

THE GATSBY CHARITABLE FOUNDATION

ANNUAL REPORT

5 APRIL 2020

The Peak
5 Wilton Road
LONDON SW1V 1AP

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

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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	Sir Andrew Cahn KCMG Miss J S Portrait OBE Mr J C Burns	
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP	
Principal Officers	Mr P Hesketh Mrs K Everett Mr J Highstead Mr J Searancke Mr N Thomas Mr G Wilson	Chief Executive Officer Chief Operating Officer Executive Head of Finance Executive Executive
Bankers	Child & Co, 1 Fleet Street, London EC4Y 1BD	
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ	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	
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.	

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REPORT OF THE TRUSTEES (continued)

Legal and Administrative (continued)

Objects

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

Organisation

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

Objectives

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

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

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

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

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

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REPORT OF THE TRUSTEES (continued)

Statement on Public Benefit

Trustees are aware of the Charity Commission's guidance on Public Benefit and confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to it. They consider that the very full information about Gatsby's aims, activities and achievements in the many areas of interest that Gatsby supports, which follows in this annual report, demonstrates the benefit to its beneficiaries, and through them to the public, that arise from carrying out those aims.

Charity Governance

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

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

Trustees met three times and used virtual communication tools as necessary to approve grants, and twice to review investments. During the year Gatsby received further gifts from the Settlor totalling £94.9 million which have been added to Gatsby's expendable endowment and is available for grant making. Gatsby also received £10.3 million from dividends and interest income.

Gatsby has significant unpaid grant forward commitments totalling £61.6 million. Trustees approved grants amounting to £95.6 million and made payments of £52.1 million covering some of these grants and others approved in earlier years. In addition, payments of £4.0 million were made in relation to directly managed charitable programmes, including the use of restricted grants. With Trustees' intention to spend out the assets of Gatsby, and with the expectation that grant making over the next two to three years is likely to be maintained at a significant level, Gatsby had short term deposits and cash at bank of £261 million at the year end. In arriving at these balances, it is the Trustees' intention to hold cash and near cash investments that equate to at least three years of grant expenditure, which should avoid a forced sale of investments should investment markets deteriorate.

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REPORT OF THE TRUSTEES (continued)

In the final quarter of the financial year Gatsby's investment portfolio has been subject to unprecedented conditions arising from the Covid-19 pandemic. Global economic confidence has plunged, and equity and financial markets have encountered large falls, extreme volatility and rapidly changing conditions across the major markets. Whilst Gatsby has mitigated some of the impact with its approach to hold a significant proportion of its endowment assets in cash, the effect of the Covid-19 pandemic has been to reduce the value of the investment portfolio by approximately £28.4 million at the end of the 2020 financial year, and 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.

Gatsby, like other members of the Sainsbury Family Charitable Trusts, has responded to the urgent need to provide relief and support to those placed in hardship as a consequence of the Covid-19 pandemic, and has contributed to medical research that is being undertaken to combat the infectious disease. During the financial year Gatsby provided grants of £3.7 million in this respect, and has continued its support with a further £1.9 million of grants paid in connection with the Covid-19 pandemic since the end of the financial year.

Future plans

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

Reserves policy

The Trustees treat their expendable endowment and unrestricted income funds totalling £457.4 million (2019: £442.3 million) as a single resource for grant-making, and do not consider necessary a particular level of income reserves. Unrestricted income is shown separate from income received into the expendable endowment, and as grant expenditure is shown in the Statement of Financial Activities as a charge against unrestricted income, a significant deficit of income arises. A transfer of £50.2 million (2019: £47.0 million) has therefore been made from the expendable endowment to unrestricted income funds to eliminate the deficit.

Risk assessment

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

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

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REPORT OF THE TRUSTEES (continued)

The volatility of market investments has been identified as a key risk by Trustees, as evidenced by the impact of the Covid-19 pandemic, where the value of the investment portfolio has fluctuated and future investment income is anticipated to be substantially lower. 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. Trustees continue to assess risks arising from the Covid-19 pandemic on the activities and operations of Gatsby.

Fundraising

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

Investment policy and performance

The Trustees maintain a diverse and balanced investment portfolio. The effect of the Covid-19 pandemic has been to reduce the value of the investment portfolio by approximately £28.4 million at the end of the 2020 financial year. Active cash management ensured that a return above normally available market rates was achieved in the previous financial year.

CHARITABLE ACTIVITIES

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

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

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

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REPORT OF THE TRUSTEES (continued)

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

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

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.

Gatsby's largest ever commitment in plant science funded the building of a state-of-the-art research institute, the Sainsbury Laboratory Cambridge University (SLCU), which opened in 2011. Set within the inspirational grounds of the University's Botanic Garden, the aim of the Laboratory is to elucidate the regulatory systems underlying plant growth and development. During this reporting period, a new career development fellow, Dr Sarah Robinson, joined the Laboratory. The Robinson group investigates how plant cell and organ size and shape are determined by using biomechanics, modelling and genomic approaches; she has developed a unique mechanical microscope that can track extensions in live cells in the direction of growth. Existing group leaders also successfully renewed their research support for a further five-year period: Professor Henrik Jönsson developing computational models describing complex processes at the cellular level; Professor Yrjö Helariutta investigating the patterning processes involved in the development of plant vascular tissue; and, Distinguished Research Associate, Professor Elliot Meyerowitz, researching how shoot tips produce organs in regular patterns. In October 2019, David Sainsbury welcomed Bill Gates (co-chair of the Bill & Melinda Gates Foundation), Alok Sharma (UK Secretary of State at the Department for International Development (DFID)) and Professor Charlotte Watts (DFID Chief Scientific Advisor) to SLCU to meet plant scientists working on projects supported by the three organisations. These researchers, from SLCU, The Sainsbury Laboratory, Cambridge University, Lancaster University and the John Innes Centre, are developing innovations to increase productivity, increase crop yields sustainably, and empower farmers across sub-Saharan Africa and South Asia. During the visit, Alok Sharma announced that DFID will provide a further £38 million of UK aid to contribute to a portfolio of projects, and this will strengthen DFID's ongoing partnership with the Gates Foundation. Every year, the Laboratory runs a range of outreach and engagement activities. For Big Biology Day in October 2019, SLCU and the Cambridge University Botanic Garden jointly ran a hands-on exhibition with a theme of 'Seeds, Bees and Pollen'. Through fun, engaging activities, people of all ages explored the special mechanisms that plants have evolved to attract different pollinators and disperse their seeds. Activities included a new card game called Pollinator Blitz, designed and created by SLCU researchers Pamela Ribone and Stefano Gatti. Visitors could also take home their own mini-hydroponics science experiment to compare the differences between monocot and dicot seeds – the two major divisions of flowering plants – when they germinate.

REPORT OF THE TRUSTEES (continued)

After the end of the reporting period, it was announced that Professor Dame Ottoline Leyser DBE FRS, Director of SLCU, had been appointed the new CEO of UK Research and Innovation (UKRI), the national funding agency investing in science and research in the UK. The Gatsby Trustees warmly congratulate Professor Leyser on her new appointment and wish to express their appreciation and gratitude for her seven years of leadership of SLCU that fostered a creative, productive and inclusive interdisciplinary research centre. To build on these strengths, the Trustees are very pleased that Professor Henrik Jönsson, SLCU Associate Director, has taken over as Acting Director of the Laboratory from the end of June 2020.

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. During the reporting period, key scientific discoveries include discovery of a new phosphorylation-dependent activation mechanism for intracellular immune receptors in plants; the identification of a novel motif in immune receptors that may condition their ability to cause hypersensitive cell death during disease resistance; a new mechanism involved in stem rust resistance in wheat; and a novel turgor-sensing mechanism in the rice blast fungus required for its ability to cause disease.

