

THE GATSBY CHARITABLE FOUNDATION

ANNUAL REPORT

5 APRIL 2021

The Peak
5 Wilton Road
LONDON SW1V 1AP

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

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THE GATSBY CHARITABLE FOUNDATION

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REPORT OF THE TRUSTEES

Legal and Administrative

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

Settlor	Lord Sainsbury of Turville	
Trustees	Mr J C Burns Sir Andrew Cahn KCMG Miss J S Portrait OBE	
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP	
Principal Officers	Mr P Hesketh Mr J Highstead Mr J Searancke Mr N Thomas Mr G Wilson	Chief Executive Officer Executive Head of Finance Executive Executive
Bankers	Child & Co, 1 Fleet Street, London EC4Y 1BD	
Solicitors	Portrait Solicitors 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 Devon Equity Management Limited 123 Victoria Street, London, SW1E 6DE	
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 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

Gatsby received total income of £60.4 million during the year, including further gifts from the Settlor of £55.0 million. This income was used to meet the Charity's grant expenditure of £48.5 million, charitable programme costs of £6.7 million and other operating expenditure of £6.5 million. The market value of Gatsby's investment portfolio increased by £61.1m in comparison with the previous financial year, which together with the net result from charitable activities, added £59.6 million to Gatsby's expendable endowment that is available for grant making.

Gatsby received £5.4 million of dividends and interest income from its investment portfolio, a significant reduction in comparison to the £10.3 million of investment income received in the previous year. Conversely Gatsby has seen an increase of £61.1 million in the value of its investment portfolio in comparison with the previous year, with the total value of the portfolio at year end at £517.1 million. Returns received by Gatsby have been volatile as a result of an uncertain macro-environment that has been caused by conditions arising from the COVID-19 pandemic. Income is increasingly difficult to find, and in view of the extreme volatility emphasis remains in preserving capital and managing cash. Trustees remain of the view that investment income receivable by Gatsby is very likely to be substantially lower going forward.

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REPORT OF THE TRUSTEES (continued)

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

Trustees approved grants amounting to £51.9 million during the year, and made payments of £50.5 million covering some of these grants and other grants approved in earlier years. In addition, payments of £6.7 million were made in relation to directly managed charitable programmes. Gatsby has significant unpaid grant commitments at year end totalling £59.6 million, of which £43.1 million is due to be paid within one year.

It is the Trustees' intention to spend out the assets of Gatsby, with grant making over the next two to three years likely to be maintained at a significant level. Consequently Gatsby had short term deposits and cash at bank of £261.9 million at the year end. The Trustees' hold cash and near cash investments that equate approximately to at least three years of grant expenditure, which should avoid a forced sale of investments should investment markets deteriorate.

Trustees met three times and used virtual communication tools as necessary to approve grants, and twice to review investments.

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 £2.9 million in this respect.

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 £517.1 million (2020: £457.4 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 £55.4 million (2020: £50.2 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.

REPORT OF THE TRUSTEES (continued)

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

The 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 extreme positive and negative returns have been received from the investment portfolio, 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 increase the value of the investment portfolio by approximately £61.1 million at the end of the 2022 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 (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.

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REPORT OF THE TRUSTEES (continued)

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

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

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

PLANT SCIENCE

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

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

Sainsbury Laboratory Cambridge University (SLCU)

Gatsby's largest ever commitment in plant science funded the building of a state-of-the-art research institute, the Sainsbury Laboratory Cambridge University (SLCU), which opened in 2011. Set within the inspirational grounds of the University's Botanic Garden, the aim of the Laboratory is to elucidate the regulatory systems underlying plant growth and development.

Following the first COVID-related lockdown, SLCU reopened in June 2020 with reduced occupancy and enhanced cleaning protocols for safety of all staff. Rotas and digital booking systems were put in place for all researchers to allow experiments and data gathering to continue at pace.

During this reporting period Dr Chris Whitewoods, a new career development fellow, joined SLCU. The Whitewoods group aims to understand how plants pattern themselves in three dimensions. Specifically, the Whitewoods group will investigate how plants coordinate their overall leaf shape with intricate internal patterning to produce leaves that are exquisitely adapted to their function. To do this the team will combine computational modelling with genetic and developmental analysis in the flat-leaved model plant *Arabidopsis thaliana* and the floating aquatic carnivorous plant *Utricularia gibba*.

REPORT OF THE TRUSTEES (continued)

Dr Alexander Jones, an SLCU group leader, successfully renewed his research support for a further five-year period. The Jones group will continue to investigate how plant hormones serve as signal integrators and master regulators of physiology and development. These functions are crucial for the coordination of the activities of individual cells – each having an independently tuneable hormone level and hormone response – into an ensemble behaviour appropriate for the organism as a whole. Their recent advent of ABACUS and GPS biosensors will permit greater analysis of the levels of hormones, abscisic acid and gibberellin, with cellular resolution to observe novel hormone patterns. The overarching goal for all the work is a systems-level understanding of the signal integration upstream and growth programming downstream of these hormones. Such an understanding could guide targeted interventions into plant physiology and development for improved food security.

SLCU group leader, Dr François Nédélec, is collaborating with Professor Andrea Musacchio (Max Planck Institute of Molecular Physiology in Dortmund) and Dr Thomas Surrey (Centre for Genomic Regulation in Barcelona) to study one of the most fundamental processes in life – cell division. Their project has been awarded a prestigious European Research Council (ERC) Synergy Grant, valued at £9.3 million (€11.0 million), to reconstitute cell division *in vitro* and *in silico*. Pooling their expertise and resources, they hope to reconstitute and model cell division on an entirely new level to generate a quantitative understanding, grounded on the first principles of physics and chemistry of how the cell cycle and the mitotic spindle achieve chromosome segregation.

Gatsby is very pleased to report that SLCU group leader, Professor Giles Oldroyd, has been recognised for his outstanding contributions to science in plant-microbe interactions with his election this year as a Fellow of the Royal Society, as well as a Member of the European Molecular Biology Organisation (EMBO). His international programme of research at SLCU and the newly-established Crop Science Centre attempts to achieve more equitable and sustainable agriculture through the enhanced use of beneficial microbial associations.

SLCU ran a very successful Plant Taskmaster outreach programme targeted at families who were home-schooling during the COVID-19 pandemic involving fun plant science-related challenges and live ‘Chat with a Scientist’ online broadcasts. As part of the Cambridge Festival, SLCU launched a citizen science project called The Great British Liverwort Hunt. More than 50 participants from across the UK were sent a liverwort collecting kit along with clear instructions on how to correctly identify and collect specimens in a safe and legal manner. Participants collected two liverwort species only – *Lunularia cruciata* and *Marchantia polymorpha* – and recorded when and where they were collected. The 37 accessions of *L. cruciata* and 32 accessions of *M. polymorpha* collected from this citizen science project will be used by the SLCU group of Dr Sebastian Schornack to study the resistance/susceptibility to pathogens and how this differs within the same species from different regions. There will be a number of follow-up events over the coming year such as behind the scenes tours of the equipment being used to study the samples, conversations with scientists and interactive workshops.

The next comprehensive review of SLCU has taken place virtually in June 2021 and was led by an independent international panel of experts in plant science research. The panel reviewed all aspects of the Laboratory in terms of research strategy, training and outputs over the last research cycle, and has made assessments and comments on the SLCU’s strategy and future plans to Gatsby for a further five-year funding cycle.

REPORT OF THE TRUSTEES (continued)

The Sainsbury Laboratory (TSL)

Since 1987 Gatsby has supported The Sainsbury Laboratory (TSL) at the Norwich Research Park to investigate how plants defend themselves against microbes that cause disease, and conversely how microbes manipulate host plants and cause disease. Over these three decades TSL has built an outstanding international reputation for scientific excellence.

As part of the scientific community's response to COVID-19, TSL leadership felt it important to enable staff to volunteer in the testing effort at the Norfolk and Norwich University Hospital, and to utilise expertise at TSL for the development of rapid diagnostic tools. This work was carried out throughout the first national lockdown by a small group of staff, reporting to Professor Sophien Kamoun.

Despite the challenges of COVID-19 in early 2020, TSL reopened from lockdown in June 2020 albeit with reduced occupancy and laboratory rotas, and have remained extremely productive.

In the 2019-20 academic year there were an impressive 115 publications, many appearing in top tier journals. TSL also continued its strong commitment to open science, making its research available through pre-prints ahead of publication and releasing important data associated with emerging disease threats as soon as it was generated.

