

THE J J CHARITABLE TRUST

ANNUAL REPORT

5 APRIL 2020

The Peak  
5 Wilton Road  
London SW1V 1AP

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# T H E J J C H A R I T A B L E T R U S T

## Legal and Administrative

The J J Charitable Trust (No. 1015792) was established under a Trust Deed dated 9 December 1992.

<b>Trustees</b>	Mr J J Sainsbury Ms L Guard Mr M L Sainsbury
<b>Registered Office</b>	The Peak 5 Wilton Road London SW1V 1AP
<b>Principal Officers</b>	Mr R Bell                      Director (to 11 November 2019) Mrs K Everett                Finance Director (to 10 November 2019; Chief Operating Officer from 11 November 2019) Mr M Woodruff                Executive Mrs S Ferguson               Executive Mr A Shah                      Financial Controller  All the Principal Officers are employed on a part-time basis.
<b>Bankers</b>	Child & Co 1 Fleet Street London EC4Y 1BD
<b>Solicitors</b>	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ
<b>Auditors</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
<b>Investment Advisers</b>	Schroder & Co Limited 12 Moorgate London EC2R 6DA
<b>Investment Powers</b>	The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within guidelines established by the Trustees.
<b>Objects</b>	The objects of the Trust as given in the Trust Deed are for general charitable purposes.

## **Organisation**

The Trust is one of the Sainsbury Family Charitable Trusts (SFCT), which share a common administration.

The Trustees are appointed by existing Trustees and are provided with relevant information relating to their responsibilities as Trustees. They are responsible for the overall direction and supervision of The J J Charitable Trust; they set the Trust's strategy, review proposals and approve grants. The Trustees delegate day-to-day operations to the Trust's Lead Executive, Mark Woodruff, and Executive, Sian Ferguson.

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.

The remuneration of the senior staff (including SFCT 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. The Committee has instructed a full reward evaluation process during 2020/2021, in order to ensure that the Trusts fully meet their responsibilities and aspirations for fair and equal pay for employees.

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

## **Grant Making Policy**

Proposals are generally invited by the Trustees, or initiated at their request. Unsolicited applications are discouraged and are unlikely to be successful, unless they are closely aligned to the Trust's areas of interest, which lie mainly in literacy support, and environmental and energy sustainability. The Trustees' objective is to support innovative schemes with seed-funding, and development support, leading to sustainability and successful replication. Grants are not normally made to individuals.

## **Reserves Policy**

The Trust holds both expendable endowment and unrestricted income funds.

It is the policy of the Trustees to approve grants for payment over a period of years, subject to the fulfilment of certain conditions over the life of the grant. Commitments to be paid within twelve months are accrued in the accounts. Shortfall in the availability of unrestricted funds will be met from the Trust's expendable endowment and a transfer of £334,427 was made during the year.

The need for unrestricted income funds will vary from year to year and the Trustees will continue to review the position. As at 5 April 2020, the Trust held total funds of £39.5m (2019: £47.0m) which includes expendable endowment of £39.5m (2019: £47.1m).

## **Investment Policy and Performance**

In making investment decisions, environmental and ethical considerations are taken into account, to align investments with the Trust's policies whilst still seeking maximum return. The long-term goal of the Trust is to move into responsible investments in companies which are based or rely on sustainable resources. The Trustees regularly meet the investment managers to discuss strategy and review performance.

The Trustees are committed to using some of the Trust's expendable endowment for impact investing that seeks a financial return, as well as produces social and environmental benefits in accordance with the Trust's objectives. Initially, focus was on four different sectors: forestry, microfinance in developing countries, renewable energy, and clean technology infrastructure. This has been extended to include social impact. The Trustees are interested in sharing their experience in impact investing with other investors, to improve their own knowledge, as well as to encourage more investors to adopt the same approach. A specialist has been appointed by the Trustees as adviser on investment opportunities in this field.

