbury Management Fellowships (SMFs) scheme and promotes business education for engineers. Each year, the SMFs scheme awards 10 bursaries of £50,000 to outstanding early career engineers to study for an MBA at a top international business school. Gatsby also supports the EIBF's wider work, including the management of an inter-university competition in which teams of engineering undergraduates pitch business plans to expert judges.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £2,582,000

Gatsby Technical Education Projects (GTEP) - £1,617,000

Towards the core costs of Gatsby Technical Education Projects.

Engineers in Business Fellowship - £965,000

Towards the core costs of the Engineers in Business Fellowship and the SMF bursary scheme.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £6,867,000

Technicians gallery at the Science Museum - £1,274,000

Towards the costs of creating a new technicians gallery at the Science Museum in South Kensington.

Parent engagement and support of career guidance - £822,000

Towards a national programme of activity, and the development, piloting and production of content and activities, to help parents support the career guidance of their children.

National STEM Centre - £717,000

Towards the core costs of the National STEM Learning Centre and the STEM Clubs programme.

Communications support for technical education reform - £584,000

Towards communications activity to ensure key stakeholders (including parents, young people, and employers), understand the current technical education reforms and the opportunities they present.

REPORT OF THE TRUSTEES (continued)

Raising the profile of technician roles - £552,000

Towards activities that raise awareness of technician careers and the education routes that lead to them, including the Technicians Make it Happen campaign.

Registered IT Technician (RITTech) scheme - £402,000

To support an expansion of the RITTech registration scheme for IT technicians.

Technical education pathways in local areas - £318,000

Towards supporting the delivery of coherent technical education routes in local areas.

Supporting employer engagement for technical education - £282,000

Towards the development and dissemination of resources to support employers to engage with schools and colleges.

Strengthening the Institutes of Technology network - £217,000

Towards the support and strengthening of the network of Institutes of Technology.

Science technician registration scheme - £205,000

To support an expansion and roll-out of science technician registration schemes.

The Technician Commitment - £152,000

Towards the ongoing development of the Technician Commitment, seeking to increase visibility, recognition and career development for technicians in universities and research institutions.

Developing the technical education teaching workforce - £130,000

Towards research examining options for developing the technical education teaching workforce in England.

Innovation and emerging skills needs - £120,000

To support work enabling Further Education colleges and Institutes of Technology to play a larger role in supporting innovation and delivering skills for emerging technologies.

Apprenticeship development and pilots - £98,000

Towards supporting the development of new apprenticeships.

Teacher recruitment and retention - £86,000

Towards research to inform national policy regarding science teacher recruitment and retention.

T-level industry placements - £71,000

To support work to build T-level industry placement opportunities.

Practical work in school science - £67,000

Towards activity supporting the teaching of practical work in schools.

Higher Technical Education at Levels 4 and 5 - £56,000

Towards research to inform national policy regarding higher technical education in England.

Further direct programme expenses totalling £714,000 were also paid in the year.

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

REPORT OF THE TRUSTEES (continued)

AFRICA

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

Gatsby has funded, designed, and run programmes in Africa since 1985, with the overall aim of creating jobs and raising incomes for the poor. 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 aims to help more people in East Africa benefit from economic growth, which in turn creates jobs, raises incomes, builds opportunities, and reduces poverty. GA looks to achieve this by:

- Transforming key economic sectors in East Africa by developing ambitious strategies and partnering with others to implement them; and
- Synthesising and sharing lessons from our programmes and elsewhere to enable their application at scale in GA’s own sectors of activity and in others.

At the beginning of April 2022 GA transitioned the programmes and staff of its subsidiaries, Kenya Markets Trust and Msingi, into its Kenyan branch, and exited its long-standing support of the Tanzanian cotton sector. GA is now implementing 9 sector programmes across East Africa: Tanzanian forestry; Kenyan forestry; regional aquaculture; regional textiles; Kenyan livestock; Kenyan agricultural inputs; Kenyan water; and (in partnership with the Wood Foundation, a Scottish registered charity) Tanzanian and Rwandan tea.