TSL scientists continue to be among the highest cited plant scientists in the world. TSL has recruited a new Group Leader, Professor Wenbo Ma from the University of California, Riverside, who will take up her new position in the coming year. Professor Ma brings world-leading expertise in effector biology, oomycete and bacterial pathogenesis. She studies devastating diseases, such as late blight of potato and citrus greening disease, which currently threatens the orange industry across North America. TSL has also hired a new Head of Postgraduate Training, Professor Steph Bornemann, to oversee its new Masters degree programme in Global Plant Health, as well as a range of massive online open courses, outreach activities and innovative PhD level training. These activities are being launched in the United Nations International Year of Plant Health 2020/21, which is highlighting the significant threat posed by crop diseases. In partnership with the John Innes Centre, TSL has developed the Healthy Plants, Healthy People, Healthy Planet (HP³) project, which sets out a vision for plant sciences as essential to human and planetary health and well-being. A new state-of-the-art infrastructure programme has been designed that will integrate platform technologies, genomics, cell and molecular biology, advanced computing and artificial intelligence, alongside globally competitive laboratories and plant growth facilities. The HP³ project is being strongly supported by Gatsby and The University of East Anglia, and the Biotechnology and Biological Sciences Research Council (BBSRC) are leading an application to the UK Research and Innovation Infrastructure Fund, submitted in June 2020, that is currently under review. TSL has developed a long-term sustainability plan, including establishing a long-term fund built upon royalty income from TSL's successful exploitation of intellectual property, developed over the last two decades. This will act, in concert with ongoing support from Gatsby, BBSRC and The University of East Anglia, to enable the laboratory to make long-term plans for its future development.

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. In addition to sourcing and testing new resistances to the major unmanaged crop diseases of wheat, soybean and maize, in the past year 2Blades has helped to produce new insights into plant pathogens and plant immunity, including a new tool kit for the entire plant disease resistance gene repertoire in multiple species, a solution to the 20-year-old mystery of a cereal killer, and the assembly of one of the largest and deadliest plant pathogen genomes.

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REPORT OF THE TRUSTEES (continued)

It was awarded a £0.5 million (US \$0.7 million) grant from the US Department of Agriculture to identify new resistances to wheat rusts from an early wheat progenitor in collaboration with the University of Minnesota, Kansas State University, and the John Innes Centre. 2Blades support of the International Potato Center (CIP) helped to achieve further clear evidence of the effectiveness of its late blight resistant potato variety that is projected to be widely adopted once available and contribute to a 40% increase in smallholder farmer incomes. Former World Bank advisor Mike Kelleher began in December 2019 as Director of External Affairs, focusing on fundraising, communications, and policy engagement. He has coordinated efforts to raise funds for 2Blades' partnership and support of the CIP East African potato effort. The potato initiative fundraising drive will be chaired by Chris Kennedy, a prominent Chicago businessman and the son of Robert F. Kennedy, with support from new 2Blades Sustainability Council member, Dr. Robert Easter, President Emeritus of the University of Illinois. 2Blades is also partnering with the University of Minnesota on a new study to help fill the large gaps in the knowledge of the economic impacts of plant disease and the value realised by investments in applied plant research.

The Gatsby Plant Science Education Programme (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 Science and Plants for Schools (SAPS) project provides engaging plant science teaching resources for UK school teachers and technicians. During the reporting period a new online course was developed, focusing on building subject knowledge and confidence in teaching plant science.

Jointly developed with the National STEM Learning Centre, 1,200 UK educators have already participated in the course. Through the online course approximately 4,810 hours of continuing professional development on plant science education took place. SAPS also continued to run its Train the Trainer courses for those who train student science teachers. In 2019 these popular courses enabled the cascade of SAPS activities to around 1,650 trainee science teachers. Seeking to nurture post-16 students to become the next generation of plant science researchers, in 2019 GPSEP further developed its plant science 'masterclasses', working with nine universities and reaching 300 16–18 year olds. With funding from EIT Food, an online course for pre-university bioscience students was also developed. The course, 'Improving Food Production with Agricultural Technology and Plant Biotechnology', launched in autumn 2019 and recruited 1,600 participants over its first two runs. The course reached an above average proportion of pre-university age and 18-26 year old enrolments, and received over 90% positive feedback score, with many participants noting potential career direction shifts. 2019 also saw the 15th annual Gatsby Plant Science Summer School, at which 80 of the UK's brightest bioscience undergraduates participated in a series of lectures, practical sessions and discussions.

Gatsby further supports excellence in plant science in the UK through a suite of activities overseen by the Gatsby Plant Science Advisors. 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. A challenging and stimulating training weekend for Sainsbury PhD students took place in spring 2019 in Cambridge. After the PhD students' own presentations, Professor Dame Jean Thomas gave an entertaining and inspiring account of her personal journey in science. The following day, two Sainsbury alumni, Dr Fabian Kellermeier and Dr Fiona Robertson, each shared their experiences of very different career paths – Fabian having started in industry and moved to a career in teaching, with Fiona staying in academia and now lecturing at the University of Zimbabwe. In summer 2019 the programme supported seven research placements for second-year undergraduates, hosted at the universities of Bristol, Cambridge and Leeds, and the Royal Botanic Gardens in Edinburgh and Kew.

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REPORT OF THE TRUSTEES (continued)

These undergraduates will now have the opportunity to apply for Sainsbury PhD studentships. Gatsby is delighted that all eight undergraduates who participated in the undergraduate placement scheme in 2018 have now chosen to study for PhDs in plant science, including three who secured Sainsbury PhD studentships. Ahead of the new academic year, members of the Network met in Oxford. This annual meeting provides an important forum for undergraduate and PhD students to meet influential members of the UK plant science community. The evening lecture was given by the zoologist and former Chief Scientific Adviser at DEFRA, Professor Sir Ian Boyd, who spoke on ‘The entropy problem and critical trade-offs’.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £15,074,000

University of Cambridge - £9,100,000

Towards research activities and core costs at the Sainsbury Laboratory; and start-up funding for new lecturers in the Department of Science.

Sainsbury Laboratory - Norwich - £3,845,000

Towards core research activities and microscopy equipment costs; and temporary accommodation and associated costs for the new Director, Nick Talbot.

Two Blades Foundation - £1,593,000

Towards core and project costs.

Science & Plants for Schools (SAPS) and the Gatsby Plant Science Summer School - £536,000

To support the plant science education projects.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £648,000

Sainsbury PhD Studentships - £334,000

Expenditure on plant science PhD studentships.

Gatsby Plant Science Initiative - £314,000

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

NEUROSCIENCE

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

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

REPORT OF THE TRUSTEES (continued)

Gatsby, in partnership with Wellcome and University College London (UCL), developed and supports the Sainsbury Wellcome Centre for Neural Circuits and Behaviour (SWC), where scientists are using state-of-the-art techniques to investigate how circuits in the brain process information to create neural representations and guide behaviour. It is directed by Professor Thomas Mrsic-Flogel.

During the reporting period, the first comprehensive quinquennial review of all the centre's activities was carried out, including research, training, core platforms, support and administration. The review panel were extremely positive that SWC's focus on complex behaviours with collaborating Group Leaders housed together provides a unique niche with the genuine opportunity to produce conceptual advances; SWC will now begin to establish a small number of working groups to tackle particular multidisciplinary challenges. The panel also found the core facilities, particularly the machine shop and fabrication spaces, to be outstanding; the current and future technological developments generated there are poised to have significant impact. Since the review the virology core facility, which produces reagents for cell-specific activation and neuronal tracing, has grown quickly and will now be rolling out services to SWC Affiliates in UCL as well as some external users. This core facility is one of a handful in Europe, so provides an important resource not only for SWC but also for the wider neuroscience community. Efforts have continued to recruit new Group Leaders who will bring new expertise and complementary research interests as well as bring the SWC building to full capacity of approximately 200 people. A new direction to foster further connections between SWC and the Gatsby Computational Neuroscience Unit (GCNU) is the creation and advertising of a new joint group leader position at the interface of machine learning and neuroscience who will contribute to an algorithmic understanding of perception, action or learning.