During the year the return on the discretionary portfolio was -9.4%, under-performing the benchmark of -7.5%.

The Trust is a signatory to Divest Invest, which committed the Trust to sell its shares in fossil fuel holdings and invest a proportion of the endowment in climate solutions, such as renewable energy, energy efficiency, and clean technology. A strong ethical case not to invest in fossil fuels and to invest instead in climate solutions, in the view of the Trustees, aligns with a strong financial case.

The future value of return from investments in fossil fuel companies is now far less certain, due to falling costs of renewable energy, and the increasingly likely introduction of policies to limit emissions of greenhouse gases, which are anticipated to result in some fossil fuel assets' being devalued. Accordingly, the Trust's holdings do not include direct investments in fossil fuel assets, as these were divested several years ago.

The Trustees have developed a draft Investment Policy Statement that would align their investments with the Paris Agreement to limit climate change to 1.5°C. They await legal clarity on whether the Trust is obliged or permitted to adopt that policy in pursuance of their understanding of their long established commitment not to invest in companies that conflict with the Trust's established grant-making objectives, seeing that such an approach would significantly reduce the number of companies and funds in which the Trust could invest.

## **Risk Assessment**

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, adequate systems are in place to manage such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

The Trustees identified the uncertainty of financial returns to constitute the charity's major financial risk. This is mitigated by having a diversified financial portfolio under the management of a major investment house. The Trustees regularly review investment strategy and monitor financial performance. They also operate a grant distribution formula that helps to ensure the stability of resources available for grant awards in any given year.

Another major risk is a misuse of funds by a beneficiary. To mitigate this risk, the Trustees normally restrict grants to charities registered with the UK Charity Commission, or equivalent bodies for charitable purposes. The awards are made following thorough assessment, and grants are regularly monitored. Multi-year grants are paid only on receipt of satisfactory progress reports.

## **Charity and Public Benefit**

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. They consider the full information, which follows in this annual report, about the Trust's aims, activities and

# THE J J CHARITABLE TRUST

achievements in the many areas of interest that the Trust supports, demonstrates the benefit to its beneficiaries and, through them, to the public, that arise from those activities.

## Achievements and Financial Review

The Trustees met four times during the year to make grants and review investments.

As at 5 April 2020, the Trust held total funds of £39.7m (2019: £47.0m) which includes expendable endowment of £39.9m (2019: £47.1m). The net unrestricted income of the Trust for the year after charging grant related support costs was £869,827 compared to £911,765 for the year to 5 April 2019.

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the basis that the charity is sustainable as a going concern.

The Covid-19 pandemic has not had a significant impact on the Charity's finances. The impact of the market turmoil in the period to 5<sup>th</sup> April 2020 contributed to a reduction of 15.1% in the value of the investment portfolio for the year. Valuations have improved since 5<sup>th</sup> April 2020, but uncertainty remains.

The Charity's principal source of income is investment income and it is likely to be lower going forward. Nevertheless the endowment assets of the Trust remain significant, and these will continue to return income which the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

During the year the Trustees approved 24 grants totalling £819,434 some of which are payable over more than one year. Grants approved during the year may be analysed by number and by value in the categories set out below. Payments made relate to grants approved in this and earlier years.

	New Grants Approved			Payments Made	
	Number	£	%	£	%
Environment UK	22	813,507	99.3%	699,872	89.5%
Literacy Support	1	2,000	0.2%	0	0.0%
Environment Overseas	-	-	0.0%	40,000	5.1%
General	1	3,927	0.5%	41,927	5.4%
	24	819,434	100.0%	781,799	100.0%

## GRANTS APPROVED

**ENVIRONMENT UK - £813,507**

### Cultural Change for Sustainable Lifestyles

The Trustees aim to accelerate the transition towards a sustainable future, by communicating the value of sustainable, cleaner, long term choices in consumption using creative attractive strategies as well as enabling access to those choices. Trustees also seek to amplify the psychological and philosophical conversations that are ever-growing around how to deepen our understanding and respect of intrinsic values and 'living well' from a deeper human standpoint.