Despite this breadth of support it is clear that many other sectors also need support. Each programme thus aims to capture what is working and what is not, and to share this with other stakeholders - particularly donors and governments - 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.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £15,182,000

Gatsby Africa (GA) - £15,182,000

Towards GA programmes and operating core costs.

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

REPORT OF THE TRUSTEES (continued)

THE ARTS

Gatsby provides core support for organisations with which Gatsby has a long-standing history, especially in view of the global pandemic and the consequent economic impact that has been catastrophic for all parts of the UK Arts sector. Trustees continue to provide additional funding support and flexibility for the repurposing of existing grant commitments as these organisations cope with the unprecedented challenges of COVID-19.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £13,731,000

Royal Academy of Music - £6,000,000

A permanent endowment to towards core costs of the Gatsby Chair of Musical Theatre.

Backstage Trust - £2,000,000

Towards core costs and to provide hardship support to artists and theatre workers adversely affected by the COVID-19 pandemic.

Cambridge Arts Theatre - £2,000,000

Towards core and project costs of a planned major refurbishment.

Theatre Development Trust - £1,250,000

Towards providing hardship support to artists and theatre workers adversely affected by the COVID-19 pandemic.

Chamber Orchestra of Europe - £750,000

Towards core costs.

Sainsbury Centre for Visual Arts - £712,000

Towards core costs, including special exhibitions.

Sainsbury Institute for the Study of Japanese Arts and Cultures - £466,000

Towards core costs.

Royal Shakespeare Company - £268,000

Towards the Artist Development Programme.

Sainsbury Research Unit for the Arts of Africa, Oceania & the Americas - £225,000

Towards core costs.

Further grant payments totalling £60,000 were also paid in the year.

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 five organisations: the Institute for Government; the Centre for Cities; the Centre for Science, Technology & Innovation Policy; Policy Links; and the Babbage Policy Forum.

The Institute for Government (IfG)

The Institute for Government works with the main political parties in Westminster, senior civil servants in Whitehall, and officials and politicians across the rest of the UK to promote more effective government. It provides impartial, evidence-based advice and training, drawing on best practice and research in government, universities and business from around the world. Bronwen Maddox was the Director, and is accountable to a distinguished all-party board of governors chaired by Lord Sainsbury. During the reporting period, the Institute’s net zero project outlined how government should organise itself to achieve the 2050 target, and prompted discussions with many arms of government and the voluntary sector in the run-up to the COP26 conference in November 2021. Two related projects identified lessons for the UK from the efforts of other countries to incorporate evidence into transport and energy policymaking. The Institute’s devolution team focused on the devolved, mayoral and local elections, many of which were delayed from 2020 due to the COVID-19 pandemic. Influential reports on the operation of the Sewell Convention and the Barnett Formula have sparked interest in the UK Parliament and across the devolved nations. In late 2021, the Institute launched a major review of the UK Constitution, in partnership with the Bennett Institute for Public Policy at Cambridge University.

The Centre for Cities

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 and large towns improve their economic performance by focusing on the drivers of urban economic success. The Centre produces practical research and policy advice for city leaders, national government and businesses. Over the last year, levelling up has always been a key theme for the Centre and they published a report in May 2021 setting out why Metro Mayors should be given more powers over skills, housing, transport and innovation to improve the prosperity of their areas. To inform the Comprehensive Spending Review in late 2021, the Centre set out how the Government could deliver on key parts of its domestic agenda. A report on Building Back Better from COVID-19 explored why, how and where jobs were created across the UK during the 2013 to 2019 ‘jobs miracle’ and why this matters for the economic prosperity of a location. For reaching net zero, the Centre published research in July 2021 on decarbonising the city, particularly in housing, planning and public transport. The Centre has also compared the public transport systems of UK and European large cities, which was published in March 2022.

REPORT OF THE TRUSTEES (continued)

The Centre for Science, Technology & Innovation Policy (CSTI)

Based at Cambridge University's Institute for Manufacturing (IfM), CSTI 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. Over the past year, CSTI continued its research and policy engagement activities related to place-based research and innovation policy. This included a PhD project pilot study to analyse agri-tech innovation opportunities in the East of England, and providing insights on international regional innovation policy to UK policy makers. CSTI put significant efforts into research and knowledge exchange activities related to 'challenge-led' research and innovation. For example, a PhD project applying data science approaches to analysing the impact of such efforts on emerging technology trajectories. In relation to the UK Innovation Strategy, CSTI delivered a seminar to Research England on national innovation strategies, including emerging technology commercialisation, diffusion and scale-up.