The first two joint GCNU-SWC Postdoctoral Fellows, similarly aimed at bringing together experimental and computational approaches to neuroscience, were recruited during the reporting period: Dr Grace Lindsay (working with the Mrsic-Flogel and Sahani groups to generate models of the visual system that contain feedback connections and to produce hypotheses regarding what feedback connections in the brain should look like) and Dr Dario Campagner (working with the Branco and Sahani groups to elucidate the network dynamics that implement integration of sensory evidence into an animal's decision to escape, using a combination of experimental recordings and computational modelling). Scientific and technological highlights at SWC over the past year have included a collaborative project between the Branco and Margrie labs which identified circuits in the mouse cortex and colliculus that encode the direction of the shelter towards which the animal will flee if escape behaviour becomes necessary; and the development of a miniaturised microscope—a collaboration between SWC's fabrication workshops and advanced microscopy core, and custom microscopy company COSYS—which allows for measurement of neural activity in freely behaving mice.

Gatsby founded the Gatsby Computational Neuroscience Unit (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. In July 2019, a three-day 'birthday' symposium was organised to celebrate the 21st anniversary of the Unit. The first day was a public programme featuring current and previous faculty members, as well as alumnus Dr Demis Hassabis (CEO, Deepmind); the members discussed their work and the key role the creation of GCNU had played in the then burgeoning fields of theoretical neuroscience and machine learning. The remaining days consisted of talks from student and post-doc alumni. The meeting was a success, with approximately 70 of the world's leading experts in theoretical neuroscience and machine learning attending. Some former Unit members have gone on to large tech firms such as DeepMind, Uber, Amazon and Alibaba – whilst the majority have retained academic positions in top universities throughout the UK, Europe and USA. This highlights the Unit's exceptional training environment.

REPORT OF THE TRUSTEES (continued)

Furthermore, the Unit celebrated the success of its PhD training programme when one of its recent students, Wittawat Jitkrittum, supervised by Professor Arthur Gretton, won the Inaugural ELLIS (European Laboratory for Learning and Intelligent Systems) PhD Award, which recognises outstanding research achievements in artificial intelligence and machine learning. Dr Peter Orbanz joined GCNU in summer 2019 as an Associate Professor of Machine Learning. His research group will study network and relational data, Bayesian nonparametrics, and exchangeability and symmetry properties. More generally, he is interested in all mathematical aspects of machine learning and pattern recognition. The quality of GCNU research was further highlighted by two students securing oral presentations at Neural Information Processing Systems (NeurIPS) 2019, with papers on causal inference and on neural models for planning under uncertainty. NeurIPS is the foremost international conference linking artificial and natural intelligence, with only 0.5% of paper submissions selected for oral presentation. One PhD student was also selected to give an oral presentation at Cosyne2020, the largest meeting for Computational and Systems Neuroscience. Over the coming year, GCNU will work to recruit new faculty positions in theoretical neuroscience and in machine learning, and in September 2020 will welcome a new cohort of PhD students and two new joint GCNU-SWC Postdoctoral Fellows.

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. Funding typically supports three or four excellent post-docs at Columbia and more than a dozen partial or full studentships at ELSC, all working on a very wide range of neuroscience questions deploying computational and experimental methods.

Collaborations between the tri-centre group remain very strong. One example is that Professors Loewenstein (Hebrew) and Fusi (Columbia) uncovered a greater complexity in learning in uncertainty over different time periods, thereby explaining why humans and animals often make apparently irrational decisions. Another is a collaboration between Professors Ahissar (Hebrew) and Sahani (GCNU) who have investigated changes in sensory processing and inference in neurotypical, autism spectrum disorder and dyslexic individuals and found differences in how the groups used the sensory statistics of different time frames.

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. During the reporting period, SOMA has further developed tools and methods for identifying and affecting activity of individual brain cells involved in mammalian behaviour, which will allow deep investigation of the causal dynamics of social behaviour. SOMA will now study brain wide dynamics of competing needs or requirements in different social settings, as well as how social and non-social information may be represented differently in neurotypical and ASD animal models. These findings will ultimately help the Deisseroth group to create novel and effective therapies which will have an impact on the treatment landscape for Autism Spectrum Disorder

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

REPORT OF THE TRUSTEES (continued)

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. This represents a much-needed European equivalent to the highly respected cutting-edge hands-on intensive training courses in the USA. The three-week residential courses that took place over the previous period have included: Brain Homeostasis and Neurovascular Coupling; Biosensors and actuators for cellular and systems neuroscience; Interacting with neural circuits; Computational Neuroscience; Whole brain imaging; and, Advanced Techniques for Synapse Biology. The goal of creating a strong, sustainable programme is beginning to be realised. The programme was recently established as an independent entity in Belgium and towards the end of the reporting period, Dr Elena Dreosti was appointed to the newly created role of Executive Manager. Dr Dreosti will develop and implement new directions and plans, including a strategy for partnerships, fundraising and marketing to continue to grow the CAJAL organisation.

Gatsby is providing support to the British Neuroscience Association (BNA) to implement a new strategy aiming to reposition the Association as a powerful force supporting neuroscience and neuroscientists in the UK. This will be achieved by a drive to increase and broaden membership, the introduction of bold annual themes, and a major sector development project: Credibility in Neuroscience. The project on credibility started in early 2019 and will explore issues of reproducibility, replicability, and reliability in neuroscience research over the next ten years. The official launch took place at the Houses of Parliament in November 2019. SWC hosted a BNA workshop in late 2019 on reproducibility, demands for research that embodies excellence and impact, and the next UK-wide Research Excellence Framework exercise. Following on from the success of the 2019 annual theme of *Neuro-myths* that included events for neuroscientists as well as for the general public, 2020 will focus on *Pain* including the neuroscience of pain as well as living with pain, new treatments and the placebo effect.

Gatsby funding has allowed an expansion in the staff team which permits BNA to consolidate successful activities such as the biennial Festival of Neuroscience as well as explore new efforts and relationships, ensuring that the BNA is truly representative and relevant to everyone in neuroscience including those in the commercial sector, the clinic and in wider society.

Gatsby collaborated with UCL, Wellcome, the Allen Institute for Brain Science, the Howard Hughes Medical Institute and IMEC on a technology development project to design and manufacture a state-of-the-art device, now called, Neuropixels, for detecting simultaneously the activity of nearly 400 neurons in animal brains. During the year, the production of the successfully developed Neuropixels probe was ramped up and Neuropixels probes started to ship to neuroscience groups all over the globe. By the end of 2019, more than 250 laboratories have received Neuropixels probes, with about 3,000 probes distributed in total. SWC and the CAJAL programme provide training workshops on Neuropixels probes to increase access to researchers across the world who have not previously used probe technology in their neuroscience experiments.

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

REPORT OF THE TRUSTEES (continued)

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £5,226,000

University College London - £2,386,000

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 - £783,000

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

University of Oxford - £352,000

Towards the Oxford Centre for Neural Circuits and Behaviour.

Hebrew University of Jerusalem - £345,000

Towards research into Dynamics and Plasticity of Cortical Circuits: Computational Studies; and the Gatsby Theoretical Neuroscience Programme.

Columbia University - £312,000

Towards the Centre for Theoretical Neuroscience.