Towards meeting this goal, they have established a programme on sustainable fashion, to disrupt the “fast fashion” trend and to catalyse business approaches that understand our desire for clothes, as well as the imperatives to build fairer societies that operate within environmental limits. A research report, *Earth Logic*, from Professor Kate Fletcher of the Centre for Sustainable Fashion at the University of the Arts London, and Professor of Design Mathilda Tham at Linnaeus University, Sweden, sets out the values and ethical principles for action research and practical development in sustainable fashion, and proposes six holistic, visionary landscapes in which the whole fashion system can be transformed. For more information, see <https://earthlogic.info>.

## Climate Change Collaboration

The Trust is part of the Climate Change Collaboration with two other Sainsbury Family Charitable Trusts: The Ashden Trust, and The Mark Leonard Trust. During 2019, it revised its mission to support the ambition to stabilise global temperature rise to 1.5°C) by phasing out fossil fuels, increasing investment in renewable solutions and aligning finance and political systems to this target without overshoot, and to the United Nations’ Sustainable Development Goals.

In recent years, the focus for the Collaboration has been Divest Invest. This is now a global movement of investors, including foundations, pension funds, faith communities and their institutions, sovereign wealth funds, and universities, with collectively more than \$14 trillion of assets under management and aligning investment with limiting climate change to 1.5°C.

With this substantial body of good practice, and the increasing availability of financial products for investors confident of the evidential case in favour of shifting capital from the use of fossil fuels and into climate solutions, Divest Invest is a powerful signal that the Sustainable Development Goals and decisions in line with national commitments on the Paris Agreement are realistic and achievable. For further information on DivestInvest, see [www.divestinvest.org](http://www.divestinvest.org)

The last year has seen much great media coverage of climate change, and people in the UK are more aware and concerned than ever before about its impacts. Trustees consider that public awareness and concern by themselves will not necessarily lead to positive action, as these risk despair and despondency. The Climate Change Collaboration is therefore supporting initiatives to take growing understanding of climate change into widespread desire for positive changes proven to reduce greenhouse emissions and enhance health and well-being.

## **British Ceramics Federation - £12,525**

Towards the development of a ceramics industry Energy & Carbon “Pledge”, to facilitate the sector’s journey towards net-zero carbon emissions.

## **ClientEarth - £50,000**

To continue support work on pensions, especially on innovative and transformative pension legal cases.

## **Divest Invest - £42,889**

Two grants towards running costs.

## **Fashion Revolution - £45,000**

Towards core costs.

## **Friends of the Earth Charitable Trust - £53,582**

Towards its Divest Invest programme.

**Global Catholic Climate Movement (GCCM) - £40,000**

To continue its Divest Invest Campaign among Catholic institutions around the world.

**Global Witness - £34,000**

Towards its UK Oil and Gas Campaign.

**Greenhouse PR Ltd - £72,000**

Two grants towards PR and media support over two years.

**Make My Money Matter - £33,333**

Towards the strategic communication initiative.

**Makerversity - £79,000**

Towards a manifesto for the sustainable fashion media of the future.

**Oil Change International - £15,000**

Towards the Planning for Success and End Game Ambition projects.

**On Road Media - £33,320**

Towards strategic communications work in collaboration with Frameworks Institute.

**People & Planet - £30,000**

To continue the Divest Invest Campaign with universities in the UK.

**Perspectiva - £60,000**

Towards the Transformative Education Alliance and core costs.

**Platform - £40,000**

To continue the Divest Invest Campaign with local authorities in the UK.

**Royal Geographical Society - £500**

Towards a survey of teachers to understand whether there is a desire to teach more about sustainable fashion, and whether a lack of resources is a barrier.

**Royal Society of Arts - £73,200**

Towards co-designing a local sustainable fashion system with a UK town or city.