TSL scientists continue to receive recognition for their scientific achievements. This year Professors Jonathan Jones FRS, Sophien Kamoun FRS and Cyril Zipfel were named in the 2021 Highly Cited Researchers list. This means that a total of six members of TSL have been named in the list of the top 1% most highly cited scientists during the last four years (Professors Jones, Kamoun, Zipfel and Talbot, and Drs Win and Robatzek). Research from TSL generated more than 12,475 citations during the year, which is demonstrably world leading, and it remains one of the most highly cited research institutions in the world in any discipline.

A new senior group leader, Professor Wenbo Ma, arrived in the latter half of 2020. Her group works on the virulence function and evolution of pathogen effectors in order to understand mechanisms underlying plant immunity and microbial pathogenesis. She brings expertise in cutting-edge molecular technologies including genome editing and RNA interference. A new mass spectrometer equipment platform has also been established to facilitate her work, alongside the other group leaders. The Ma group will collaborate extensively across TSL, as well as with several colleagues at the John Innes Centre. Since her arrival, Professor Ma has received the Ruth Allen Award of the American Phytopathological Society, in recognition of her ground-breaking work in plant pathology.

TSL is now marketing its new internationally-focussed MSc Degree programme in Global Plant Health, with the first student entry due to take place in October 2021. The focus will be on global plant protection, not only the fundamental basic science underpinnings, but also agricultural technology, knowledge transfer and business practices. Professor Stephen Bornemann, the TSL Director of Postgraduate Training, in association with TSL group leaders, has generated the curriculum which is innovative in design with scenario-based learning that emphasises the response necessary to emerging disease threats. During the year, TSL has also filmed lectures and presentations for a Massive Online Open Course (MOOC) in Global Challenges in Plant Health that will be hosted on Future Learn during 2021. This exciting online programme will enable TSL to meet its strategic aims with regard to outreach and wider engagement.

REPORT OF THE TRUSTEES (continued)

Through both the MOOC and the MSc programme, TSL aim to encourage the next generation of young scientists into molecular plant pathology research, associated plant disease epidemiology, and policymaking. The courses will be launched during the United Nations International Year of Plant Health which has been extended into 2021 in light of the global pandemic.

2Blades Foundation (2Blades)

Gatsby provides core support to the 2Blades Foundation, a charitable organisation that supports the development of crops with durable disease resistance and promotes their deployment in agriculture worldwide, with a particular aim to benefit developing countries.

Over the past year, 2Blades has continued to engage a global research consortium to develop durable resistance to wheat stem rust, a catastrophic disease of wheat and significant, unmanaged threat to food security. The effort has focused on combining multiple resistance genes into stacks delivered as cassettes into wheat, and the resulting wheat lines were tested in field trials at the University of Minnesota over two seasons. The outcomes of the work were published in the peer-reviewed journal *Nature Biotechnology* in January 2021. The results demonstrated that the use of genetic technologies to build and insert a “stack” of five rust resistance genes into a single location in the genome of a common wheat variety led to the production of lines with exceptional resistance to stem rust, unmatched and unattainable by conventional breeding.

Helping to build resistance gene resources, 2Blades was awarded a grant from the Agriculture and Food Research Initiative of the US Department of Agriculture to isolate resistance genes from wild emmer wheat in collaboration with scientists at Kansas State University, University of Minnesota and the John Innes Centre. The genes identified in this programme will further enhance 2Blades’ world-leading resource of rust resistance genes and will be tested and deployed in future multi-gene stacks. Cassettes of these genes will move towards application in partnership with CIMMYT (International Maize and Wheat Improvement Centre).

A second collaboration with the University of Minnesota will produce a new economic assessment of the top seven diseases of wheat. A related report has been initiated with the International Food Policy Research Institute (a member organisation of the Consultative Group on International Agricultural Research) to provide data on the nutritional and health impacts of plant disease, using wheat rust as an example. These reports will be shared with policymakers, research organisations and potential funders to demonstrate the strong case for investing in solutions for crop disease to help achieve food security.

2Blades has continued to support the work of Dr Marc Ghislain and colleagues at CIP (International Potato Centre) in Kenya and in collaboration with the National Agricultural Research Organisation and other organisations in East Africa.

Field trials and data collection for deregulation of a popular regional potato variety engineered with a three-resistance-gene stack against late blight is at an advanced stage. In the past year, 2Blades raised over \$100,000 from individual donors to help support CIP’s work. A programme supported in Professor Brian Staskawicz’s laboratory at UC Berkeley’s Innovative Genomics Institute (IGI) is advancing gene-editing in tomato and wheat to produce resistance through inactivation of disease susceptibility genes. Research on precision breeding tools in wheat and engineering of synthetic resistance genes is also supported at IGI with matching funds from the US Foundation for Agricultural Research (FFAR).

REPORT OF THE TRUSTEES (continued)

Gatsby Plant Science Education Programme (GPSEP)

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 COVID-19 pandemic required the GPSEP team to pivot quickly to continue to deliver its activities. The Gatsby Plant Science Summer School in June 2020 was adapted to a condensed online version to deliver a remote webinar-style event.

Whilst the in-person practical sessions were unable to take place, 117 students received a range of plenary lectures from leaders in the academic field, public sector and private companies. Students stayed with the same plenary tutors in small groups during breakout sessions for all three days to help foster a sense of ‘teamship’ in a virtual setting to maximise the value of the Q&A, Careers Panel and Next Steps sessions. This online approach was well received by students – survey data collected showed that 82% of alumni said they were enrolled on a module with plant science this year, with 72% saying the GPSSS had influenced their module choice. For the 2021 edition, which will again be online, the numbers of places will be expanded to double the capacity, and additional sessions will be incorporated such as facilitated networking, social events, virtual expositions showcasing employers in the sector, as well as new workshops to capture the essentials from the previous in-person practical sessions.

Science and Plants for Schools

With the closures of schools, the majority of teachers and students were navigating distance learning during lockdown restrictions. The Science and Plants for Schools (saps.org.uk) website meant the team could continue to work to be a supportive presence for teachers and technicians. A section for Distance Learning was launched with collated resources suitable for remote learning; this new page has had 5653 views over the past year. There was an increase of 60% in subscribers to their YouTube channel as videos have been particularly useful for remote teaching scenarios. In March 2021 the team ran the first online SAPS Train the Trainer session for 20 Initial Teacher Education tutors and technicians drawn from 10 teacher training institutions. Usually a face-to-face two-day event, this course was converted into an effective and engaging practical-focussed online training workshop. Boxes of carefully curated, appropriate and safe practical kit were sent to attendees’ places of work and homes. Delegates joined in practical plant science activities remotely, following along with steps shown by the presenters over two morning sessions. This ambitious hybrid approach of real materials with online instruction was very successful as a training model and greatly appreciated by the attendees.

Other programmes

Gatsby further supports excellence in plant science in the UK through a suite of activities overseen by the Gatsby Plant Science Advisers. The Gatsby Plant Science Network consists of Gatsby-funded undergraduates, postgraduates, postdocs and alumni, with mentors chosen from UK universities with teaching and research interests in plant science.

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REPORT OF THE TRUSTEES (continued)

Two new Sainsbury PhD students started their research training in the previous period. Giovanni Giuriani at the University of Glasgow, under the direction of Professor Gareth Jenkins, will investigate a novel mechanism of UV-B photoreceptor signalling, while Maude Grenier at Edinburgh, under the direction of Dr Isla Myers-Smith, will research autumn plant phenology responses to a warming Arctic.

Like most in-person events, the annual network meeting in September 2020 moved to be fully online. The two-day programme gave all current PhD students supported by Gatsby the opportunity to share their research progress over the past year with their peers, other mentors and senior UK researchers in the network. There were also talks on their summer research projects from last year's four recipients of the Sainsbury undergraduate studentships.

The training weekend for Sainsbury PhD students also moved to be completely online in late March 2021. Sessions included: drafting papers and presenting posters; planning your research; writing fellowship and job applications; communicating research to the public; developing transferable skills; and how to maximise benefit from attending conference and placements. An engaging and interesting plenary talk was given by David Flanders, CEO of Agrimetrics, which is enabling agrifood organisations to realise the value trapped in their data.

David Hanke Medal

Gatsby was very sorry to hear during the year that Dr David Hanke received a terminal prognosis after a long battle with cancer. Dr Hanke made an enormous contribution to plant science research and was heavily involved in the Gatsby Plant Science Network for over 25 years: for the training weekend Dr Hanke was instrumental in formulating and delivering these long weekends. He also delivered all the training sessions on how to give talks. For the network meeting, he always attended to connect and reconnect with as many students and colleagues as possible and tirelessly filmed the sessions to make the content available to all. He also used the videos he made each year at the following training weekend – delivering praise and criticism in equal measures and in a hugely entertaining manner. To mark his many contributions, the Gatsby Plant Science Advisers will introduce the David Hanke Medal prize for the best talk at the annual network meeting.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £12,841,000

University of Cambridge - £8,541,000

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

Sainsbury Laboratory - Norwich - £3,370,000

Towards core research support and cost of a new Mass Spectrometer; and temporary accommodation and associated costs for the Director, Professor Nick Talbot.