British Neuroscience Association - £295,000

Towards the implementation of BNA's new strategic plan.

Federation of European Neurosciences - £230,000

Towards the CAJAL Advanced Neuroscience Training Programme.

New York University – School of Medicine - £150,000

Towards the completion of Oliver Sacks' remaining books, and the rehousing of his archive.

University of Cambridge - £146,000

Towards the planning and development of the Institute of Brain and Mind Health

Society for Neuroscience - £101,000

Towards Brainfacts.org.

Further grant payments totalling £126,000 were also paid in the year.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £13,000

REPORT OF THE TRUSTEES (continued)

SCIENCE AND ENGINEERING EDUCATION

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

Gatsby’s interest in education dates back to the 1980s but more recently efforts have focused on: the reform of technical education; the supply of STEM skills in the workforce; career guidance; science and maths in schools; and strengthening business education for engineers. Gatsby funds the core costs of a separate organisation – Gatsby Technical Education Projects, a registered charity and company limited by guarantee – to oversee many of its programmes in this area.

Technical education in England continues to undergo wide-ranging reform following the recommendations of a 2016 review by the *Independent Panel on Technical Education* (the so-called ‘Sainsbury Review’, named after the Panel chairman and Gatsby’s settlor, Lord Sainsbury of Turville). New technical qualifications – T-levels – are being developed to sit alongside A-levels as the qualifications of choice for the majority of 16-19 year olds. Gatsby staff have continued to work closely with officials at the Department for Education and the Institute for Apprenticeships and Technical Education as T-level development has neared fruition. Now, with the first three T-levels to be taught from September 2020, and national roll-out of all 24 T-levels due by 2024, Gatsby has been focusing on activity to help with implementation of the new qualifications in colleges and schools.

This has included: supporting several pieces of work to understand the challenges involved in sourcing the mandatory nine-week industry placement for every T-level student; working with five Mayoral Combined Authorities and LEPs to analyse local labour market demand and develop coherent plans for introducing T-levels across their regions; and helping teachers in Further Education colleges understand and prepare for the new qualifications.

Gatsby also continues to take a keen interest in the reform of higher technical education, again working closely with government officials, to ensure that higher technical qualifications (such as HNCs, HNDs and qualifications offered by a wide range of professional bodies) are strengthened and better promoted to individuals and employers. In the vanguard of those delivering these new higher technical qualifications will be the new Institutes of Technology (IoTs) – 20 centres of excellence being established around the country to specialise in higher technical education. Gatsby is very supportive of the concept of IoTs and has begun discussing with the IoTs network how Gatsby support might best be directed. Gatsby is also supporting an initiative led by the Higher Value Manufacturing Catapult to explore how workers in advanced manufacturing industries can be upskilled as new digital technologies transform the sector. Alongside work seeking to shape national policy, Gatsby continues to promote the importance of technicians to the country’s economic future. Technicians undertake important and rewarding roles across many industries – from the NHS to satellite development, engineering to film production – but their contribution is too often overlooked. As a result, young people and their parents are often unaware of the exciting technician careers that exist. Gatsby’s *‘Technicians Make it Happen’* campaign seeks to address this issue by promoting positive messages about technicians and their jobs through social media and at large scale events such as the Big Bang Fair and New Scientist Live. While the Covid-19 pandemic has forced the cancellation of many of these events this year, it has also shone a light on the invaluable contribution technicians make to a range of vital services – from laboratory testing and vaccine production to transport and logistics.

REPORT OF THE TRUSTEES (continued)

Gatsby's work to support improved career guidance in schools and colleges continues to bear fruit. The *Gatsby Benchmarks for Good Career Guidance* have been central to the government's career guidance strategy since 2017, and schools and colleges across the country continue to make steady progress towards achieving all eight benchmarks. Gatsby has also embarked on a major project exploring the barriers and enablers to engaging parents in conversations with their children about career options. The piloting of new information and activities being developed through this project will begin in schools in early 2021.

Gatsby's support for science and maths in schools focuses on projects exploring effective approaches to teacher recruitment and retention and the strengthening of practical work in school science lessons. Gatsby also supports national initiatives seeking to bring greater coherence to STEM enhancement and enrichment activities, most notably: the National STEM Learning Centre, which houses the country's largest collection of STEM curriculum support materials; activity to support schools to establish and develop STEM Clubs; and the Big Bang Fair events.

Gatsby believes that many more engineers in the UK could benefit from a deeper understanding of business and entrepreneurship. To drive forward this agenda, Gatsby supports the Engineers in Business Fellowship (EIBF), a charity established to manage the Sainsbury Management Fellowships (SMFs) scheme and other activity promoting business education for engineers. The SMFs scheme was created in 1987 to encourage the best early-career engineers to study for an MBA at a top international business school. Each year, ten bursaries of £50,000 are awarded, and the EIBF organises events throughout the year to bring alumni of the scheme together to share experiences and offer mutual support.

The EIBF also continues to develop, with Gatsby support, an inter-university competition in which teams of engineering undergraduates pitch business plans to expert judges. This year, 30 universities participated in the competition and EIBF aims to increase that number to 50 within the next few years.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £1,763,000

Engineers in Business Fellowship - £1,170,000

Towards the Sainsbury Management Fellowships bursary scheme; core costs; and expanding the Engineers in Business Competition.

Gatsby Technical Education Projects (GTEP) - £353,000

Towards the core costs of Gatsby Technical Education Projects.

National STEM Centre - £164,000

Towards core costs.

Engineering UK - £75,000

Towards the costs of the Big Bang Fair.

Further grant payments totalling £1,000 were also paid in the year.

REPORT OF THE TRUSTEES (continued)

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £3,138,000

New technicians gallery for the Science Museum - £733,000

Towards the first phase of work by the Science Museum to create a new technicians gallery; and the development and running costs of a technician exhibition.

IT Technician registration scheme - £270,000

To support the expansion of professional registration schemes for IT technicians; and towards the work on the alignment of the digital technical education route.

Raising the profile of technicians - £268,000

Towards activities that raise awareness of technician careers and the education routes that lead to them.

Local implementation of technical education - £243,000

To support the local implementation of technical education routes across England.

Career Guidance in schools - £225,000

Expenditure on work to improve career guidance in schools.

National STEM Centre - £191,000

Towards core costs.

Parental engagement with career guidance - £108,000

Towards the development, piloting and production of content and activities to enable parents to support the career guidance of their children.

Practical work in School Science - £91,000

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

Technician Commitment for HEIs and research institutions - £89,000

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

Further direct programme expenses totalling £920,000 were also paid in the year.

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

REPORT OF THE TRUSTEES (continued)

AFRICA

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

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

GA aims to help more people benefit from economic growth in East Africa – creating jobs, raising incomes, building opportunities and reducing poverty. It looks to achieve this by:

- Funding and implementing programmes that bring stakeholders together to catalyse large-scale and lasting change in priority sectors – such as commercial forestry in Tanzania;
- Building and supporting local organisations dedicated to sector transformation; and
- Sharing lessons with others - including donors and governments - who are trying to transform sectors.

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

GA and its partner organisations are running 10 sector programmes across East Africa. Yet many other sectors also need support. Each programme and organisation thus aims to capture what is working and what is not, and to share this with other stakeholders - particularly governments and donors - so that they can benefit from the lessons learned. In this way, GA aims to contribute to a wider movement, and to see a series of sectors in East Africa and beyond transformed by its own efforts and those of others, bringing widespread benefits to East African citizens and poor people across developing countries.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £15,518,000

Gatsby Africa (GA) - £15,500,000

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

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

REPORT OF THE TRUSTEES (continued)

THE ARTS

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

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

The global pandemic and the consequent economic impact has been catastrophic for all parts of the UK Arts sector in as it faces unprecedented challenges caused by Covid-19. Trustees have responded immediately with additional funding support and flexibility for the repurposing of existing grant commitments. The Sainsbury Centre for Visual Art, The Sainsbury Institute for the Study of Japanese Arts and Cultures and the Sainsbury Research Unit have all had to take extraordinary measures to protect their operational activities and support those colleagues affected. Trustees doubled their support to the Backstage Trust to enable it to increase its desperately needed emergency funding to regional theatres.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £5,173,000

Backstage Trust - £2,500,000

Towards core and project costs; and support for Backstage beneficiaries affected by the Covid-19 pandemic.