**Sustainable Fashion Programme - £67,000**

To research, produce and promote *Earth Logic*, a report for the Trustees to inform their future work on sustainable fashion.

**The Circle of Women - £20,000**

Towards a campaign for a statutory mechanism that ensures garment workers are paid a living wage.

**University of Westminster - School of Communication, Design & Media - £12,158**

Towards a fashion media review.

**LITERACY SUPPORT - £2,000**

The Trustees aim to improve literacy teaching at primary and secondary school, through schemes and techniques supporting learners in difficulties and those with specific learning difficulties, including dyslexia.

They also wish to improve literacy skills among adults who lost out at school, by encouraging the right training and access to employment for people overcoming homelessness, or prison and offending. Every year, the Trustees have been providing funds to Haven Distribution, to enable prisoners to buy books in support of their education and training, as well as reading for pleasure.

The Trustees' main schools programme is "Literacy for Learning". A successful pilot scheme commissioned from the National Literacy Trust, originally with six secondary-level academies, demonstrated how transformed teacher skills could place students' own interests in reading, and their aspirations for life, at the heart of their subject learning. The resources, training and advisory support spread to over fifty schools after three years, reaching 6,000 students and 1,000 teachers. Considerable advances in reading ability were gained in relatively short timeframes. There were also large increases in GCSE grade attainment within students' chosen subject areas. In early 2019 an expansion programme began, to take Literacy for Learning into 500 schools and hundreds of thousands of engaged young people learning online within three years.

The aim throughout has been for an experience of reading at improved schools that is both enjoyable and useful, in order to encourage fulfilling potential in the world of work, and thus aspiration for greater options in life. For more information, see <https://literacytrust.org.uk/secondary/>

Future work focus literacy support at the critical early years and primary stages, especially where a person's special learning difficulty in reading has yet to be recognised. Trustees also remain concerned to support school leavers, and others with dyslexia or reading difficulties, on skills and entry into employment.

**Re-Read Ltd - £2,000**

Towards literacy support to children in schools and community groups in South Yorkshire.

**GENERAL - £3,927**

**Salisbury Cathedral School - £3,927**

Towards a music and outreach programme with other local schools.

**Cancelled Grants**

No grants were cancelled during the year.

**Future Plans**

The Trust will continue to support the activities set out on pages 5 to 7 by the award of grants.

Towards the end of the year the scale and impact of the Covid-19 pandemic was becoming apparent, and Trustees began to consider how they would respond in 2020/21.

## Statement of Trustees' Responsibilities

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

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

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

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity, as well as enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Trust Deed. 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 Trustees on 17 November 2020 and signed on their behalf by:



..... TRUSTEE

## Independent Auditor's Report to the Trustees of the JJ Charitable Trust

### Opinion

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

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

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

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

## **Use of our report**

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

*Crowe U.K. LLP*

**Crowe U.K. LLP**

Statutory Auditor

London

16 December 2020

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

# T H E J J C H A R I T A B L E T R U S T

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

	Notes	Unrestricted Funds £	Expendable Endowment £	Total Funds 2020 £	Total Funds 2019 £
<b>Income and Endowment from:</b>					
Investments	3	1,075,999	-	1,075,999	1,091,532
Other income		21,822	-	21,822	38,213
<b>Total Income</b>		1,097,821	-	1,097,821	1,129,745
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Investment management fees	4	-	201,626	201,626	207,343
<b>Charitable activity:</b>					
Grant-making:					
Grant expenditure	5	1,072,427	-	1,072,427	876,401
Grant related support costs	6	227,994	-	227,994	217,980
<b>Cost of grant-making</b>		1,300,421	-	1,300,421	1,094,381
<b>Total expenditure</b>		1,300,421	201,626	1,502,047	1,301,724
<b>Net operating (deficit)</b>		(202,600)	(201,626)	(404,226)	(171,979)
(Losses) / gains on investments	9	-	(7,046,067)	(7,046,067)	3,510,292
Exchange (losses) / gains		-	(39,232)	(39,232)	16,503
Transfers between funds		334,427	(334,427)	-	-
<b>Net movement in funds</b>		131,827	(7,621,352)	(7,489,525)	3,354,816
<b>Reconciliation of funds</b>					
Total funds brought forward		(131,827)	47,105,145	46,973,318	43,618,502
Total funds carried forward		-	39,483,793	39,483,793	46,973,318