2Blades Foundation - £777,000

Towards core and project costs.

Cambridge Network - £100,000

Towards core costs of Agri-TechE.

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REPORT OF THE TRUSTEES (continued)

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

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £1,191,000

University of Cambridge – The Sainsbury Laboratory - £559,000

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

Sainsbury PhD Studentships - £250,000

Towards the Sainsbury PhD studentships in plant science.

Science & Plants for Schools (SAPS) and the Gatsby Plant Science Summer School - £177,000

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

Gatsby Plant Science Ad Hoc - Gatsby Initiative - £119,000

Towards the plant science advisers' ad hoc grants.

Further direct programme expenses totalling £86,000 were also paid in the year.

NEUROSCIENCE

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

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

Sainsbury Wellcome Centre for Neural Circuits and Behaviour (SWC)

Gatsby, in partnership with Wellcome and University College London (UCL), developed and supports 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.

Following the first COVID-19 lockdown, the SWC building re-opened in late June 2020 with reduced occupancy and rotas to ensure a safe working space for performing experiments and generating new data. Despite COVID-19, the centre remained very productive during the reporting period.

REPORT OF THE TRUSTEES (continued)

A new group leader, Dr Ann Duan, was recruited during the year and will join the SWC faculty in summer 2021. Dr Duan's long-term scientific goal centres around extracting general principles of neural computation that give rise to cognition. Dr Duan's laboratory at SWC will combine theory-motivated behavioural paradigms with modern experimental and analytical tools to conduct large-scale, cellular-resolution investigations of neural circuit mechanisms for flexible decision-making. In particular, she aims to understand how decision-making is modulated by internal and environmental variables, such as risk preference and competitive/cooperative social interaction.

As proposed at the first major review of the centre, SWC has set up the first Strategic Project led by a multi-disciplinary working group designed to solve challenges which cannot be tackled by individual labs. The Project brings together group leaders from SWC and the Gatsby Computational Neuroscience Unit (GCNU) with experimental and theoretical external collaborators, data scientists, engineers and industrial partners, NeuroGears and DataJoint.

The initial Project will develop a technical platform for studying naturalistic foraging behaviour in rodents, including continuous and long-term neural recordings. The Steering Committee, currently chaired by group leader Dr Tiago Branco, has formed sub-groups to work on the hardware, software and data analysis requirements of the project.

The SWC core facilities continue to develop, with new hires in the FabLab workshop, advanced microscopy suite and viral vectors core. This is to add new capabilities and required capacity as the SWC community continues to grow, with new group leaders and affiliates. SWC researchers were also involved in the development and testing of the next generation of Neuropixels neuronal recording silicon probes (Gatsby was part of the consortium that supported the 1.0 version); Neuropixels 2.0 have four shanks (rather than one) and were miniaturised so as to permit capturing the activity of thousands of neurons *in vivo* during free behaviour and following the activity of neurons over extended time periods. These new features should allow more detailed study of forms of learning that happen over weeks.

To further enrich its science and to build local links, SWC has also expanded its Affiliates Programme to five early-career researchers at UCL and the Crick Institute, taking the total to 25. Affiliates are invited to SWC events and have access to the FabLab and some other core resources. They can host first-year SWC PhD students for lab rotations and act as their joint supervisors for placements. They are also invited to jointly host seminar speakers at the SWC.

A Research Culture Working Group has been established to promote cross-disciplinary collaboration, open communication, career development and community building, across all levels at SWC and the GCNU. The group is developing new ways to promote open science including publishing of software and open-access data for research carried out at SWC.

Gatsby Computational Neuroscience Unit (GCNU)

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.

REPORT OF THE TRUSTEES (continued)

Being based in the SWC building, the Unit has applied a mixed mode of operation during the COVID-19 crisis involving office and home based working, and taking advantage of video conference platforms for larger group meetings. This has allowed the Unit to maintain momentum in relation to all its efforts during the reporting period.

Dr Andrew Saxe was recruited and will soon start as the first joint GCNU-SWC Group Leader, a new position for applied machine learning research in neuroscience that will help further links between GCNU and SWC. Dr Saxe's research focuses on computational principles governing the dynamics of learning in biological systems, ultimately aiming to build a bridge from changes at the level of synapses and neurons to changes at the level of performance and behaviour. His lab in GCNU/SWC will investigate the hypothesis that depth – the brain's layered structure – is a critical factor shaping learning dynamics in the brain and mind. He aims to develop a tractable theory of deep learning dynamics in artificial and biological agents that will provide predictions for experimental paradigms in a range of systems.

In October 2020, GCNU and SWC students jointly organised a symposium on 'Neural Interfaces for Neurobiological Insights' to learn about and discuss how Brain-Machine Interfaces (BMIs) can help us understand the possibilities and constraints of neural function. Speakers were from academic institutions and technology companies from the UK and USA. The event was held online and was attended by approximately 500 people all over the world.

During 2020 the Unit saw six papers by PhD students and postdocs accepted into the prestigious Neural Information Processing Systems (NeurIPS) conference. NeurIPS is the foremost international conference linking artificial and natural intelligence, with only 20% of submitted papers accepted.

In March 2021, a joint GCNU-SWC postdoctoral fellow, Dr Grace Lindsay, published her first book entitled "Models of the Mind: How physics, engineering and mathematics have shaped our understanding of the brain." It provides a comprehensive introduction into the field of computational neuroscience, and the role that mathematics plays in helping us understand the brain.

GCNU and SWC are carrying out a joint application for the Athena SWAN charter, a framework used to support and transform gender equality in science, technology, engineering, maths and medicine (STEMM) careers within higher education and research, as well as to promote the development of researchers at various career stages. The recent protests on racial equality prompted a group of students from the Unit to initiate a week-long series of conversations and critical presentations examining past and current issues around race in science. This led the Unit to consider measures on and develop activities to begin to address the wider equality, diversity, and inclusion (EDI) agenda, including mentoring to school and/or undergraduate students from underrepresented groups, e.g. providing guidance on course selection, internships, etc, to allow more individuals to move towards fields like Computer Science, Computational Neuroscience, or Machine Learning.

The next major review of the Unit will take place in September 2021, led by an independent panel of international experts in theoretical neuroscience and machine learning. This will assess the Unit in terms of research strategy, innovation, achievement, and reputation over the last five-year cycle, and to examine and comment on the Unit's strategy and plans for a further funding cycle.

REPORT OF THE TRUSTEES (continued)

Theoretical neuroscience and machine learning

Gatsby's support in the area of theoretical neuroscience and machine learning also includes two other world-class centres as part of an on-going partnership with GCNU. These are the Centre for Theoretical Neuroscience at Columbia University in the USA and the Gatsby programme in theoretical neuroscience at the Safra Centre for Brain Sciences (ELSC) at the Hebrew University in Israel. Despite the impact of the pandemic, the centres remained highly productive, publishing papers in top and mid-tier neuroscience journals as well as in proceedings of the leading machine learning and statistical congresses. The downtime for experimentalists due to closing of laboratory spaces during the first lockdown meant the centres were able to form new and more meaningful connections and collaborations as experimentalists working from home focused on analysing existing data and planning new experiments.

In addition, Professor John Cunningham, a faculty member at the Columbia centre, in parallel to his primary research on machine learning for data analysis, has created open-source tools and a portal with the required computing power to make available his latest algorithms and methods to the wider experimental neuro-community. This is a 'service' to analyse comprehensively very complex neural data sets and to scale up the access of experimentalists to the latest methods. Following COVID-19 related lockdowns everywhere, the tri-centre group of ELSC, GCNU and Columbia looks forward to meeting again to continue conversations and explore new collaborations. They plan to provide an additional opportunity at this meeting for the early-career researchers in the three centres to lead workshops on the latest challenges for theorists and computationalists in key areas such as deep learning, connectomics, behaviour and cognition.

Neuromatch Academy (NMA)

Gatsby also supported the inaugural Neuromatch Academy (NMA), a fully online three-week global summer school for computational neuroscience aimed at undergraduates, graduates and postdocs interested in the topic. COVID-19 created an enormous hole in the training prospects of the early career scientists. NMA pioneered offering online an entire course introducing traditional and emerging tools of computational neuroscience and deep learning to trainees with an emphasis on theory and model building. This was done with a series of plenary lectures from top researchers in the field along with instructional videos from faculty mentors, which were complemented with extensive teaching assistance and tutoring in small groups in their own time zone (and often in their first language). In the end, NMA 2020 consisted of a virtual army of more than 200 volunteers, 250 faculty mentors, 200 Teaching Assistants, and 1700 students from across 65 countries. Their videos, now freely available on YouTube, have been watched nearly 100,000 times. This was a major change of scale considering that, historically, traditional summer schools admit around 20-50 graduate and postgraduate students annually. NMA has the potential to become a key training programme for early career researchers and is particularly meaningful because, thanks to its online nature, it enables participation to community members who traditionally do not have the financial capacity or institutional support to attend summer schools.