Sainsbury Centre for Visual Arts - £937,000

Towards core costs, including special exhibitions and a web-based project for re-cataloguing the Collection.

Chamber Orchestra of Europe - £750,000

Towards core costs; and support during the Covid-19 pandemic.

Sainsbury Institute for the Study of Japanese Arts and Cultures - £402,000

Towards core costs.

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

Towards the Artists Development Programme.

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

Towards core costs.

Further grant payments totalling £91,000 were also paid in the year.

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

REPORT OF THE TRUSTEES (continued)

PUBLIC POLICY

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

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

Gatsby established the Institute for Government (IfG) in 2008 with the ambitious objective of improving the working of government in the UK. Bronwen Maddox is the Director, and is accountable to a distinguished all-party board of governors chaired by David Sainsbury. The Institute is independent and non-partisan, and works with the main political parties in Westminster, senior civil servants in Whitehall, and officials, politicians, academics and other stakeholders across the UK to promote more effective government. It provides impartial, evidence-based research, advice and training drawing on best practice and experience from within government and the public sector, universities and business not just in the UK but from around the world. Its findings and ideas are disseminated through a wide range of channels including reports, commentary, public and private roundtable events, seminars and podcasts. During 2019-20 IfG significantly expanded the audience for its work and strengthened its reputation for rigorous, impartial research both domestically and internationally. It launched research in Brussels in May, ran a three-day international conference to celebrate its tenth anniversary in London in June with high profile domestic and international speakers, and attracted considerable international attention for its work on Brexit, which once again dominated UK government. The Institute continued to produce influential research and events on long-standing areas of interest including civil service reform, accountability and devolution, alongside strengthening our body of work in newer areas including outsourcing and Northern Ireland. The Institute undertook extensive analysis of the government’s efforts to negotiate the UK’s departure from the EU, and to legislate for and implement policies resulting from the decision to leave. It also examined and explained the role of Parliament in the Brexit process. The Institute convened a large number of public and private events to discuss the implications of Brexit, and its work has influenced government, Parliament and the public debate. The early election in December 2019 was a busy period for IfG, which analysed the parties’ manifestos, provided commentary on their plans and published research on possible consequences of the vote, including different electoral outcomes and the possible path to a second independence referendum in Scotland and ran a series of election-themed public events that saw very strong audiences. In 2019, to mark the twentieth anniversary of the establishment of the UK’s devolved legislatures, the Institute published a data-based analysis of the devolution experiment, and commissioned a collection of essays on the theme, *Has Devolution Worked?* In addition, a ground-breaking report looked at the implications of the absence of government in Northern Ireland following the collapse of power-sharing in 2017. The Institute has produced the latest iterations of its two other annual data-focussed reports: in October 2019 *Performance Tracker* (which looks at the performance of nine key public services, their efficiency and the impact of rising demand) and in January 2020 *Whitehall Monitor* (which analyses the size, shape and performance of central government). IfG revisited its work on Universal Credit in March 2020 – publishing a paper on improving its implementation that has been influential in the Department for Work and Pensions. The Institute has strengthened its existing substantial body of work on the civil service and ministers. It has continued to support the development of the functional agenda in government through private and public events. A new programme of work on the role of the Treasury examined the Treasury’s role in managing the performance of spending across government. A second stream of research looked at government’s relationship with the private sector and the extent of government procurement – publishing an influential paper on government’s response to Carillion in early 2020. And further research has made the case for reform of the tax system to enable government to continue to deliver public services.

REPORT OF THE TRUSTEES (continued)

IfG has continued to deliver professional development for individuals involved in government, providing high-level advice, seminars and research to support ministers, advisers, senior officials and select committees. To inform this work, the Institute has continued to expand its archive of Ministers Reflect interviews recording the insights of former ministers about what it takes to be effective in government.

The Centre for Cities is an independent research and policy organisation, chaired by Nigel Hugill and directed by Andrew Carter. The Centre is committed to helping Britain's cities improve their economic performance by focusing on the drivers of urban success. The Centre produces practical research and policy advice for city leaders, national government and businesses. During the reporting period, Centre for Cities led the debate about the future of the high street. The Centre published research with Nationwide Building Society, *What's in Store?* and produced a conference in Birmingham on city place-making, sponsored by Montagu Evans, drawing together people working in economic development from all over the country to discuss the issues facing their city centres. To explore the success of place-based interventions in supporting innovation and productivity, the Centre analysed the performance of Enterprise Zones over the last decade and the success of the Sheffield Advanced Manufacturing Park. Both have informed the Centre's work with government on their Free Ports policy. To look at the impact that leaving the EU will have on UK cities, the Centre published research on *How Cities Trade with the World*, held a public lecture on *Britain Beyond Brexit* and released podcasts on the rise of anti-EU sentiment and on the deep roots of the urban/rural divide. The Centre's work on housing remains focused on the importance of land supply as a key factor in solving the housing shortages in cities with high demand. The *Capital Cities* report examined the relationship between urban economies and housing wealth, *Homes on the Right Tracks* set out the case for more density close to transport hubs, and *Sleepy Suburbs* looked at the role suburban development could play in solving the housing crisis. The Centre has continued to help cities understand their human capital and how they can support people to increase their skills and education. *Self-Employment in Cities* used HMRC data for the first time to look at how the rise of self-employment has varied between cities. The Centre collaborated with OECD to examine so-called 'hidden unemployment' in the UK for the first time. The Centre continued its work to support, advise and amplify city leaders and the case for devolution. Its second annual survey of city leaders, *Urban Voices 2*, sponsored by Arup set out the shared ambitions and challenges faced by urban areas. Following the election in December 2019, the Centre launched a strand of work on the government's levelling up agenda, advocating for more powers and investment. On transport, *Delivering Change – Urban Bus Transport* made the case for bus franchising, and *Getting Moving* set out where transport investment could have most impact. January's landmark *Cities Outlook* focused on air quality in cities and was widely reported and has influenced government policy on incentives for cities to clean up their air. Towards the end of the reporting period, the Centre began examining the impact of the Covid-19 pandemic, launching its cases tracker and early analysis of the impact of lockdown on jobs and education provision.

The Centre for Science, Technology & Innovation Policy (CSTI), based at Cambridge University's Institute for Manufacturing, carries out practical policy research exploring what makes national innovation systems effective at translating new science and engineering ideas into technologies, industries and economic wealth. Under the direction of Dr Eoin O'Sullivan, CSTI brings a science and engineering perspective to innovation and industrial policy. Over the past year, CSTI continued to have a large number of UK policy engagements. These included offering evidence and insights related to innovation policy and industrial strategy, including on topics such as: place-based research and innovation policy (for Research England/UK Research and Innovation); public investment in research and innovation tools and demonstration facilities (for the Government Office of Science); and characterising and counting manufacturing sectors (for the manufacturing policy team at the Department of Business, Energy & Industrial Strategy (BEIS)).