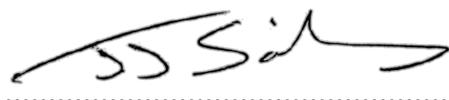
The notes on pages 14 to 21 form part of these accounts.

# THE J J CHARITABLE TRUST

## BALANCE SHEET AS AT 5 APRIL 2020

	<i>Notes</i>	2020	2019
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	<b>8</b>	4,560	6,840
Investments	<b>9</b>	39,629,605	46,700,584
		39,634,165	46,707,424
<b>CURRENT ASSETS</b>			
Debtors	<b>10</b>	213,355	177,711
Cash at bank and in hand		577,561	573,443
		790,916	751,154
<b>CURRENT LIABILITIES</b>			
<b>Creditors</b> - amounts falling due within 1 year	<b>11</b>	941,288	485,260
<b>NET CURRENT ASSETS</b>		(150,372)	265,894
<b>NET ASSETS</b>		39,483,793	46,973,318
<b>CAPITAL FUNDS</b>			
Expendable endowment	<b>12</b>	39,483,793	47,105,145
<b>INCOME FUNDS</b>			
Unrestricted funds	<b>12</b>	-	(131,827)
		39,483,793	46,973,318

The financial statements were approved and authorised for issue by the Trustees on 17 November 2020 and were signed on their behalf by :



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TRUSTEE

The notes on pages 14 to 21 form part of these accounts.

# T H E J J C H A R I T A B L E T R U S T

## CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2020

	<b>2020</b>	<b>2019</b>
	£	£
<b>Cash flows from operating activities</b>		
<b>Net cash (used in) operating activities</b>	(1,057,380)	(1,409,706)
<b>Cash flows from investing activities:</b>		
Dividends and interest	1,075,818	1,132,706
Exchanges (losses) / gains	(39,232)	16,503
Purchase of investments	(10,139,682)	(3,700,414)
Sale of investments	8,743,586	4,374,763
<b>Net cash generated by / (used in) investing activities</b>	(359,510)	1,823,558
<b>Change in cash and cash equivalents in the year</b>	(1,416,890)	413,852
<b>Cash and cash equivalents at the beginning of the year</b>	2,380,154	1,966,302
<b>Cash and cash equivalents at the end of the year</b>	963,264	2,380,154
<b>Reconciliation of net expenditure to net cash flow from operating activities</b>	<b>2020</b>	<b>2019</b>
	£	£
Net movement in funds as per the statement of financial activities	(7,489,525)	3,354,816
Losses / (gains) on investments	7,046,067	(3,510,292)
Dividends and interest	(1,075,818)	(1,132,706)
Exchanges losses / (gains)	39,232	(16,503)
Depreciation charges	2,280	2,280
Income from investment not received as cash	-	(31)
(Increase) in debtors	(35,644)	(23,353)
Increase / (decrease) in creditors	456,028	(83,917)
<b>Net cash (used in) operating activities</b>	(1,057,380)	(1,409,706)

### Analysis of the balance of cash as shown in the balance sheet

	<b>2020</b>	<b>2019</b>	<b>Change in year</b>
	£	£	£
Cash at bank and in hand	577,561	573,443	4,118
Cash balances held by investment manager for reinvestment (Note 9)	385,703	1,806,711	(1,421,008)
	963,264	2,380,154	(1,416,890)

The notes on pages 14 to 21 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. CHARITABLE STATUS

The J J Charitable Trust is an unincorporated charity (Charity registration number 1015792), registered in England and Wales. The address of the registered office is 5 Wilton Road, London, SW1V 1AP.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the basis that the charity is sustainable as a going concern.