REPORT OF THE TRUSTEES (continued)

Stanford Optogenetics Moonshot for Autism (SOMA)

Gatsby is supporting the Stanford Optogenetics Moonshot for Autism (SOMA) under the direction of Professor Karl Deisseroth. This project at Stanford University in the USA aims to elucidate the mechanisms of autism brain dynamics and to resolve relationships among multiple brain-wide projections and cell populations for defined behaviours. During the reporting period, SOMA published six papers that continue to tackle the moonshot goal. A range of molecular tools were perfected and applied to target particular cell types based on wiring anatomy or activity patterns during natural behaviour. This has enabled cutting-edge cellular-resolution recording methods simultaneously across many areas of the brain to look at the complexity of social behaviour. SOMA found that brain-wide interactions defining self, other and their inter-relationships are key for social behaviour. A desynchronisation pattern was found in part of the brain called the thalamus that may explain the mysterious and clinically important state of dissociation. This work suggests a fundamental mechanism for the assembly and disassembly of the self and its boundaries, with key implications for understanding the basic principles enabling social interaction. Technologically, this year SOMA developed an alignment of wiring-based anatomy and deep molecular datastreams to allow cell-type-resolved and single cell-level insight into social processes in health and disease. This new device combines the necessary fluidics, mechanics and control systems all integrated with optical microscopes which will permit the team to find cell-specific molecular targets for therapeutic social opportunities.

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.

Cajal Advanced Neuroscience Training Programme AISBL

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. The course offerings at Champalimaud and Bordeaux (totalling 27 courses and 500 students over the past four years) have been refined as well as expanded. Many UK-based researchers, including early career researchers from SWC, have attended and greatly benefitted from some of the courses. The established calibre of the programme and fully international faculty have highlighted to the international neuroscience community the availability of excellent Europe-based training courses, which are beginning to rival the highly respected cutting-edge hands-on intensive training courses in the USA.

In the last year, some hands-on courses had to be cancelled due to COVID-19. The CAJAL Executive pivoted to offer online lecture series to provide the scientific foundations and guidance for future laboratory-based work. In addition, they worked with SWC and GCNU to incubate a new thread of kit-based training, that could be posted out to participants, with online instructions, group tutorials and discussions. This course, entitled 'The Last Black Box', provided a foundation for new experimental neuroscientists beginning a PhD or switching discipline. The very successful pilot course introduced the essentials of data acquisition/control, data analysis, and machine learning by guiding the students through the hands-on construction of an increasingly capable robot; in parallel, related concepts in neuroscience were introduced as nature's solution to the challenges students encounter while designing and building their own "intelligent" system.

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REPORT OF THE TRUSTEES (continued)

During the reporting period, Gatsby also renewed support for a further six-year period to help CAJAL consolidate strengths and develop further directions that will expand the impact and reach of the courses as well as move to make the organisation more sustainable. Over this new funding cycle, CAJAL will continue to keep the topics and quality in Bordeaux and Lisbon at the cutting-edge. The programme will draw in the expertise of SWC and other leading European sites to develop further kit-based training that can be sent anywhere across Europe to create ‘local’ courses run by CAJAL-trained researchers; this will mean CAJAL can be more inclusive as well as increase capacity and capability to do more courses. The organisation will develop more extensive connections with a wide range of funding partners (foundations, companies, universities, research institutes, etc) so as diversify its income to make CAJAL more sustainable and to ensure its future long-term impact on advanced training in neuroscience.

Other programmes

Gatsby provides 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. BNA’s ongoing aim is to increase and broaden membership with a wider range of activities to ensure it is truly representative and relevant to everyone in neuroscience including those in the private sector, the clinic and in wider society.

Over the past year, BNA partnered with SWC to launch its ‘Building Bridges Between: Industry and Academia’ (BBB) initiative which aims to foster collaboration between neuroscientists in industry and academia for information exchange through workshops and networking. A scene-setting webinar with Sir Mene Pangalos, Executive VP, Research and Development at AstraZeneca, took place in Autumn 2020. The 2021 BNA Festival of Neuroscience conference in early April 2021 featured a BBB workshop entitled ‘How to improve translation between industry and academia in neuroscience?’, and was chaired by Professor Tom Otis, SWC Chief Scientific Officer, who previously led early drug development for neurodevelopmental disorders and psychiatry at Roche. Professor Otis was joined by four leaders and innovators in industry-academia partnerships: Sir Mene Pangalos, AstraZeneca; Dr Eva Loth, Kings College London; Dr Justin Bryans, LifeArc; and Dr John Huxter, Transpharmation Ltd. Through BBB, BNA continues to increase industry members as well as to involve the commercial sector in the Association’s key campaign around research reproducibility and replicability, ‘Credibility in Neuroscience’, because it is essential to include the whole neuroscience landscape to achieve culture change.

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

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £5,622,000

University College London - £3,449,000

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 - £761,000

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

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REPORT OF THE TRUSTEES (continued)

Columbia University, New York - £312,000
 Towards the Centre for Theoretical Neuroscience.

Hebrew University of Jerusalem - £304,000
 Towards the Gatsby Theoretical Neuroscience Programme.

University of Oxford - £232,000
 Towards the Oxford Centre for Neural Circuits and Behaviour.

Cajal Advanced Neuroscience Training Programme AISBL - £218,000
 Towards the CAJAL Advanced Neuroscience Training Programme.

New York University – School of Medicine - £148,000
 Towards the completion of Oliver Sacks’ remaining books, and the rehousing of his archive.

Society for Neuroscience - £93,000
 Towards Brainfacts.org.

Further grant payments totalling £105,000 were also paid in the year.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £10,000

SCIENCE AND ENGINEERING EDUCATION

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

Gatsby’s interest in education continues to centre on five priorities: the reform of technical education; the supply of STEM skills in the UK 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.

During the past year, COVID-19 had an impact on the progress of several Gatsby-supported projects, especially those that involved working directly with schools and colleges. This impact has typically presented itself as a lengthening in the timelines for completing projects, rather than derailing them completely and, overall, Gatsby continues to be very pleased with the progress being made in this grant category.

REPORT OF THE TRUSTEES (continued)

The government reforms to technical education in England have continued apace. The first T-levels (new technical qualifications for 16-19 year olds) were introduced in three subjects in around 40 schools and colleges from September 2020. A further seven T-level subjects will come onstream from September 2021, with the remaining 14 being introduced over the subsequent two years. The idea of T-levels originates from the 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). Over the past year, Gatsby staff have worked closely with colleges, selected local authorities, and officials at the Department for Education (DFE) to help ensure a smooth roll-out for T-levels. This activity has involved continuing to work 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. Pilot activity to explore how NHS Trusts might offer extended industry placements for future T-level students also progressed, albeit at a much slower pace than initially planned due to COVID-19.

Trustees were pleased to see that the government’s ‘Skills for Jobs’ White Paper, published in January 2021, built squarely on policy first outlined in the Sainsbury Review. In particular, government’s commitment to giving employers a central role in determining the mix of courses and training offered in a local area, and to align the vast majority of post-16 technical education to employer-led standards was extremely welcome. The White Paper’s recommitment to strengthen and expand higher technical education at Levels 4 and 5 was also a positive step. Gatsby has long called for higher technical education – the so called ‘missing middle’ of England’s education system – to be prioritised, and Gatsby staff continue to work with the DFE and others to seek to ensure a smooth implementation of these reforms. Key to this will be the new Institutes of Technology (IoTs) – 20 centres of excellence being established around the country to specialise in higher technical education. The original concept for IoTs came from Gatsby, and Trustees continue to be very supportive of the new institutes. This support was bolstered in the past year by an initiative led by the Higher Value Manufacturing Catapult (HVMC) and Gatsby to explore how workers in advanced manufacturing industries can be upskilled through higher technical education as new digital technologies transform the sector.

While reforms underway to national policy will positively impact on the future flow of workers entering the UK workforce, it is still the case that the many and varied roles that technicians already undertake remain poorly understood by the general public. Without greater awareness of the contribution technicians make, there will continue to be a struggle to recruit the skilled technicians this country needs both to remain economically competitive and to run core public services like the NHS. Gatsby’s ‘*Technicians Make it Happen*’ campaign seeks to raise the profile of technicians among young people, their parents and the public at large, through case studies, social media messaging and events. Gatsby has also embarked on an ambitious partnership with the Science Museum in London to create a new gallery at the museum – to open in late 2022 – dedicated to profiling the work of technicians.