Policy Links (PL)

The Policy Links unit is a not-for-profit consultancy that works with governments and international organisations to develop effective industrial innovation policies, and for which Gatsby funds its charitable educational programmes and activities. Under the direction of Dr Carlos López-Gómez, the Unit offers consultancy services and capacity building programmes based on the latest academic thinking and the study of international best practice. Also based at IfM, PL works closely with CSTI and with the Babbage Policy Forum under the shared banner of Cambridge Industrial Innovation Policy, which operates at the intersection of technology, innovation and industrial competitiveness. Over the last year, PL continued to provide *ad hoc* support to the UK Department for Business, Energy and Industrial Strategy (BEIS), on topics including digital manufacturing and supply chains. Furthermore, the Unit has supported the establishment of a national External Expert Group on Supply Chains, and has synthesised the evidence submitted by its members on behalf of BEIS. PL also produced studies aimed at informing UK industrial and innovation policy-makers, including an international comparison of STEM skills in the civil service and an analysis of the UK approach to the diffusion of Industry 4.0 technologies. A comprehensive study comparing sectoral sources of productivity in the UK and selected countries is being produced in collaboration with experts from the National Institute of Economic and Social Research (NIESR). PL continues to collaborate with international organisations – a briefing paper on the topics of resilience and industrial policy has directly informed the Industrial Development Report 2022, the flagship publication of United Nations Industrial Development Organization (UNIDO).

The Babbage Policy Forum

The Babbage Forum aims to provide a unique network and symposia within which to develop novel thinking and insights at the interface of economics, engineering, and management. The Forum's purpose is to inform and underpin industrial policies for economic competitiveness and growth. Over the past year the Forum launched the Babbage Industrial Innovation Policy Awards. Of the many papers received, seven were highly commended by the judges. Three winners were given joint-first place in these inaugural awards:

1. Dr Jaime Bonnin Roca (Eindhoven University of Technology) – Policy mixes to tackle the many faces of uncertainty in emerging technologies
2. Dr Benoit Tezenas Du Montcel (Institut Mines-Télécom Business School/Ecole Polytechnique) – A process model for industrial innovation policy when facing paradigmatic shifts

REPORT OF THE TRUSTEES (continued)

3. Dr Jon Mikel Zabala Iturriagoitia (University of Deusto) – Implementing innovation-related public procurement: ordinary, dynamic and functional capabilities

Given the success of the inaugural round, the Forum has already also announced the 2022 awards. The aim of the competition is to encourage practice-oriented academic and professional contributions to industrial innovation policy analysis and design.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £7,053,000

Institute for Government - £4,577,000

Towards core costs.

Centre for Cities - £1,100,000

Towards core costs.

University of Cambridge – £1,026,000

Towards the core costs of Policy Links and of the Centre for Science, Technology and Innovation Policy, and towards research at the Bennett Institute of Public Policy into sectoral productivity across countries.

Imperial College, London – £222,000

Towards research into sectoral systems of innovation and the competitiveness of the UK.

Further grant payments totalling £128,000 were also paid in the year.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £158,000

Babbage Symposium and Professor Mike Gregory support - £158,000

Towards Phase 2 of the Babbage Symposium.

GENERAL

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

PRIME Parkinson research trial

Gatsby is supporting healthcare delivery innovation research entitled ‘Proactive and Integrated Management and Empowerment in Parkinson’s Disease’ (PRIME Parkinson). The main thrust is an integrated care approach that delivers high-quality personalised care to people with Parkinson’s Disease (PD) close to home. This is a dual site activity taking place in the greater Bristol/Bath area in the UK and the greater Nijmegen area in the Netherlands (NL). Over the past year, in the UK, the trial completed the epidemiological (PRIME EPI) study that looks at UK-wide risk factors for hospital admission amongst people living with Parkinson’s (PwP). The trial’s cross-sectional (PRIME XS) study is now fully recruited and will describe the experience of living with parkinsonism to provide a novel, holistic perspective on health needs of PwP and their carers.