The Covid-19 pandemic has not had a significant impact on the Charity's finances. The impact of the market turmoil in the period to 5th April 2020 contributed to a reduction of 15.1% in the value of the investment portfolio for the year. Valuations have improved since 5th April 2020, but uncertainty remains.

The Charity's principal source of income is investment income and it is likely to be lower going forward. Nevertheless the endowment assets of the Trust remain significant, and these will continue to return income which the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

#### b) Income recognition

- (i) Income is shown gross, including 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 included when receivable.

#### c) Expenditure on Charitable activities

Costs of generating funds represent amounts paid to the Trust's external investment advisors.

Charitable activities expenditure comprises grants and donations awarded by the Trustees in accordance with the criteria set out in the Trust Deed, together with grant related support costs.

Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities. Payments that are due within one year of the period-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

Grant related support costs represent staff, office and governance costs incurred in managing the grant award programme.

## NOTES TO THE ACCOUNTS

### 2. PRINCIPAL ACCOUNTING POLICIES (cont...)

#### d) Costs of administration

These costs include a share of the staff and office costs of the joint offices of the Sainsbury Family Charitable Trusts, which are allocated in proportion to the time spent on Trust matters and grants paid.

#### e) Governance costs

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 and legal fees where relevant.

#### f) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.

Investments are shown at mid market value.

Social Impact Investments are carried at cost less any necessary provision for impairment.

#### g) Financial instruments

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

At the balance sheet date the charity held financial assets at fair value of £36,067k (2019: £41,594k).

#### h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits.

#### i) Depreciation

Fixed assets are depreciated at rates which reflect their useful life to the Trust. The following rate has been used:

Leasehold improvements - 10% per annum

#### j) 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, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Impact and programme related investments carried at cost are subject to annual impairment review by the Trustees in tandem with external expert advice on the current status of the related activities.

## NOTES TO THE ACCOUNTS

### 3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2020		2019	
	£	%	£	%
Government fixed interest	1,429	0	1,407	0
Other fixed interest	34,844	3	28,355	3
UK equities	529,414	49	566,277	52
Overseas equities	228,036	21	204,879	19
Alternatives	222,225	21	232,600	21
Impact Investments	60,051	6	58,015	5
	<u>1,075,999</u>	<u>100</u>	<u>1,091,533</u>	<u>100</u>

### 4. COST OF GENERATING FUNDS

These costs relate to the investment manager's fees. The Trustees are of the opinion that these relate to the generation of a total return on the investment portfolio and, as such, have charged the Expendable Endowment with these fees.

### 5. GRANTS PAYABLE

	2020		2019	
	£	£	£	£
<b>Reconciliation of grants payable:</b>				
Commitments at 6 April 2019		437,755		511,129
Grants not accrued at 6 April 2019	252,992		177,950	
Grants approved in the year	819,434		971,422	
Grants cancelled, refunded or amended	-		(19,979)	
Grants not accrued at 5 April 2020	-		(252,992)	
<b>Grants payable for the year</b>		<b>1,072,426</b>		<b>876,401</b>
Grants paid during the year		(781,799)		(949,775)
Commitments at 5 April 2019		<u>728,382</u>		<u>437,755</u>

**Commitments at 5 April 2019 are payable as follows:**

	2020		2019	
	£	£	£	£
Within one year (Note 11)		<u>728,382</u>		<u>437,755</u>

#### Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions relating to the delivery of the grant-funded activities. The total amount authorised but not accrued as expenditure at 5 April 2020 was £0 (2019: £252,992).