Gatsby continues to be a national leader in the debate around career guidance in schools and colleges. The Gatsby Benchmarks for Good Career Guidance remain central to the government’s policy on career guidance, and Gatsby staff are continuing to scope and develop a project that will explore the barriers and enablers to engaging parents in conversations with their children about career options.

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REPORT OF THE TRUSTEES (continued)

In recent years, and reflecting its increasing support for technical education, Gatsby has been reducing the support it offers for projects seeking to strengthen science and maths in schools. Activity in this area is now focused on exploring effective approaches to science teacher recruitment and retention, and supporting three national initiatives: 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's final priority area is supporting engineers in the UK to gain a deeper understanding of business and entrepreneurship. To this end, 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. Each year, the SMFs scheme awards bursaries of £50,000 to ten outstanding early-career engineers, to enable them to study for an MBA at a top international business school. Gatsby also supports the EIBF's wider work, including the development of an inter-university competition in which teams of engineering undergraduates pitch business plans to expert judges.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £4,149,000

Gatsby Technical Education Projects (GTEP) - £3,359,000

Towards the core costs of Gatsby Technical Education Projects.

Engineers in Business Fellowship - £715,000

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

Engineering UK - £75,000

Towards the core costs of the Big Bang Fair.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £5,302,000

Technicians Gallery at the Science Museum - £1,347,000

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

National STEM Centre - £1,030,000

Towards the core costs of the National STEM Learning Centre and the STEM Clubs expansion programme for secondary schools.

Career Guidance in Schools - £522,000

Towards work to improve career guidance in schools, including ongoing development and promotion of the Compass benchmark audit tool for schools, and development and piloting of activities to enable parents to support the career guidance of their children.

Coherent Technical Education Pathways in Local Areas - £490,000

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

IT Technician Registration Scheme - £319,000

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

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REPORT OF THE TRUSTEES (continued)

Raising the Profile of Technician Roles - £279,000

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

Development of a common framework of employability/transferable skills - £169,000

Towards the development and implementation of a framework of transferable skills for work.

High Value Manufacturing Catapult - supporting skills development in advanced manufacturing - £148,000

Towards the development of higher technical courses and apprenticeships in advanced manufacturing.

Practical Work in School Science - £153,000

Towards practical work in schools.

Baker Dearing Educational Trust - £100,000

Towards the activities of the Baker Dearing Educational Trust and UTCs initiative.

Further direct programme expenses totalling £745,000 were also paid in the year.

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 people in East Africa.

THE GATSBY CHARITABLE FOUNDATION

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REPORT OF THE TRUSTEES (continued)

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): £14,500,000

Gatsby Africa (GA) - £14,500,000

Towards GA programmes and operating core costs.

THE ARTS

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

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

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £4,110,000

Backstage Trust - £2,000,000

Towards core costs and to aid beneficiaries adversely affected by the COVID-19 pandemic.

Sainsbury Centre for Visual Arts - £700,000

Towards core costs, including special exhibitions.

Chamber Orchestra of Europe - £500,000

Towards core costs.

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

Towards core costs.

Royal Shakespeare Company - £268,000

Towards the Artist Development Programme.

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

Towards core costs.

Further grant payments totalling £17,000 were also paid in the year.

REPORT OF THE TRUSTEES (continued)

PUBLIC POLICY

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

Gatsby’s grant-making in public policy focuses on five organisations: the Institute for Government; the Centre for Cities; the Centre for Science, Technology & Innovation Policy; Policy Links; and the Babbage Policy Forum.

The Institute for Government (IfG)

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 Lord Sainsbury. The Institute is independent and non-partisan, and works with the main political parties in Westminster, senior civil servants in Whitehall, and officials, politicians, academics and other stakeholders across the UK to promote more effective government. It provides impartial, evidence-based research, advice and training drawing on best practice and experience from within government and the public sector, universities and business not just in the UK but from around the world. Its findings and ideas are disseminated through a wide range of channels including reports, commentary, public and private roundtable events, seminars and podcasts.

As the COVID-19 pandemic took hold, the Institute pivoted immediately to remote working and only a little more slowly to online events. While the move to remote working did not impede the activities of the Institute, the research plan that had been shaped by the government’s 2019 election manifesto had to be completely re-worked in the light of the new circumstances and priorities. The Institute’s reputation and authority stood it in good stead as online audiences grew, especially for its weekly podcast, and, read by ever greater numbers, it published significant work on the major government issues of the day: the pandemic response; the implications of COVID-19 for the public finances; getting to net zero; civil service reform; the constitutional issues around devolution and the impact, particularly on trade and Northern Ireland of the UK finally leaving the European Union.

In relation to the pandemic the Institute has undertaken research on decision-making at the centre of government, how scientific advice has been used in policymaking and the measures introduced to support the UK economy (comparing with the response of other countries), as well as calling for a public inquiry to allow government to learn lessons from this exceptional period.

The net zero project resulted in a widely-praised report which has positioned the Institute as an expert voice on how government should organise itself to achieve the 2050 target, and prompted discussions with many arms of government and the voluntary sector. Culminating in an international, online conference, the work highlighted the key issues government will have to address to achieve its target. Two related projects identified lessons for the UK from the efforts of other countries to incorporate evidence into transport and energy policymaking.

REPORT OF THE TRUSTEES (continued)

In the run up to the end of the Brexit transition period in December 2020, and its aftermath, the consequences of the UK's departure from the EU and the new roles it has created for government began to emerge. The Institute has addressed these in its research over the course of the year, focusing in particular on the readiness of government and business for the approaching deadline, the role of the civil service, the implementation of the Northern Ireland Protocol, and on the government's plans for state aid and managing the UK internal market.

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 and a major report on civil service skills. This year has seen a special focus on the centre of government with reports on accountability and structures at the centre, Number 10 and the Cabinet Office and the role of Special Advisers. In addition to work looking at how Whitehall has responded to the COVID-19 pandemic, the Institute has maintained a focus on the government's agenda for civil service reform. A highly successful one-day conference was held in the summer of 2020, and this was followed up by reports on the relocation of civil servants, the relevance of digital technology for policymaking and the structure of the civil service and work on civil service pay and performance.

The Institute also produced the latest iterations of its two annual data-focused reports: in October 2020, *Performance Tracker* (which looks at the performance of nine key public services and focussed on the impact of the pandemic on these services); and in January 2021, *Whitehall Monitor* (which analyses the size, shape and performance of central government and provided a snapshot of the impact of this exceptional year on government, parliament and the civil service).

The Institute's devolution team has focused on the devolved, mayoral and local elections, many of which were delayed from 2020 due to the pandemic. In addition to influential reports on the operation of the Sewell Convention and the Barnett Formula, which have sparked interest in the UK Parliament and across the devolved nations, high profile reports have examined the implications of the SNP's manifesto for Scottish independence and compared the performance of public services across England, Scotland, Wales and Northern Ireland.

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 in the UK and devolved nations about what it takes to be effective in government.

The Centre for Cities

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

REPORT OF THE TRUSTEES (continued)

As the pandemic took hold in April 2020, the Centre shifted focus to tracking and researching the economic impact of COVID-19 across the UK's largest cities and towns to help their leaders understand the likely effects and to plan their response. Throughout the year, it launched publicly accessible data trackers covering cases, local footfall and spend, and unemployment. City leaders have found this real-time analysis extremely valuable in understanding the impact the pandemic was having on their areas and planning for the re-opening and recovery of their economies. The Centre released over 80 briefings, blogs and research reports about COVID-19, covering topics including cities' use of technology to tackle the pandemic, the effects of Eat Out to Help Out, and the impact of lockdowns on labour markets and analysis of the furlough scheme. Levelling up has always been a key theme for the Centre, and one that is of even greater importance given the uneven impact of the pandemic, and they continued to focus on this during the reporting period.

Investment in research and development across the UK has been identified as a priority area in order to achieve levelling up. Working with Connected Places Catapult, they analysed which of Britain's cities and largest towns have the most potential to harness extra public Research and Development funding and convert it into wider local economic growth. This analysis will continue to be valuable and relevant to the levelling up agenda for years to come as investment decisions are made. Devolution of powers and resources to Metro Mayors and local government will also be key to delivering levelling up. In September, the Centre published new research, setting out how the Government should use its devolution white paper to re-organise and simplify local government so it is ready for the task of levelling up the country.