REPORT OF THE TRUSTEES (continued)

Both studies have informed the UK randomised control trial (PRIME RCT) that started in March 2022. In the NL, the PRIME trial intervention was introduced beyond Radboud University Medical Centre to the four spoke hospitals in a step-wise manner to ensure wide engagement with all participants and stakeholders. The trial also launched the ‘single point of access’ service desk for all participants - PwP, their carers and health care professionals - to answer all Parkinson-related questions. Both sites will also carry out a qualitative exploration of the experiences of PwP, carers, families and staff of the PRIME trial.

Careers in Engineering

This project at Imperial College London will produce a high-quality book aimed at young people to encourage them to take up a career in engineering. Over the past year, they have begun developing a school kit containing two copies of the book *Engineers Making a Difference*, 12 posters and a guide for teachers. The kits will be distributed free of charge by Imperial to every secondary school in the UK in Spring 2023. To fully engage the young audience, a set of videos are being created, profiling fifteen individuals. The ultimate aim of the project is to help young people understand the importance of engineers to the solving of the world’s many challenges.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £2,144,000

Radboud University Medical Centre - £1,640,000

Towards the Proactive and Integrated Management and Empowerment in Parkinson's Disease (PRIME-Parkinson) programme in partnership with the University of Bristol in the UK.

Imperial College London - £306,000

Towards a project to complete a high-quality book aimed at young people to encourage them to take up a career in engineering.

Further grant payments totalling £198,000 were also paid in the year.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £21,000

GRANTS CANCELLED

Grants totalling £3,368,000 were cancelled or amended during the year.

REPORT OF THE TRUSTEES (continued)

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 judgements 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.

Approved by the Board of Trustees on 26 September 2022 and signed on their behalf by



.....
Mr J C Burns
TRUSTEE

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

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

Opinion

We have audited the financial statements of the Gatsby Charitable Foundation ('the charity') for the year ended 5 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including 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 2022 and of 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

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

Other information

The Trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 requires 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 and proper accounting records have not been kept by the charity; 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 31, 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.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

21 October 2022

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.

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2022

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2022	Total Funds 2021
		£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:					
Donations and gifts	2	-	137,450	137,450	55,000
Investments	3	5,268	-	5,268	5,441
Total income		5,268	137,450	142,718	60,441
EXPENDITURE ON:					
<i>Raising funds</i>					
Investment management costs	4	-	(998)	(998)	(791)
<i>Charitable activities</i>					
Grant expenditure	5	(68,991)	-	(68,991)	(48,471)
Direct programme costs	6	(8,839)	-	(8,839)	(6,667)
Support costs	7,8	(3,208)	-	(3,208)	(2,622)
Other operating costs	9	(94)	-	(94)	(3,100)
Total cost of grant making		(81,132)	-	(81,132)	(60,860)
Total expenditure		(81,132)	(998)	(82,130)	(61,651)
Gains on investment assets		-	27,001	27,001	61,091
Net income for the year before transfers		(75,864)	163,453	87,589	59,881
Transfers between funds	16	75,864	(75,864)	-	-
Net income/(loss) for the year after transfers		-	87,589	87,589	59,881
Other recognised gains and losses					
Foreign exchange (losses)		-	(245)	(245)	(235)
Net movement in funds		-	87,344	87,344	59,646
Reconciliation of funds					
Total funds brought forward at 6 April 2021		-	517,051	517,051	457,405
Total funds carried forward at 5 April 2022		-	604,395	604,395	517,051

The notes on pages 39 to 50 form part of these accounts.