## NOTES TO THE ACCOUNTS

### 5. GRANTS PAYABLE (cont...)

The amount payable in the year consisted of the following:

	<b>£</b>
<b>Literacy Support</b>	
National Literacy Trust	177,992
Re-Read Ltd	2,000
<b>Environment - UK</b>	
Makerversity	79,000
Royal Society of Arts	73,200
Greenhouse PR Ltd	72,000
Sustainable Fashion Programme	67,000
Perspectiva	60,000
Friends of the Earth Charitable Trust	53,582
ClientEarth	50,000
Fashion Revolution	45,000
Divest Invest	42,889
Global Catholic Climate Movement (GCCM)	40,000
Platform	40,000
Global Witness	34,000
Make My Money Matter	33,333
On Road Media	33,320
People & Planet	30,000
Net grants payable/cancelled up to £20,000	60,183
<b>Environment - Overseas</b>	
Pesticides Action Network UK	40,000
<b>General</b>	
British Academy of Film & Television Awards (BAFTA)	35,000
Net grants payable/cancelled up to £20,000	3,927
 Total grants payable per Statement of Financial Activities	<b>1,072,426</b>

### 6. ALLOCATION OF SUPPORT COSTS

	<b>Grant- making</b>	<b>Governance</b>	<b>2020 Total</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	120,630	4,302	124,932	114,325
Share of joint office costs	28,654	-	28,654	26,975
Direct costs including travel	47,867	-	47,867	15,880
Depreciation	2,280	-	2,280	2,280
	199,431	4,302	203,733	159,460
Legal and professional fees	14,859	-	14,859	6,192
Consultancy	1,800	-	1,800	44,948
Auditors' remuneration	-	7,602	7,602	7,380
	216,090	11,904	227,994	217,980

During the year no Trustee received any remuneration (2019: £nil) or was reimbursed expenses (2019: £nil).

## NOTES TO THE ACCOUNTS

### 7. ANALYSIS OF STAFF COSTS

	2020	2019
	£	£
Wages and salaries	101,379	92,834
Social security costs	11,336	10,589
Other pension costs	12,217	10,902
	124,932	114,325

The Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 1.6% (2019: 1.5%) of the total support and administration costs of these trusts have been allocated to the JJ Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2019/20.

The average number of staff employed during the year was 15, all on a part-time basis (2019: 14). This equates to 2.1 full-time employees (2019: 1.9).

The Trust considers its key management personnel to comprise the Principal Officers. The total employment benefits, including employer pension contributions, of these key management personnel, were £60,139 (2019: £57,107). No employee earned in excess of £60,000 (2019: Nil).

### 8. TANGIBLE FIXED ASSETS

#### Leasehold Improvements

	2020	2019
	£	£
<b>Cost</b>		
At 6 April 2019	22,800	22,800
At 5 April 2020	22,800	22,800
<b>Depreciation</b>		
At 6 April 2019	15,960	13,680
Charge for the year	2,280	2,280
At 5 April 2020	18,240	15,960
<b>Net Book Value</b>		
At 5 April 2020	4,560	6,840
At 5 April 2019	6,840	9,120

## NOTES TO THE ACCOUNTS

### 9. FIXED ASSET INVESTMENTS

	2020	2019
	£	£
<b>Market value 5 April 2019</b>	44,893,873	42,057,930
Add: Acquisitions at cost	10,139,682	3,700,414
Less: Disposals at proceeds value	(8,743,586)	(4,374,763)
Net (losses) / gains on investments	(7,046,067)	3,510,292
<b>Market value 5 April 2020</b>	<b>39,243,902</b>	<b>44,893,873</b>
Investment cash	385,703	1,806,711
<b>Total investments</b>	<b>39,629,605</b>	<b>46,700,584</b>

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

	2020		2019	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Government fixed interest	1,123,963	1,276,411	1,123,963	1,273,128
Other fixed interest	1,397,263	1,887,537	1,004,492	1,340,681
UK equities	7,999,799	11,383,863	9,074,998	16,889,835
Overseas equities	13,287,182	15,937,553	10,537,137	15,744,208
Alternatives	4,822,211	5,581,569	4,638,713	6,346,240
Cash	385,703	385,703	1,806,711	1,806,711
<b>Unquoted Investments</b>				
Impact Investments	3,475,982	3,176,969	3,299,781	3,299,781
	<b>32,492,103</b>	<b>39,629,605</b>	<b>31,485,795</b>	<b>46,700,584</b>

During the year there was no disinvestment from the investment portfolio (2019: £nil).