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

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

During the reporting period, CSTI continued to be productive and made significant contributions to academic knowledge and policy practice, despite the challenges of the COVID-19 pandemic. As well as academic publications in journals for innovation economics, technology management, and science, technology and innovation policy, CSTI researchers also produced studies and briefing notes for key UK stakeholders. For example, in the context of the Government's commitment to the development of a new funding agency (announced in February as the Advanced Research & Invention Agency (ARIA)) modelled on the US Advanced Research Projects Agency (ARPA), CSTI developed a programme of activities aimed at better explaining the ARPA-model and characterising the research and innovation challenges where ARPA-like agencies have been most effective. As part of this work, CSTI submitted a policy briefing note to the House of Commons Science & Technology Committee inquiry into 'a new UK research agency'. Policy seminars on the new model were given to a variety of UK innovation policy stakeholders, with CSTI also providing informal advice on ARPA (and alternative models, eg Bell Labs) to policy advisers in No 10 Downing Street. CSTI also arranged an international roundtable workshop comparing international lessons and practices from ARPA-like agencies in early 2021.

Furthermore, a new PhD student studying mission-oriented challenge programmes, with a focus on the life sciences sector, started research in January 2021.

REPORT OF THE TRUSTEES (continued)

As well as maintaining existing internal collaborations within the Cambridge Institute for Manufacturing, CSTI established new research partnerships in 2020, exploring new external collaborations with the UK Productivity Institute (led by University of Manchester) and other UK innovation policy-related institutes.

Over the past year, CSTI continued to develop its research agenda related to regional innovation policy, exploring new academic and policy collaborations. New work in this area in the next period will build on CSTI research on R&D diffusion dynamics within regional innovation ecosystems. This will explore, in more depth, the role of intermediate research and innovation institutes in translating university-based research into capabilities underpinning regional economic value capture opportunities. In particular, this research would explore how intermediate institutes help provide (or develop) critical research and innovation resources and competences necessary to support a complete ‘innovation pathway’ within a regional economy. This research would also investigate the importance of the configuration of regionally-clustered industrial value chains in shaping potential ‘innovation pathways’ for regional economic value capture.

Policy Links (PL)

The Policy Links (PL) 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. Also based at IfM, Policy Links works closely with CSTI and with the Babbage Policy Forum under the shared banner of Cambridge Industrial Innovation Policy, which operates at the intersection of technology, innovation and industrial competitiveness.

Over the last year, Policy Links continued to strengthen collaborations with the UK Government and associated agencies. The Unit produced a series of rapid response studies for the Department for Business, Energy and Industrial Strategy (BEIS) to inform manufacturing policy responses to COVID-19, and offered evidence to the House of Commons International Trade Committee inquiry on the impact of COVID-19 on trade of manufactured goods. The Unit also successfully applied to become part of the BEIS Futures Framework, a register of consultants and researchers that can be called upon by UK public bodies to conduct future-oriented studies and support long-term strategic thinking in government. Policy Links collaborated with Innovate UK to inform future international collaborations in advanced manufacturing and the Made Smarter digitalisation programme. In addition, the Unit delivered a bespoke capacity building programme for key policy stakeholders from various teams at BEIS, HM Treasury, and devolved administrations.

In February, together with CSTI, the Unit produced and launched the first edition of the ‘UK Innovation Report’, a new study that benchmarks the UK’s industrial and innovation performance in a global context. While numerous sources of data on the topic of innovation exist, the UK Innovation Report aims to make a distinctive contribution by bringing together, in a single place, innovation and value-added indicators in a concise and accessible format. In doing so, the report seeks to demonstrate the value of combining different types of datasets to facilitate policy discussions on innovation and industrial performance – and the interplay between them. There are ongoing plans to update the data annually to make it an authoritative source of the information for all key policy stakeholders.

REPORT OF THE TRUSTEES (continued)

Outside of the UK, Policy Links strengthened its collaborations with international organisations such as the Inter-American Development Bank, with projects in the Caribbean, and the United Nations Development Programme, to inform manufacturing development policies in Cambodia. Articles based on the Unit's work were featured in newsletters and websites of the World Economic Forum and the United Nations Industrial Development Organisation. Findings from the Policy Links report 'Innovate Indonesia', produced for the Asian Development Bank, were presented to Indonesia's Minister of Research and Technology and the British Chamber of Commerce in Indonesia. In addition to these activities, Policy Links supervised two student projects designed jointly with BEIS on topics related to net zero and digital manufacturing.

The Babbage Policy Forum

Three years ago, Gatsby supported Professor Sir Mike Gregory, previously Head of the Manufacturing and Management Division of the University of Cambridge's Department of Engineering and of the Institute for Manufacturing, to establish and chair the Babbage International Policy Forum. It aimed to provide a unique forum through symposia and a network within which to develop new thinking at the interface of economics, engineering and management. This is to generate new insights with the potential to underpin industrial policies for economic competitiveness and growth.

The Babbage network was successfully established with a group of leading international economists, engineers and operations academics and practitioners to develop new approaches to the understanding, analysis and design of policies for science, technology, innovation, manufacturing and industry. Babbage symposia convened to date have highlighted the need for better integrated disciplinary foundations for the development of policy in the areas of technology, innovation and manufacturing. They have paid particular attention to the role of manufacturing and its accelerating evolution in response to changing technologies and global structures. Issues of productivity, competitiveness and leadership have also been addressed. To consolidate these strong initial efforts, Gatsby recently provided additional support for three years for a second phase of Babbage activities.

The opportunity now exists to take forward Babbage ideas, concepts and experience to build 'practical' tools, processes and guidelines for policy makers and politicians. Four strands of activity are envisaged:

- Refinement of a Green Paper: that will distil and capture the conversations of the Babbage meetings over the first phase. This will be prepared for publication through robust review by Babbage members and external experts.
- Processes and Tools: detailing Babbage and related ideas and processes (eg production capability) for use by practitioners and researchers. This will include a new dedicated Principal Industrial Research Fellow to develop and deliver these materials.
- Dissemination of Babbage themes and outputs: including case examples, educational publications and practitioner materials.
- Community Building: involving the development, through an open competition, of an international group of early-career scholars and practitioners to provide a 'safe space' for the next generation of leaders to explore multi-disciplinary, practice-oriented work and to provide a reference community for policymakers.

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

REPORT OF THE TRUSTEES (continued)

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £6,426,000

Institute for Government - £4,746,000

Towards core costs and research to assess quality of UK policymaking in transport and energy.

Centre for Cities - £1,100,000

Towards core costs.

University of Cambridge Institute for Manufacturing – £350,000

Towards the production of case studies from the UK manufacturing community during the COVID-19 pandemic.

New Philanthropy Capital – £200,000

Towards core costs, “Future of the Charity Sector” programme and research to influence charity funding in response to coronavirus.

Further grant payments totalling £30,000 were also paid in the year.

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £123,000

Babbage Symposium and Professor Mike Gregory support - £123,000

Towards Phase 2 of the Babbage Symposium and consultancy for Prof Mike Gregory.

GENERAL

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

Gatsby is supporting healthcare delivery innovation research entitled ‘Proactive and Integrated Management and Empowerment in Parkinson’s Disease’ (PRIME Parkinson). The main thrust is an integrated care approach that delivers high-quality personalised care to people with Parkinson’s Disease (PD) close to home. This is a dual site activity taking place in the greater Bristol/Bath area in the UK and the greater Nijmegen area in the Netherlands (NL).

As is to be expected, any clinical research activity has been impacted by the COVID-19 pandemic, and it is a difficult time to run clinical trials and begin participant recruitment. To mitigate delays due to COVID-19, the PRIME team focused all efforts on activities that can occur during lockdown such as submissions to ethics boards, data collection methodologies, optimising training protocols for staff delivering PRIME, and setting up the required IT platforms.

REPORT OF THE TRUSTEES (continued)

A key point of personalised care is an exercise regime. Over the past year the PRIME team worked with a personal trainer, specialising in sports medicine with an interest in movement disorders, to develop a series of tailored exercise videos that people with PD can access easily in the comfort of their own homes with minimal or no equipment required. There are two sets of videos targeting the physical challenges of PD. The first takes patients through exercise modules such as strength, power, speed, balance, flexibility, and cardiovascular fitness. The second shows exercise continuums, which demonstrate a series of exercises being progressed from easy variations to more challenging ones. Alongside these videos is guidance (recovery strategies and what to do in the event of pain or injury), support (common points on self-management, and advice on intensity, duration, and frequency of training) and motivational resources. These materials will form a key part of the physical activity section in the PRIME information and educational database for patients and carers.