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

BALANCE SHEET AS AT 5 APRIL 2022

	<i>Note</i>	2022	2021
		£'000	£'000
FIXED ASSETS			
Tangible fixed assets	<i>10</i>	243	368
Investments	<i>11</i>	465,384	517,088
		<u>465,627</u>	<u>517,456</u>
CURRENT ASSETS			
Debtors	<i>12</i>	1,395	2,515
Cash at bank and in hand		201,935	60,282
		<u>203,330</u>	<u>62,797</u>
LIABILITIES			
Creditors - amounts falling due within 1 year	<i>13</i>	(49,050)	(43,590)
		<u>154,280</u>	<u>19,207</u>
NET CURRENT ASSETS			
		619,907	536,663
LIABILITIES			
Creditors - amounts falling due after 1 year	<i>14</i>	(15,512)	(16,512)
Provision for liability	<i>15</i>	-	(3,100)
NET ASSETS		<u>604,395</u>	<u>517,051</u>
THE FUNDS OF THE CHARITY			
Capital funds			
Expendable endowment		604,395	517,051
Income funds			
Unrestricted funds		-	-
	<i>16</i>	<u>604,395</u>	<u>517,051</u>

These financial statements were approved and authorised for issue by Trustees on 26 September 2022 and were signed on their behalf by:



.....
Mr J C Burns
TRUSTEE

The notes on pages 39 to 50 form part of these accounts

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2022

	2022	2021
	£'000	£'000
Net cash provided by operating activities	55,725	1,310
Net cash provided by investing activities	86,173	6,708
Change in cash and cash equivalents during the year	141,898	8,018
Cash and cash equivalents at the beginning of year	60,282	52,499
Change in cash and cash equivalents due to exchange rate movements	(245)	(235)
Cash and cash equivalents at the end of year	201,935	60,282
Reconciliation of net income to net cash provided by/(used in) operating activities		
	2022	2021
	£'000	£'000
Net income for the year (as per the Statement of Financial Activities)	87,589	59,881
Gift of investments	(2,200)	-
Gains on investments	(27,001)	(61,091)
Depreciation charges	125	125
Income from investments (interest and dividends)	(5,268)	(5,441)
Decrease in debtors	1,120	6,574
Increase in creditors and provisions	1,360	1,262
Net cash provided by operating activities	55,725	1,310
Net cash (used in) investing activities		
	2022	2021
	£'000	£'000
Purchase of fixed assets	-	(339)
Purchase of investments	(34,970)	(237,687)
Income from investments	5,268	5,441
Proceeds from sale of investments	115,875	239,293
Net cash provided by investing activities	86,173	6,708
Cash and cash equivalents		
	Change in year	2022
	£'000	£'000
Cash at bank and in hand	138,615	198,727
Cash balances held by investment managers	3,038	3,208
	141,653	201,935
		60,282

The notes on pages 39 to 50 form part of these accounts.

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.

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. The value of the investment portfolio has increased by approximately £27.0 million in comparison to the end of the previous financial year. Gatsby's endowment assets remain significant, and this, together with future investment income that is generated, will continue to be paid out to approved beneficiaries in accordance with the objectives of the charity.

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 11).

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.

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.

NOTES TO THE ACCOUNTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

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 Charity held financial assets at fair value of £465,384,000 (2021: £517,088,000).

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 2022

NOTES TO THE ACCOUNTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

m) Provisions for liabilities and charges

Provisions for liabilities and charges are made when a present obligation has arisen as a result of a past event, payment is probable, and the amount can be estimated reliably.

2. GRANTS AND DONATIONS

Gatsby received donations from the Settlor during the year totalling £137,450,000 (2021: £55,000,000) and £Nil (2021: £Nil) in grants and donations from other sources.

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2022		2021	
	£'000	%	£'000	%
UK equities	2,977	56	2,433	45
Overseas equities	1,513	29	1,368	25
Short term deposits	778	15	1,640	30
	5,268	100	5,441	100

4. COST OF RAISING FUNDS

Fund raising costs comprise the fees of investment managers. Investment management fees amount to £998,000 (2021: £791,000). 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

	2022		2021	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Commitments at 6 April 2021		59,607		61,603
Grants not accrued at 6 April 2021	82,162		98,384	
Grants approved in the year	70,754		51,851	
Grants cancelled, refunded or amended	(3,368)		(19,602)	
Grants not accrued at 5 April 2022	(80,557)		(82,162)	
Grants expenditure for the year		68,991		48,471
Grants paid during the year		(64,789)		(50,467)
Commitments at 5 April 2022		63,809		59,607