REPORT OF THE TRUSTEES (continued)

The Centre has also continued its international engagements, including academic-policy workshops and policy practitioner roundtables. CSTI is currently developing research activities in new areas. In examining sources of evidence for policy makers, CSTI plans to explore how international policymakers gain access to: (a) policy research and analysis based on deep domain expertise – data and insights into particular industry sectors, technology domains, and research disciplines; and (b) international comparative analysis – benchmarking of national strengths in key research fields and technology domains. The latter will include comparative reviews of international research and innovation priorities, policy instruments and investments. And in examining challenge-led research and innovation programmes, CSTI research will characterise and compare the missions, functions and programme management of international challenge-led initiatives and agencies.

The Policy Links Unit is a not-for-profit consultancy unit that works with governments and international organisations to develop effective industrial innovation policies. The Unit offers consultancy services and capacity building programmes based on the latest academic thinking and the study of international best practice. Based at Cambridge University's Institute for Manufacturing (IfM), Policy Links works closely with CSTI in the field of industrial innovation policy, a policy domain that focuses on the interplay between technology, innovation and industrial competitiveness. In its first two years of operations, Policy Links established its core team and gained recognition in the market. In its third year of operations, an increase in delivery capacity has enabled the Unit to effectively respond to a growing number of client enquiries. While engaging in strategic (pro bono) activities with the UK government, the Unit has also successfully delivered several international advisory projects. Progress has been made in the development of an industrial innovation policy training handbook which will work as reference material to deliver bespoke training to civil servants and policy practitioners. The handbook has been designed in collaboration with CSTI, building on existing training materials and reflecting the priorities of their main policy stakeholders. Policy Links continued strengthening collaborations with UK government agencies, with ad-hoc support provided to various teams at BEIS on an ongoing basis. Examples of collaborations include: advice on the design and evaluation of the 'Made Smarter' initiative on the topic of Industry 4.0; workshops on regional innovation and R&D strategies; a training programme to provide policy officials and civil servants thorough introduction to Science, Technology & Innovation Policy; and the establishment of a 'brown bag' series of lunchtime seminars on topics that respond to current policy priorities. The Unit's portfolio of work with key national stakeholders has been further expanded in new activities with the UK Science and Innovation Network (funded by the Foreign and Commonwealth Office with support from BEIS); and Make UK (formerly EEF). The Unit also increased the geographical coverage of their advisory activities. In addition to projects completed in Indonesia (with the Asian Development Bank) and Oman (with the United Nations Industrial Development Organisation), new collaborations were established with the United Nations Development Programme (UNDP) to support the development of a national industrial development strategy in Cambodia, and with the Global Manufacturing and Industrialisation Summit (GMIS) to provide expertise on emerging manufacturing technologies and associated socio-economic risks. Policy Links also began two new projects with the Inter-American Development Bank: in Jamaica to support the country's innovation ecosystem for promoting innovative firms and in Saint Lucia to offer technical assistance to implement its National Competitiveness Agenda. Members of the team have continued to appear at high-profile engagements around the world, notably the UN General Assembly in New York, Digital Manufacturing Week in Liverpool, and the Singapore Economic Review Conference, as well as continuing annual appearances at Hannover Messe and the GMIS. Finally, the development of a new, modern website was contracted to provide better visibility to the work of the Unit, its emerging insights, and the team's expertise. The website was designed in collaboration with CSTI and the Babbage Policy Forum, under the new banner of Cambridge Industrial Innovation Policy, ensuring that a clear picture of how these Gatsby-funded activities are related, contribute to each other, and are provided to their various stakeholders.

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

REPORT OF THE TRUSTEES (continued)

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £6,174,000

Institute for Government - £4,447,000 (four grants)

Towards core costs and additional projects.

Centre for Cities - £1,100,000

Towards core costs.

University of Cambridge Institute for Manufacturing – £627,000

Towards the core costs of the Centre for Science, Technology & Innovation Policy and its academic research; and the activities of the Policy Links unit.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £168,000

GENERAL

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

Gatsby, like other members of the Sainsbury Family Charitable Trusts, has responded to the urgent need to provide relief and support to those placed in hardship as a consequence of the Covid-19 pandemic. Grant payments of £1 million each were made to the National Emergencies Trust and the Trussell Trust to provide these organisations with much needed resources at the peak of the pandemic.

Furthermore, 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, close to home, personalised care to people with Parkinson’s Disease. 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). During the reporting period, connections between the NL and UK teams were consolidated with recruitment of new staff members needed to manage, deliver and measure PRIME Parkinson care, and the professional and patient advisory boards in each country were established. One of the UK Leads has also secured a prestigious visiting fellowship at Radboud University to spend dedicated time with the NL team. This newly assembled PRIME Parkinson multidisciplinary team of healthcare professionals involved in the care of patients with movement disorders in the UK and the NL, alongside methodologists, discussed the findings of recent qualitative work. These discussions explored the unmet needs of people with parkinsonism, alongside personal experiences of delivering care to this group, in order to identify key issues with the current model of care. This led to the development of a logic model underpinning PRIME Parkinson care that will tackle the six main challenges within current care approaches, namely: organising care close to home; informing patients and supporting self-management; delivering personalised precision medicine; ensuring access to appropriate care; managing care proactively; and, delivering integrated care with continuity. New strategies to tackle these challenges include new roles for specialist nurses in care management; information and educational resources to empower patients and carers; professional empowerment; new technological tools for supporting these strategies; and, taking a population health approach. The wider team has mapped out the full healthcare intervention and published their approach. It is now being optimised with a view to starting the four-year clinical evaluation of the PRIME model in the next 12 months.

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

REPORT OF THE TRUSTEES (continued)

The design of the evaluation is different in the two countries because of the existing healthcare infrastructure. The NL team will carry out an observational study in which outcomes of the five hospitals and areas which will deliver PRIME Parkinson care will be compared with outcomes in other regions of the NL. The evaluation will span five domains: Parkinson's related-population health; patient experience (of care); caregiver experience; healthcare professional experience; and, cost of care. The UK team will conduct an epidemiological study, a cross-sectional trial and a randomised control trial within the commissioning areas around the Royal United Hospital NHS Foundation Trust in Bath. These differences in design between the NL and UK are a strength of the approach and will involve different forms of analysis to provide cross validation of the PRIME model. The long-term aim is to disseminate all research findings in order to share this optimised approach, and if shown to be successful, thereby facilitate a widespread implementation of PRIME optimal care for people with Parkinson's worldwide. The teams are also mindful of bringing the knowledge to other fields of medicine, so that patients with a wide range of different chronic medical conditions may also benefit.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £3,180,000

National Emergencies Trust - £1,000,000

Towards core costs in order to meet the needs created by the Covid-19 pandemic.

Trussell Trust - £1,000,000

Towards core costs in order to meet the needs created by the Covid-19 pandemic.

Radboud University Medical Centre - £881,000

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

Multiple Sclerosis Society - £100,000

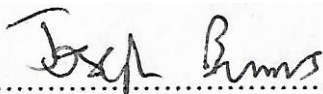
Towards the Stop MS Appeal.

Further grant payments totalling £199,000 were also paid in the year.

GRANTS CANCELLED

Grants totalling £8,430,000 were cancelled or amended during the year.

Approved by the Board of Trustees on 24 September 2020 and signed on their behalf by



Mr J C Burns
 TRUSTEE

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.

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

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

Opinion

We have audited the financial statements of the Gatsby Charitable Foundation for the year ended 5 April 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 25, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

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

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.