As lockdown measures changed over the year, the teams restarted and adapted recruitment strategies to fit with government COVID guidelines, whilst ensuring the safety of staff and participants. The NL team will now proceed with current numbers to initiate the trial of the PRIME intervention. The team will also carry out embedded sub-studies on (1) personalised gait rehabilitation, (2) gender differences, (3) remote monitoring by physiotherapists, and (4) respiratory function. In the UK, the trial design is complete, and recruitment is on track. They have added a new fourth workstream that will take a more qualitative approach with social science methods to look closely at the views and experiences of those involved such as people with Parkinson's, carers, families, or clinical staff. This additional information will be very important alongside the quantitative data of the formal trials in the future dissemination efforts of PRIME's key findings within the healthcare systems of the UK and the NL and beyond.

TOTAL GRANT PAYMENTS made this year (from new and previous grants): £2,820,000

Radboud University Medical Centre - £1,434,000

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

King's College London - £500,000

Towards the Life Lines project as part of the COVID-19 response.

True Colours Trust - £300,000

Towards the work of KHPC.

Mercatus Center Inc - £250,000

Towards to researchers involved in COVID-19.

University of Cambridge and Kings College, Cambridge - £130,000

Towards the COVID -19 Student Hardship Fund; and a Summer School Internship Programme to support 10 disadvantaged students in the sciences.

Further grant payments totalling £206,000 were also paid in the year.

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

REPORT OF THE TRUSTEES (continued)

TOTAL DIRECT PROGRAMME EXPENSES paid this year: £42,000

GRANTS CANCELLED

Grants totalling £19,602,000 were cancelled or amended during the year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

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

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

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

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

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

Approved by the Board of Trustees on 4 November 2021 and signed on their behalf by



Mr J C Burns
 TRUSTEE

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

We have audited the financial statements of the Gatsby Charitable Foundation ('the charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 31, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE GATSBY CHARITABLE FOUNDATION (*continued*)**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

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

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

29 November 2021

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 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2021	Total Funds 2020
		£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:					
Donations and gifts	2	-	55,000	55,000	94,878
Investments	3	5,441	-	5,441	10,322
Total income		5,441	55,000	60,441	105,200
EXPENDITURE ON:					
<i>Raising funds</i>					
Investment management costs	4	-	(791)	(791)	(961)
<i>Charitable activities</i>					
Grant expenditure	5	(48,471)	-	(48,471)	(53,694)
Direct programme costs	6	(6,667)	-	(6,667)	(3,967)
Support costs	7,8	(2,622)	-	(2,622)	(2,860)
Other operating costs	9	(3,100)	-	(3,100)	-
Total cost of grant making		(60,860)	-	(60,860)	(60,521)
Total expenditure		(60,860)	(791)	(61,651)	(61,482)
Gains/(losses) on investment assets		-	61,091	61,091	(28,435)
Net income for the year before transfers		(55,419)	115,300	59,881	15,283
Transfers between funds	16	55,419	(55,419)	-	-
Net income/(loss) for the year after transfers		-	59,881	59,881	(28,435)
Other recognised gains and losses					15,283
Foreign exchange (losses)		-	(235)	(235)	(148)
Net movement in funds		-	59,646	59,646	15,135
Reconciliation of funds					
Total funds brought forward at 6 April 2020		-	457,405	457,405	442,270
Total funds carried forward at 5 April 2021		-	517,051	517,051	457,405

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

BALANCE SHEET
AS AT 5 APRIL 2021

	<i>Note</i>	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible fixed assets	<i>10</i>	368	154
Investments	<i>11</i>	517,088	457,603
		<u>517,456</u>	<u>457,757</u>
CURRENT ASSETS			
Debtors	<i>12</i>	2,515	9,089
Cash at bank and in hand		60,282	52,499
		<u>62,797</u>	<u>61,588</u>
LIABILITIES			
Creditors - amounts falling due within 1 year	<i>13</i>	(43,590)	(44,607)
		<u>19,207</u>	<u>16,981</u>
NET CURRENT ASSETS			
		536,663	474,738
LIABILITIES			
Creditors - amounts falling due after 1 year	<i>14</i>	(16,512)	(17,333)
Provision for liability	<i>15</i>	(3,100)	-
		<u>517,051</u>	<u>457,405</u>
NET ASSETS			
THE FUNDS OF THE CHARITY			
Capital funds			
Expendable endowment		517,051	457,405
Income funds			
Unrestricted funds		-	-
Restricted funds		-	-
	<i>16</i>	<u>517,051</u>	<u>457,405</u>

These financial statements were approved and authorised for issue by Trustees on 4 November 2021 and were signed on their behalf by:



Mr J C Burns
 TRUSTEE

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2021

	2021	2020
	£'000	£'000
Net cash provided by operating activities	1,310	23,436
Net cash provided by/(used in) investing activities	6,708	(41,751)
Change in cash and cash equivalents during the year	8,018	(18,315)
Cash and cash equivalents at the beginning of year	52,499	70,962
Change in cash and cash equivalents due to exchange rate movements	(235)	(148)
Cash and cash equivalents at the end of year	60,282	52,499
Reconciliation of net income to net cash provided by/(used in) operating activities	2021	2020
	£'000	£'000
Net income for the year (as per the Statement of Financial Activities)	59,881	15,283
Gift of investments	-	(5,000)
(Gains)/losses on investments	(61,091)	28,435
Depreciation charges	125	76
Income from investments (interest and dividends)	(5,441)	(10,322)
Decrease/(Increase) in debtors	6,574	(6,560)
Increase in creditors and provisions	1,262	1,524
Net cash provided by operating activities	1,310	23,436
Net cash (used in) investing activities	2021	2020
	£'000	£'000
Purchase of fixed assets	(339)	-
Purchase of investments	(237,687)	(255,728)
Income from investments	5,441	7,616
Proceeds from sale of investments	239,293	203,655
Net cash received from/(used in) investing activities	6,708	(41,751)
Cash and cash equivalents	Change in year	2021
	£'000	£'000
Cash at bank and in hand	8,169	60,112
Cash balances held by investment managers	(386)	170
	7,783	60,282
		2020
		£'000
		51,943
		556
		52,499

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

THE GATSBY CHARITABLE FOUNDATION

5 April 2021

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 value of the investment portfolio has increased by approximately £61.1 million in comparison to the end of the previous financial year. Gatsby's endowment assets remain significant, and this, together with future investment income that is generated, will continue to be paid out to approved beneficiaries in accordance with the objectives of the charity.

b) Tangible fixed assets

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

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

c) Income

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

d) Grants payable

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

e) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities. Investments are shown at mid market value. Partial disposals are accounted for using average book value. Unquoted investments which represent programme related investments are carried at cost less provision for impairment where required (See note 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 £517,088,000 (2020: £457,603,000).

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 2021

NOTES TO THE ACCOUNTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

m) Provisions for liabilities and charges

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

2. GRANTS AND DONATIONS

Gatsby received donations from the Settlor during the year totalling £55,000,000 (2020: £94,878,000) and £Nil (2020: £Nil) in grants and donations from other sources.

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2021		2020	
	£'000	%	£'000	%
UK equities	2,433	45	5,454	53
Overseas equities	1,368	25	1,419	14
Short term deposits	1,640	30	3,449	33
	5,441	100	10,322	100

4. COST OF RAISING FUNDS

Fund raising costs comprise the fees of investment managers. Investment management fees amount to £791,000 (2020: £961,000). 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

	2021		2020	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Commitments at 6 April 2020		61,603		60,017
Grants not accrued at 6 April 2020	98,384		64,947	
Grants approved in the year	51,851		95,561	
Grants cancelled, refunded or amended	(19,602)		(8,430)	
Grants not accrued at 5 April 2021	(82,162)		(98,384)	
Grants expenditure for the year		48,471		53,694
Grants paid during the year		(50,467)		(52,108)
Commitments at 5 April 2021		59,607		61,603

THE GATSBY CHARITABLE FOUNDATION

5 April 2021

NOTES TO THE ACCOUNTS (continued)

5. GRANTS PAYABLE (continued)

Commitments at 5 April 2021 are payable as follows:

	2021	2020
	£'000	£'000
Within one year (note 12)	43,095	44,270
After more than one year (note 13)	16,512	17,333
	59,607	61,603

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

Mr J C Burns	– Centre for Cities, Gatsby Africa, Gatsby Technical Education Projects, Sainsbury Institute for the Study of Japanese Arts and Cultures, Sainsbury Research Unit for the Arts of Africa, Oceania & the Americas
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)

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 2021 was £82,162,000 (2020: £98,384,000). Of this total, £30,812,000 will be payable during 2022/23 and £18,848,000 during 2023/24.