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

NOTES TO THE ACCOUNTS (continued)

5. GRANTS PAYABLE (continued)

Commitments at 5 April 2022 are payable as follows:

	2022	2021
	£'000	£'000
Within one year (note 13)	48,297	43,095
After more than one year (note 14)	15,512	16,512
	63,809	59,607

The Trustees had appointments with the following organisations which received grant funding during the year:

Mr J C Burns	– Centre for Cities, Gatsby Africa, Gatsby Technical Education Projects, Sainsbury Institute for the Study of Japanese Arts and Cultures, Sainsbury Research Unit for the Arts of Africa, Oceania & the Americas, Sainsbury Centre Endowment Fund
Sir Andrew Cahn KCMG	– The Institute for Government
Miss J S Portrait OBE	– Gatsby Africa, Gatsby Technical Education Projects, Sainsbury Institute for the Study of Japanese Arts and Cultures (as Trustee of HON & V Trustee Limited), Sainsbury Research Unit for the Arts of Africa, Oceania & the Americas (as Trustee of HON & V Trustee Limited), Sainsbury Archive, Sainsbury Centre Endowment Fund

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 2022 was £80,557,000 (2021: £82,162,000). Of this total, £32,780,000 will be payable during 2023/24 and £25,897,000 during 2024/25.

The amount payable during 2022/23 includes the following: £'000

Neuroscience

University College London – Sainsbury Wellcome Centre for Neural Circuits and Behaviour	12,482
University College London - Gatsby Computational Neuroscience Unit	5,154
Stanford University	1,119
Columbia University – New York	682
Hebrew University of Jerusalem	307
Cajal Advanced Neuroscience Training Programme	224
British Neuroscience Association	160
Royal College of Psychiatrists	141
University of Cambridge – Institute of Brain and Mind Health	138
Other grants	229

Plant Science

University of Cambridge – the Sainsbury Laboratory	6,613
The Sainsbury Laboratory – Norwich	2,850
Cambridge Network	200
University of Cambridge - Department of Plant Sciences	100

Science and Engineering Education

Gatsby Technical Education Projects	1,716
Engineers in Business Fellowship (formerly Sainsbury Management Fellows' Society)	1,055
Smaller grants	83

Africa

Gatsby Africa	3,017
The Wood Foundation	479
Smaller grant	76

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

NOTES TO THE ACCOUNTS (continued)

5. GRANTS PAYABLE (continued)

£'000

Arts

Sainsbury Centre for Visual Arts	753
Sainsbury Institute for the Study of Japanese Art and Culture	466
Sainsbury Research Unit for the Arts of Africa, Oceania and the Americas	225
Clore Duffield Foundation	90
Smaller grant	17

Public Policy

Institute for Government	4,740
Imperial College, London	832
University of Cambridge - Institute for Manufacturing	795
University of Cambridge, King's College	150
Bennett Institute for Public Policy	139
Smaller grants	26

General

Raboud University Medical Centre	1,560
St Mark's Hospital, London	920
Imperial College, London	467
Smaller grants	292

Total due within one year (Note 13)

48,297

6. DIRECT PROGRAMME EXPENSES

	2022	2021
	£'000	£'000
Science and Engineering Education	6,838	5,302
Plant Science	1,822	1,190
Public Policy	158	123
Neuroscience	-	10
Other	21	42
	8,839	6,667

7. SUPPORT COSTS

	Charitable	Governance	2022	2021
	Activities		Total	Total
	£'000	£'000	£'000	£'000
Staff costs	1,150	-	1,150	1,006
Share of joint office costs	1,179	-	1,179	977
Direct costs including travel, consultancy, legal and professional fees	721	-	721	484
Depreciation	125	-	125	125
	3,175	-	3,275	2,592
Auditors' remuneration	-	33	33	30
	3,175	33	3,208	2,622

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

NOTES TO THE ACCOUNTS (continued)

7. SUPPORT COSTS (continued)

Audit fees include irrecoverable VAT of £5,476 (2021: £5,000). Included within grant-related support costs is a total of £222,000 (2021: £174,000), of which £137,000 (2021: £95,000) is included within trade creditors, for legal services provided by Portrait Solicitors, a firm in which Miss J S Portrait OBE was a partner.