### 10. DEBTORS

	2020	2019
	£	£
Accrued income	111,631	111,450
Other debtors	101,724	66,261
	<b>213,355</b>	<b>177,711</b>

### 11. CREDITORS - amounts falling due within one year

	2020	2019
	£	£
Grants payable within one year	728,382	437,755
Professional charges	22,461	7,380
Investment management fee	67,111	37,065
Other creditors	123,334	3,060
	<b>941,288</b>	<b>485,260</b>

# THE J J CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

### 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2020
	£	£	£
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	4,560	4,560
Investments	-	39,629,605	39,629,605
Current assets	874,177	(83,261)	790,916
Current liabilities	(874,177)	(67,111)	(941,288)
<b>Total net assets</b>	-	39,483,793	39,483,793
<b>Movement in the year</b>			
Opening balance as at 5 April 2019	(131,827)	47,105,145	46,973,318
Total income and endowments	1,097,821	-	1,097,821
Cost of raising funds	-	(201,626)	(201,626)
Cost of grant-making	(1,300,421)	-	(1,300,421)
Net losses on investments	-	(7,046,067)	(7,046,067)
Net losses on currency exchange	-	(39,232)	(39,232)
Transfers between funds	334,427	(334,427)	-
Closing balance as at 5 April 2020	-	39,483,793	39,483,793

### COMPARATIVE

	Unrestricted Funds	Expendable Endowment	Totals 2019
	£	£	£
Fund balances at 5 April 2019 are represented by:			
Tangible fixed assets	-	6,840	6,840
Investments	-	46,700,584	46,700,584
Current assets	316,368	434,786	751,154
Current liabilities	(448,195)	(37,065)	(485,260)
<b>Total net assets</b>	(131,827)	47,105,145	46,973,318
<b>Movement in the year</b>			
Opening balance as at 5 April 2018	(167,191)	43,785,693	43,618,502
Total income and endowments	1,129,745	-	1,129,745
Cost of raising funds	-	(207,343)	(207,343)
Cost of grant-making	(1,094,381)	-	(1,094,381)
Net gains on investments	-	3,510,292	3,510,292
Net gains on currency exchange	-	16,503	16,503
Closing balance as at 5 April 2019	(131,827)	47,105,145	46,973,318

### 13. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2020 (2019: £6,192).

**NOTES TO THE ACCOUNTS**

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

	<b>Unrestricted Funds</b>	<b>Expendable Endowment</b>	<b>Total Funds 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>			
Income from investments	1,091,532	-	1,091,532
Other income	38,213	-	38,213
<b>Total income and endowments</b>	1,129,745	-	1,129,745
<b>Resources expended</b>			
<b>Cost of raising funds</b>			
Investment management costs	-	207,343	207,343
<b>Charitable activities</b>			
Grant-making:			
Grant expenditure	876,401	-	876,401
Grant related support costs	217,980	-	217,980
<b>Cost of grant-making</b>	1,094,381	-	1,094,381
<b>Total expenditure</b>	1,094,381	207,343	1,301,724
<b>Net operating (deficit)</b>	35,364	(207,343)	(171,979)
Gains on investments	-	3,510,292	3,510,292
Exchange gains	-	16,503	16,503
<b>Net movement in funds</b>	35,364	3,319,452	3,354,816
<b>Reconciliation of funds</b>			
Total funds brought forward	(167,191)	43,785,693	43,618,502
Total funds carried forward	(131,827)	47,105,145	46,973,318