The amount payable during 2021/22 includes the following: £'000

Neuroscience

University College London – Sainsbury Wellcome Centre for Neural Circuits and Behaviour	9,880
University College London - Gatsby Computational Neuroscience Unit	2,426
Stanford University	903
Columbia University – New York	683
Hebrew University of Jerusalem	308
Federation of European Neuroscience	224
University of Oxford	196
Royal College of Psychiatrists	185
British Neuroscience Association	150
University of Cambridge	82
Other grants	225

Plant Science

University of Cambridge – the Sainsbury Laboratory	7,645
The Sainsbury Laboratory – Norwich	3,075
Cambridge Network	200
University of Cambridge - Department of Plant Sciences	100

Science and Engineering Education

Gatsby Technical Education Projects	1,769
Engineers in Business Fellowship (formerly Sainsbury Management Fellows' Society)	1,051
Smaller grants	8

Africa

Gatsby Africa	2,013
The Wood Foundation	479

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

NOTES TO THE ACCOUNTS (continued)

5. GRANTS PAYABLE (continued)

£'000

Arts

Chamber Orchestra of Europe	500
The Royal Shakespeare Company	268
Clore Duffield Foundation	150
Sainsbury Institute for the Study of Japanese Art and Culture	66
Sainsbury Centre for Visual Arts	65

Public Policy

Institute for Government	4,613
Centre for Cities	1,100
University of Cambridge - Institute for Manufacturing	745
Imperial College, London	527
Bennett Institute for Public Policy	139
Smaller grants	25

General

Raboud University Medical Centre	1,957
St Mark's Hospital, London	920
Imperial College, London	278
Smaller grants	140

Total due within one year (Note 12)

43,095

6. DIRECT PROGRAMME EXPENSES

	2021	2020
	£'000	£'000
Science and Engineering Education	5,302	3,138
Plant Science	1,190	648
Public Policy	123	168
Neuroscience	10	13
Other	42	-
	6,667	3,967

7. SUPPORT COSTS

	Charitable Activities	Governance	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
Staff costs	1,006	-	1,006	992
Share of joint office costs	977	-	977	810
Direct costs including travel, consultancy, legal and professional fees	484	-	484	957
Depreciation	125	-	125	76
	2,592	-	2,592	2,835
Auditors' remuneration	-	30	30	25
	2,592	30	2,622	2,860

THE GATSBY CHARITABLE FOUNDATION

5 April 2021

NOTES TO THE ACCOUNTS (continued)

7. SUPPORT COSTS (continued)

Audit fees include irrecoverable VAT of £5,000 (2020: £4,000). Included within grant-related support costs is a total of £174,000 (2020: £158,000), of which £95,000 (2020: £Nil) is included within accruals and deferred income, for legal services provided by Portrait Solicitors, a firm in which Miss J S Portrait OBE is a partner.

8. ANALYSIS OF STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	837	824
Social security costs	92	92
Other pension costs	77	76
	1,006	992

The average number of employees within the charity was as follows

	2021	2020
	No.	No.
Charity	3	4

As mentioned in Note 1a, Gatsby is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 19.5% 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 2020/20.

A total of 9 staff (2020: 12) were charged to Gatsby during the year, with some being on a part-time basis. This equates to 3.2 full-time employees (2020: 4.2).

The Trust considers its key management personnel to comprise of 4 staff (2020: 4). The total employment benefits, including employer pension contributions, of these key management personnel, were £295,481 (2020: £380,793).

No Trustee received any remuneration for their services during the year or claimed expenses (2020: £Nil). One Trustee had travel expenses of £2,255 paid during the year (2020: £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:

	2021	2020
	No.	No.
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
£140,000 - £150,000	1	-
£210,000 - £220,000	-	1

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

NOTES TO THE ACCOUNTS (continued)

9. OTHER OPERATING COSTS

	2021	2020
	£'000	£'000
Guarantor costs arising from withdrawal from the Universities Superannuation Scheme	3,100	-

Gatsby is guarantor to the Centre for Mental Health's (CMH's) (formerly the Sainsbury Centre for Mental Health) participation in the Universities Superannuation Scheme (USS). Gatsby withdrew its financial support of CMH under a Deed of Accession dated 14 November 2006, meaning that CMH no longer qualifies for participation in the USS. As CMH no longer participates in the USS, this means that a "Section 75" debt has been triggered at the date the CMH ceased to employ an active member of the USS. The amount that has been provided to meet Gatsby's guarantee based on guidance from professional pension advisers is £3,100,000 (2020: £Nil). The timing of the guarantee payment is subject to reaching agreement with USS.

10. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Equipment	Total
	£'000	£'000	£'000
Cost			
At beginning of year	767	34	801
Acquisitions	339	-	339
At end of year	1,106	34	1,140
Depreciation			
At beginning of year	613	34	647
Charge for the year	125	-	125
At end of year	738	34	772
Net book value 5 April 2021	368	-	368
Net book value 5 April 2020	154	-	154

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

11. FIXED ASSET INVESTMENTS

	2021	2020
	£'000	£'000
Market value 6 April 2020	457,603	428,965
Disposals	(239,293)	(203,655)
Acquisitions at cost	237,687	255,728
Gift of shares	-	5,000
Net gains/(losses) on investments	61,091	(28,435)
Market value 5 April 2021	517,088	457,603

Total disinvestments from fixed asset investments during the year to meet operating cash requirements amounted to £55,199,000 (2020: £51,489,000).

THE GATSBY CHARITABLE FOUNDATION

5 April 2021

NOTES TO THE ACCOUNTS (continued)

11. FIXED ASSET INVESTMENTS (continued)

The investments held as at 5 April 2021 were as follows:

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
U.K. equities	152,447	193,470	153,482	168,992
Overseas equities	95,727	121,915	86,467	79,230
Overseas equities – unquoted	2,581	-	2,581	-
Short-term deposits	201,699	201,703	209,421	209,381
	452,454	517,088	451,951	457,603

UK equities held at 5 April 2021 has the following market values:

	2021	2020
	£'000	£'000
Trojan Investment Funds	79,372	72,810
LF Ruffer Funds	64,614	53,344
J Sainsbury plc	29,714	26,576
Other UK equities	19,770	16,262
	193,470	168,992

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 £73,000 (2020: £2,409,000).

Short term deposits include Lloyds Bank money market deposits and a treasury facility with Barclays Bank which at 5 April 2021 had a market value of £195,000,000 (2020: £196,000,000).

12. DEBTORS

	2021	2020
	£'000	£'000
Gift Aid receivable	-	2,875
Other debtors	2,515	6,214
	2,515	9,089

13. CREDITORS - amounts falling due within 1 year

	2021	2020
	£'000	£'000
Grants payable (note 5)	43,095	44,270
Trade creditors	258	38
Other creditors	109	138
Accruals and deferred income	128	161
	43,590	44,607

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

NOTES TO THE ACCOUNTS (continued)

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

	2021	2020
	£'000	£'000
Grant payable (note 5)	16,512	17,333

15. PROVISION FOR LIABILITY

	2021	2020
	£'000	£'000
At beginning of year	-	-
Movement in provision (see Note 9)	3,100	-
At 5 April 2021	3,100	-

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Expendable Endowment	Total Funds 2021
	£'000	£'000	£'000
Fund balances at 5 April 2021 are represented by:			
Tangible fixed assets	-	368	368
Investments	-	517,088	517,088
Current assets	-	62,797	62,797
Current liabilities	-	(43,590)	(43,590)
Long term liabilities	-	(16,512)	(16,512)
Provisions	-	(3,100)	(3,100)
	-	517,051	517,051
Movement in the year			
Opening balance as at 5 April 2020	-	457,405	457,405
Total income and endowments	5,441	55,000	60,441
Cost of raising funds	-	(791)	(791)
Cost of grant-making	(60,860)	-	(60,860)
Net gain on investments	-	61,091	61,091
Foreign exchange movement	-	(235)	(235)
Transfers between funds	54,419	(55,419)	-
	-	517,051	517,051
Closing balance as at 5 April 2021	-	517,051	517,051

NOTES TO THE ACCOUNTS (continued)

17. CONTINGENT LIABILITIES AND GUARANTEES

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

Gatsby acts as guarantor for certain property leasehold arrangements on behalf of the Sainsbury Family Charitable Trusts (for which Gatsby has received counter-indemnities). Gatsby has provided undertakings in connection with funds it has received from third parties.

18. FUNDS

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

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

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

Material transfers between funds

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

NOTES TO THE ACCOUNTS (continued)

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

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

THE GATSBY CHARITABLE FOUNDATION
5 April 2021

NOTES TO THE ACCOUNTS (continued)

20. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 5 APRIL 2020

	<i>Unrestricted Fund</i>	<i>Expendable Endowment</i>	<i>Total Funds 2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
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 losses 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