8. ANALYSIS OF STAFF COSTS

	2022	2021
	£'000	£'000
Wages and salaries	956	837
Social security costs	109	92
Other pension costs	85	77
	1,150	1,006

The average number of employees within the charity was as follows

	2022	2021
	No.	No.
Charity	3	3

As mentioned in Note 1a, Gatsby is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 20.8% 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 2022/21.

A total of 10 staff (2021: 9) were charged to Gatsby during the year, with some being on a part-time basis. This equates to 3.3 full-time employees (2021: 3.2).

The Trust considers its key management personnel to comprise of 4 staff (2021: 4). The total employment benefits, including employer pension contributions, of these key management personnel, were £302,000 (2021: £295,000).

No Trustee received any remuneration for their services during the year (2021: £Nil). One Trustee had travel expenses of £4,852 paid during the year (2021: £2,255).

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

	2022	2021
	No.	No.
£80,000 - £90,000	1	1
£140,000 - £150,000	1	1

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

NOTES TO THE ACCOUNTS (continued)

9. OTHER OPERATING COSTS

	2022	2021
	£'000	£'000
Guarantor costs arising from withdrawal from the Universities Superannuation Scheme	94	3,100

Gatsby was the guarantor to the Centre for Mental Health's (CMH's) (formerly the Sainsbury Centre for Mental Health) participation in the Universities Superannuation Scheme (USS). Gatsby withdrew its financial support of CMH under a Deed of Accession dated 14 November 2006, meaning that CMH no longer qualified for participation in the USS. As CMH no longer participated in the USS, this meant that a "Section 75" debt had been triggered at the date the CMH ceased to employ an active member of the USS. A payment of £3,194,000 was paid to USS in November 2021 as full and final settlement of the guarantee. Accordingly no amount is provided at year end to meet Gatsby's guarantee (2021: £Nil).

10. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000
Cost			
At beginning and end of year	1,106	34	1,140
Depreciation			
At beginning of year	738	34	772
Charge for the year	125	-	125
At end of year	863	34	897
Net book value 5 April 2022	243	-	243
Net book value 5 April 2021	368	-	368

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

11. FIXED ASSET INVESTMENTS

	2022	2021
	£'000	£'000
Market value 6 April 2021	517,088	457,603
Disposals	(115,875)	(239,293)
Acquisitions at cost	34,970	237,687
Gift of shares	2,200	-
Net gains/(losses) on investments	27,001	61,091
Market value 5 April 2022	465,384	517,088

Total disinvestments from fixed asset investments during the year to meet operating cash requirements amounted to £70,000,000 (2021: £55,199,000).

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

NOTES TO THE ACCOUNTS (continued)

11. FIXED ASSET INVESTMENTS (continued)

The investments held as at 5 April 2022 were as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
U.K. equities	155,750	212,843	152,447	193,470
Overseas equities	99,839	129,420	95,727	121,915
Overseas equities – unquoted	2,581	-	2,581	-
Short-term deposits	123,065	123,120	201,699	201,703
	381,235	465,384	452,454	517,088

UK equities held at 5 April 2022 has the following market values:

	2022	2021
	£'000	£'000
Trojan Investment Funds	89,234	79,372
LF Ruffer Funds	70,127	64,614
J Sainsbury plc	30,711	29,714
Other UK equities	22,771	19,770
	212,843	193,470

Overseas equities - unquoted principally comprises programme related investments to provide both equity finance and loans to small and medium sized enterprises in the agricultural sector in East Africa, and similar investments to improve overall employment opportunities, and support sector development. Gatsby is exiting its programme related investments, from which Gatsby received redemption proceeds during the year of £Nil (2021: £73,000).

Short term deposits include Lloyds Bank money market deposits and a treasury facility with Barclays Bank which at 5 April 2022 had a market value of £115,000,000 (2021: £195,000,000).