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

23 October 2020

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 2020

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2020

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2020	Total Funds 2019
		£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:					
Donations and gifts	2	-	94,878	94,878	57,467
Investments	3	10,322	-	10,322	7,616
Total income		10,322	94,878	105,200	65,083
EXPENDITURE ON:					
<i>Raising funds</i>					
Investment management costs	4	-	(961)	(961)	(1,106)
<i>Charitable activities</i>					
Grant expenditure	5	(53,694)	-	(53,694)	(48,635)
Direct programme costs	6	(3,967)	-	(3,967)	(3,563)
Support costs	7,8	(2,860)	-	(2,860)	(2,463)
Total cost of grant making		(60,521)	-	(60,521)	(54,661)
Total expenditure		(60,521)	(961)	(61,482)	(55,767)
(Losses)/gains on investment assets		-	(28,435)	(28,435)	9,500
Net (expenditure)/ income for the year before transfers		(50,199)	65,482	15,283	18,816
Transfers between funds	16	50,199	(50,199)	-	-
Net income for the year after transfers		-	15,283	15,283	18,816
Other recognised gains and losses					
Foreign exchange (losses)		-	(148)	(148)	-
Net movement in funds		-	15,135	15,135	18,816
Reconciliation of funds					
Total funds brought forward at 6 April 2019		-	442,270	442,270	423,454
Total funds carried forward at 5 April 2020		-	457,405	457,405	442,270

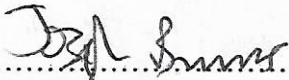
The notes on pages 32 to 42 form part of these accounts.

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

BALANCE SHEET
AS AT 5 APRIL 2020

	<i>Note</i>	<u>2020</u> £'000	<u>2019</u> £'000
FIXED ASSETS			
Tangible fixed assets	9	154	230
Investments	10	457,603	428,965
		<u>457,757</u>	<u>429,195</u>
CURRENT ASSETS			
Debtors	11	9,089	2,529
Cash at bank and in hand		52,499	70,962
		61,588	73,491
LIABILITIES			
Creditors - amounts falling due within 1 year	12	(44,607)	(45,514)
		<u>16,981</u>	<u>27,977</u>
NET CURRENT ASSETS			
		474,738	457,172
LIABILITIES			
Creditors - amounts falling due after 1 year	13	(17,333)	(14,902)
NET ASSETS		<u><u>457,405</u></u>	<u><u>442,270</u></u>
THE FUNDS OF THE CHARITY			
Capital funds			
Expendable endowment		457,405	442,270
Income funds			
Unrestricted funds		-	-
Restricted funds		-	-
	14	<u><u>457,405</u></u>	<u><u>442,270</u></u>

These financial statements were approved and authorised for issue by Trustees on 24 September 2020 and were signed on their behalf by:



.....

Mr J C Burns
 TRUSTEE

The notes on pages 32 to 42 form part of these accounts

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2020

	2020	2019
	£'000	£'000
Net cash provided by/(used in) operating activities	23,436	(32,767)
Net cash (used in) investing activities	(41,751)	(35,247)
Change in cash and cash equivalents during the year	(18,315)	(69,014)
Cash and cash equivalents at the beginning of year	70,962	139,976
Change in cash and cash equivalents due to exchange rate movements	(148)	-
Cash and cash equivalents at the end of year	52,499	70,962
Reconciliation of net income to net cash provided by/(used in) operating activities	2020	2019
	£'000	£'000
Net income for the year (as per the Statement of Financial Activities)	15,283	18,816
Gift of investments	(5,000)	(27,265)
Losses/(gains) on investments	28,435	(9,500)
Depreciation charges	76	76
Income from investments (interest and dividends)	(10,322)	(7,616)
(Increase)/(decrease) in debtors	(6,560)	1,311
Increase/(decrease) in creditors	1,524	(8,589)
Net cash provided by/(used in) operating activities	23,436	(32,767)
Net cash (used in) investing activities	2020	2019
	£'000	£'000
Purchase of investments	(255,728)	(75,305)
Income from investments	10,322	7,616
Proceeds from sale of investments	203,655	31,442
Net cash (used in) investing activities	(41,751)	(36,247)
Cash and cash equivalents	Change in	2019
	year	£'000
	£'000	£'000
Cash at bank and in hand	(18,419)	51,943
Cash balances held by investment managers	(44)	556
	(18,463)	52,499
		70,962

The notes on pages 32 to 42 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Gatsby constitutes a public benefit entity as defined by FRS102.

In the view of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity. The effect of the Covid-19 pandemic has been to reduce the value of the investment portfolio by approximately £28.4 million at the end of the 2020 financial year, and investment income receivable by the 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.

b) Tangible fixed assets

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

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

c) Income

- (i) Donations are shown gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
- (ii) Dividends are included by reference to their due dates.
- (iii) Interest is recorded on an accruals basis.

d) Grants payable

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

e) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities. Investments are shown at mid market value. Partial disposals are accounted for using average book value. Unquoted investments which represent programme related investments are carried at cost less provision for impairment where required (See note 10).

f) Support costs

These costs support predominantly the grant-making activity of Gatsby. Such costs include a share of the staff and office costs of the joint office of the Sainsbury Family Charitable Trusts, which are allocated in proportion to time spent on Foundation matters and grants paid.

NOTES TO THE ACCOUNTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

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

g) Fund accounting

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

h) Pension costs

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

i) Foreign currencies

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

j) Financial instruments

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

At the balance sheet date the Group held financial assets at fair value of £457,603,000 (2019: £428,965,000).

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 2020

NOTES TO THE ACCOUNTS (continued)

2. GRANTS AND DONATIONS

Gatsby received donations from the Settlor during the year totalling £94,878,000 (2019: £57,265,000) and £Nil (2019: £202,000) in grants and donations from other sources.

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2020		2019	
	£'000	%	£'000	%
UK equities	5,454	53	4,637	61
Overseas equities	1,419	14	1,298	17
Short term deposits	3,449	33	1,681	22
	10,322	100	7,616	100

4. COST OF RAISING FUNDS

Fund raising costs comprise the fees of investment managers. Investment management fees amount to £961,000 (2019: £1,106,000). 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

	2020		2019	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Commitments at 6 April 2019		60,017		68,643
Grants not accrued at 6 April 2019	64,947		58,395	
Grants approved in the year	95,561		56,293	
Grants cancelled, refunded or amended	(8,430)		(1,106)	
Grants not accrued at 5 April 2020	(98,384)		(64,947)	
Grants payable for the year		53,694		48,635
Grants paid during the year		(52,108)		(57,261)
Commitments at 5 April 2020		61,603		60,017

Commitments at 5 April 2020 are payable as follows:

	2020	2019
	£'000	£'000
Within one year (note 12)	44,270	45,115
After more than one year (note 13)	17,333	14,902
	61,603	60,017

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

NOTES TO THE ACCOUNTS (continued)

5. GRANTS PAYABLE (continued)

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

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)
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

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 2020 was £98,384,000 (2019: £64,947,000). Of this total, £35,075,000 will be payable during 2021/22 and £23,471,000 during 2022/23.