12. DEBTORS

	2022	2021
	£'000	£'000
Gift Aid receivable	425	-
Other debtors	970	2,515
	1,395	2,515

13. CREDITORS - amounts falling due within 1 year

	2022	2021
	£'000	£'000
Grants payable (note 5)	48,297	43,095
Trade creditors	237	258
Other creditors	503	109
Accruals and deferred income	13	128
	49,050	43,590

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

NOTES TO THE ACCOUNTS (continued)

14. CREDITORS - amounts falling due after more than 1 year

	2022	2021
	£'000	£'000
Grant payable (note 5)	15,512	16,512

15. PROVISION FOR LIABILITY

	2022	2021
	£'000	£'000
At beginning of year	3,100	-
Movement in provision (see Note 9)	94	3,100
Paid during year	(3,194)	-
At 5 April 2022	-	3,100

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Expendable Endowment	Total Funds 2022
	£'000	£'000	£'000
Fund balances at 5 April 2022 are represented by:			
Tangible fixed assets	-	243	243
Investments	-	465,384	465,384
Current assets	-	203,330	203,330
Current liabilities	-	(49,050)	(49,050)
Long term liabilities	-	(15,512)	(15,512)
Provisions	-	-	-
	-	604,395	604,395
Movement in the year			
Opening balance as at 5 April 2021		517,051	517,051
Total income and endowments	5,268	137,450	142,718
Cost of raising funds	-	(998)	(998)
Cost of grant-making	(81,132)	-	(81,132)
Net gain on investments	-	27,001	27,001
Foreign exchange movement	-	(245)	(245)
Transfers between funds	75,864	(75,864)	-
Closing balance as at 5 April 2022	-	604,395	604,395

THE GATSBY CHARITABLE FOUNDATION

5 April 2022

NOTES TO THE ACCOUNTS (continued)

17. 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 (for which Gatsby has received counter-indemnities). Gatsby has provided undertakings in connection with funds it has received from third parties.

18. 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.

19. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 5 APRIL 2021

	<i>Unrestricted Fund</i>	<i>Expendable Endowment</i>	<i>Total Funds 2021</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fund balances at 5 April 2021 are represented by:			
Tangible fixed assets	-	368	368
Investments	-	517,088	517,088
Current assets	-	62,797	62,797
Current liabilities	-	(43,590)	(43,590)
Long term liabilities	-	(16,512)	(16,512)
Provisions	-	(3,100)	(3,100)
	-	517,051	517,051
Movement in the year			
Opening balance as at 5 April 2020	-	457,405	457,405
Total income and endowments	5,441	55,000	60,441
Cost of raising funds	-	(791)	(791)
Cost of grant-making	(60,860)	-	(60,860)
Net losses on investments	-	61,091	(28,435)
Foreign exchange movement	-	(235)	(235)
Transfers between funds	55,419	(55,419)	-
Closing balance as at 5 April 2021	-	517,051	517,051

THE GATSBY CHARITABLE FOUNDATION
5 April 2022

NOTES TO THE ACCOUNTS (continued)

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	<i>Note</i>	<i>Unrestricted Funds</i>	<i>Expendable Endowment</i>	<i>Total Funds 2021</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
INCOME AND ENDOWMENTS FROM:				
Donations and gifts	2	-	55,000	55,000
Investments	3	5,441	-	5,441
Total income		5,441	55,000	60,441
EXPENDITURE ON				
<i>Raising funds</i>				
Investment management costs	4	-	(791)	(791)
<i>Charitable activities</i>				
Grant expenditure	5	(48,471)	-	(48,471)
Direct programme costs	6	(6,667)	-	(6,667)
Support costs	7,8	(2,622)	-	(2,622)
Total cost of grant making		(3,100)	-	(3,100)
Total expenditure		(60,860)	(791)	(61,651)
Loss on investment assets		-	61,091	61,091
Net income/(expenditure) for the year before transfers		(55,419)	115,300	59,881
Transfers between funds		55,419	(55,419)	-
Net income/(expenditure) for the year after transfers		-	59,881	59,881
Other recognised gains and losses				
Foreign exchange gains/(losses)		-	(235)	(235)
Net movement in funds		-	59,646	59,646
Reconciliation of funds				
Total funds brought forward at 6 April 2020		-	457,405	457,405
Total funds carried forward at 5 April 2021		-	517,051	517,051