The amount payable during 2020/21 includes the following: £'000

Neuroscience

University College London – Sainsbury Wellcome Centre for Neural Circuits and Behaviour	7,126
University College London - Gatsby Computational Neuroscience Unit	2,800
Stanford University	746
Columbia University – New York	682
University of Oxford	428
Hebrew University of Jerusalem	307
Federation of European Neuroscience	199
Royal College of Psychiatrists	187
New York University – School of Medicine	151
British Neuroscience Association	150
University of Cambridge	146
Society for Neuroscience	99
Cosyne	35
Other grants	201

Plant Science

University of Cambridge – the Sainsbury Laboratory	8,325
The Sainsbury Laboratory – Norwich	3,488
Cambridge Network	100
University of Cambridge - Department of Plant Sciences	100
Science & Plants for Schools (SAPS) and the Gatsby Plant Science Summer School	50

Science and Engineering Education

Gatsby Technical Education Projects	1,509
Engineers in Business Fellowship (formerly Sainsbury Management Fellows' Society)	1,002
Engineering UK	75
Smaller grants	112

Africa

Gatsby Africa	4,196
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THE GATSBY CHARITABLE FOUNDATION
5 April 2020

NOTES TO THE ACCOUNTS (continued)

5. GRANTS PAYABLE (continued)

The amount payable in the year includes the following: **£'000**

Arts

Sainsbury Centre of Visual Arts	766
Chamber Orchestra of Europe	500
Sainsbury Institute for the Study of Japanese Art and Culture	400
The Royal Shakespeare Company	268
Sainsbury Research Unit for the Arts of Africa, Oceania and the Americas	225
Clore Duffield Foundation	90

Public Policy

Institute for Government	4,746
Centre for Cities	1,100
University of Cambridge - Institute for Manufacturing	350
Smaller grants	25

General

St Mark's Hospital, London	2,091
St Mark's Hospital, London	920
Kings College, London	500
Smaller grants	75

Total due within one year (Note 12) **44,270**

6. DIRECT PROGRAMME EXPENSES

	2020	2019
	£'000	£'000
Science and Engineering Education	3,138	2,899
Plant Science	648	462
Public Policy	168	183
Neuroscience	13	18
Other	-	1
	3,967	3,563

7. ALLOCATION OF SUPPORT COSTS

	Charitable	Governance	2020	2019
	Activities		Total	Total
	£'000	£'000	£'000	£'000
Staff costs	992	-	992	848
Share of joint office costs	810	-	810	685
Direct costs including travel, consultancy, legal and professional fees	957	-	957	830
Depreciation	76	-	76	76
	2,835	-	2,835	2,439
Auditors' remuneration	-	25	25	24
	2,835	25	2,860	2,463

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

NOTES TO THE ACCOUNTS (continued)

7. ALLOCATION OF SUPPORT COSTS (continued)

After carrying out a review of support costs categories it was considered that consultancy of £301,000 (2019: £316,000) and legal and professional fees of £165,000 (2019: £164,000) are direct costs of the charitable activities of Gatsby. Direct costs have been restated in 2020 and 2019 accordingly.

Audit fees include irrecoverable VAT of £4,000 (2019: £4,000). Included within grant-related support costs is a total of £158,000 (2019: £161,000), of which £Nil (2019: £Nil) is included within creditors payable, for legal services to Portrait Solicitors, a firm in which Miss J S Portrait OBE is a partner.

8. ANALYSIS OF STAFF COSTS

	2020	2019
	£'000	£'000
Wages and salaries	824	708
Social security costs	92	84
Other pension costs	76	56
	992	848

The average number of employees within the charity was as follows

	2020	2019
	No.	No.
Charity	4	4

As mentioned in Note 1a, Gatsby is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 18.3% 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 2019/20.

A total of 12 staff (2019: 12) were charged to Gatsby during the year, with some being on a part-time basis. This equates to 4.2 full-time employees (2019: 3.4).

The Trust considers its key management personnel to comprise of 4 staff (2019: 4). The total employment benefits, including employer pension contributions, of these key management personnel, were £380,793 (2019: £271,252).

No Trustee received any remuneration for their services during the year or claimed expenses (2019: £Nil).

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

	2020	2019
	No.	No.
£70,000 - £80,000	1	1
£210,000 - £220,000	1	1

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

NOTES TO THE ACCOUNTS (continued)

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000
Cost			
As at 6 April 2019 & 5 April 2020	767	34	801
Depreciation			
As at 6 April 2019	537	34	571
Charge for the year	76	-	76
As at 5 April 2020	613	34	647
Net book value at 5 April 2020	154	-	154
Net book value at 5 April 2019	230	-	230

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

10. FIXED ASSET INVESTMENTS

	2020	2019
	£'000	£'000
Market value 6 April 2019	428,965	348,337
Less: Disposals	(203,655)	(31,442)
Add: Acquisitions at cost	255,728	75,305
Gift of shares	5,000	27,265
Net (losses)/gains on investments	(28,435)	9,500
Market value 5 April 2020	457,603	428,965

Total disinvestments from fixed asset investments during the year to meet operating cash requirements amounted to £51,489,000 (2019: £59,545,000).

The investments held as at 5 April 2020 were as follows:

	2020		2019	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
U.K. equities	153,482	168,992	176,753	189,502
Overseas equities	86,467	79,230	50,184	73,323
Overseas equities – unquoted	2,581	-	4,867	-
Short-term deposits	209,421	209,381	166,122	166,140
	451,951	457,603	397,926	428,965

THE GATSBY CHARITABLE FOUNDATION
5 April 2020

NOTES TO THE ACCOUNTS (continued)

10. FIXED ASSET INVESTMENTS (continued)

UK equities held at 5 April 2020 has the following market values:

	2020	2019
	£'000	£'000
Trojan Investment Funds	72,810	63,891
LF Ruffer Funds	53,344	28,767
J Sainsbury plc	26,576	89,439
Other UK equities	16,262	7,405
	168,992	189,502

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 £2,409,000 (2019: £410,000).

Short term deposits include Lloyds Bank money market deposits and a treasury facility with Barclays Bank which at 5 April 2020 had a market value of £196,000,000 (2019: £160,000,000).

11. DEBTORS

	2020	2019
	£'000	£'000
Gift Aid receivable	2,875	-
Other debtors	6,214	2,465
Loans due within one year	-	64
	9,089	2,529

12. CREDITORS - amounts falling due within 1 year

	2020	2019
	£'000	£'000
Grants payable (note 5)	44,270	45,115
Trade creditors	38	77
Other creditors	138	134
Accruals and deferred income	161	188
	44,607	45,514

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

	2020	2019
	£'000	£'000
Grant payable (note 5)	17,333	14,902

THE GATSBY CHARITABLE FOUNDATION

5 April 2020

NOTES TO THE ACCOUNTS (continued)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Expendable Endowment	Total Funds 2020
	£'000	£'000	£'000
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	154	154
Investments	-	457,603	457,603
Current assets	-	61,588	61,588
Current liabilities	-	(44,607)	(44,607)
Long term liabilities	-	(17,333)	(17,333)
	-	457,405	457,405
Movement in the year			
Opening balance as at 5 April 2019		442,270	442,270
Total income and endowments	10,322	94,878	105,200
Cost of raising funds	-	(961)	(961)
Cost of grant-making	(60,521)	-	(60,521)
Net loss on investments	-	(28,435)	(28,435)
Foreign exchange movement	-	(148)	(148)
Transfers between funds	50,199	(50,199)	-
Closing balance as at 5 April 2020	-	457,405	457,405

15. CONTINGENT LIABILITIES AND GUARANTEES

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

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

16. FUNDS

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

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

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

Material transfers between funds

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

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NOTES TO THE ACCOUNTS (continued)

17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2019

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

THE GATSBY CHARITABLE FOUNDATION
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NOTES TO THE ACCOUNTS (continued)

18. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 5 APRIL 2019

	<i>Unrestricted Fund</i>	<i>Expendable Endowment</i>	<i>Total Funds 2019</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fund balances at 5 April 2019 are represented by:			
Tangible fixed assets	-	230	230
Investments	-	428,965	428,965
Current assets	-	73,491	73,491
Current liabilities	-	(45,514)	(45,514)
Long term liabilities	-	(14,902)	(14,902)
	-	442,270	442,270
Movement in the year			
Opening balance as at 5 April 2018	-	423,454	423,454
Total income and endowments	7,616	57,467	65,083
Cost of raising funds		(1,106)	(907)
Cost of grant-making	(54,661)	-	(25,921)
Net gains on investments	-	9,500	(5,826)
Transfers between funds	47,045	(47,045)	-
Closing balance as at 5 April 2019	-	442,270	442,270