

THE J J CHARITABLE TRUST

ANNUAL REPORT

5 APRIL 2021

The Peak  
5 Wilton Road  
London SW1V 1AP

## CONTENTS

## PAGE

1	The Trustees' Report	1 - 10
2	Independent Auditors' Report	11 - 13
3	Statement of Financial Activities	14
4	Balance Sheet	15
5	Cash Flow Statement	16
6	Notes to the Accounts	17 - 24

# THE J J CHARITABLE TRUST

## Legal and Administrative

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

### Trustees

Mr J J Sainsbury  
Ms L Guard  
Mr M L Sainsbury  
Ms C Gonella (Appointed 5 May 2021)

### Registered Office

The Peak  
5 Wilton Road  
London SW1V 1AP

### Principal Officers

Mrs K Everett	Chief Operating Officer
Mr M Woodruff	Executive
Mrs S Ferguson	Executive
Mrs E Beresford	Deputy Executive
Mr A Shah	Senior Finance Partner

All the Principal Officers are employed on a part-time basis.

### Bankers

Child & Co  
1 Fleet Street  
London EC4Y 1BD

### Solicitors

Portrait Solicitors  
21 Whitefriars Street  
London EC4Y 8JJ

### Auditors

Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

### Investment Advisers

Schroder & Co Limited  
12 Moorgate  
London EC2R 6DA

### Investment Powers

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.

### Objects

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 (updated in March 2021) which sets out the principles and recommended practice for good governance within the sector. The Charity has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

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 £782,113 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 2021, the Trust held total funds of £48.5m (2020: £39.5m) which includes expendable endowment of £48.5m (2020: £39.5m).

## **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 23.2%, over-performing the benchmark of 22.9%.

The Trust is a signatory to Divest Invest which commits the Trustees to sell any shares in fossil fuel holdings and invest a proportion of the endowment in 'climate solutions', such as renewable energy, energy efficiency and clean tech. This decision has not had a detrimental financial impact on the value of the Trust's investment portfolio.

The Trustees remain concerned that, notwithstanding the removal of direct investments in fossil fuels, many of the Trust's investments may conflict with the Trustees' charitable commitments. They are unclear whether and how they are expected to align their investments with their stated objectives and their commitments to wider society, including those forms of investment which may be at variance with their charitable intentions, particularly in the light of climate change.

During this reporting period, the Mark Leonard Trust, of which Julian Sainsbury is also a trustee, applied to the Charity Commission to seek the Commission's formal consent under s115 Charities Act 2011 to obtain legal clarity from the High Court. The Charity Commission responded to the application on 15 January 2021, noting that a decision was to be put on hold until the Commission had completed its consultation and review of 'Responsible Investment'. The Mark Leonard Trust subsequently applied to the High Court for permission, on the basis that the 'on hold' decision was tantamount to a refusal. The High Court accepted the application and on 14 April 2021 gave permission for a virtual hearing to be held for a High Court judge to review the s115 application. Trustees await the judgement from that court case to provide greater clarity on their investment duties.

## **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

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

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 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.

During the year the total asset value of the Trust increased from £39.5m at 5 April 2020 to £48.5m at 5 April 2021, an increase of 22.8%. The net unrestricted income of the Trust for the year after charging grant related support costs was £408,814 compared to £869,827 for the year to 5 April 2020.

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 going concern basis.

The investment portfolio has performed strongly during the year and has recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year.

The Charity has adopted a total return basis to budget for its annual income. The endowment assets of the Trust remain significant, and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

During the year the Trustees approved 46 grants totalling £1,202,666, 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	31	1,027,916	85.5	744,558	56.3
Literacy Support	8	59,750	5.0	439,246	33.7
General	7	115,000	9.5	130,000	10.0
	46	1,202,666	100.0	1,313,804	100.0

## GRANTS APPROVED

ENVIRONMENT UK - £1,027,916

Cultural Change for Sustainable Lifestyles

The Trust has continued to support its Sustainable Fashion programme, begun in 2019, by funding communications, education, and campaigns to catalyse and help expedite the rapid transition to a sustainable fashion system. Fashion was considered a good starting point to explore more sustainable economic and business models for the future in general, and to learn about the psychological drivers of over-consumption.

The principal outcomes from this programme so far include the publication and wide adoption of Earth Logic ([www.earthlogic.info](http://www.earthlogic.info)) by academics and fashion practitioners around the world, Atlas of the Future's manifesto for the sustainable fashion media of the future, a Fashion and Media policy brief from the University of Westminster, and 'Leeds Fashion Futures', a trial project of the Royal Society of Arts in a city built on the textile and fashion industries to show the way to a new vision and beginning for fashion.

A review of the Sustainable Fashion Programme was conducted in late 2020, to record the outcomes and capture learning for the future work of the trust. Thus in 2020, the Trustees agreed upon a new mission statement to be adopted in 2021-22, towards creating system change through cultural change in the key sectors, notably business, finance, media and education. This sets out five new areas of focus:

- working with the insiders, especially in business and finance, to bring about cultural change within them;
- creating new narratives using arts and media that go further than individual behaviour change, and help us to envisage a future beyond 'business as usual';
- supporting holistic education projects that strive for well-being, a sense of purpose and problem-solving;
- testing and scaling new indicators that are values-led, to replace GDP as a metric for a healthy society; and
- supporting innovation for regenerative systems across many industries from agriculture and ceramics to finance.

In line with these new objectives, the Trustees have begun substantial work with Purpose Disruptors, a collective of advertising professionals seeking to align the wider advertising sector with the Paris Agreement, and thus support the transition to a net-zero carbon economy. The Purpose Disruptors has grown to a community of 1500 advertising professionals, and launched the Great Reset, a competition to showcase new, low-carbon behaviours that emerged from lockdown during the Covid-19 pandemic. The Great Reset was awarded the advertising industry's Purpose Awards for Best Environmental Cause 2020.

**Atlas of the Future - £5,000**

For core-cost support through the Covid-19 crisis.

**British Ceramics Confederation - £4,799**

For consultancy in support of a Net-Zero Carbon Transition workshop

**Earth Logic Transition Funding - £20,840**

Towards core costs and the translation of the Earth Logic report into Spanish, Portuguese and Swedish.

**Financial Times - £30,000**

Towards the Standpoint video.

**On Purpose Group - £52,000**

To support media content on sustainable living, prosperity and climate change.

**Purpose Disruptors - £550,810**

Towards phases 1, 2 and 3 of The Great Reset, and for a project to engage the advertising and other creative industries in building a vision for the future to present at COP26 in November 2021.

**Homespun - £10,000**

Towards a pilot project in Lancashire for producing home-grown textiles and garments.

**Karoshikula Ltd - £1,200**

For promotional and information material aimed at public and government audiences for the launch of the British Ceramics Net Zero Initiative.

Climate Change Collaboration

The Climate Change Collaboration ('the Collaboration') was created in 2009 by four of the Sainsbury Family Charitable Trusts – the Ashden Trust, the JJ Charitable Trust, the Mark Leonard Trust, and the Tedworth Charitable Trust. In this reporting period the Tedworth Trust was not involved in the Collaboration.

In 2019, it revised its mission to support the ambition to limit 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 area of focus for the collaboration has been Divest Invest (now a global movement of investors including foundations, faith communities, pension funds, sovereign wealth funds, universities with collectively over \$14 trillion of assets under management) and aligning investment with limiting climate change to 1.5°C. For further information on DivestInvest, see [www.divestinvest.org](http://www.divestinvest.org). The Climate Change Collaboration has continued to support 'community-based organisations and campaigns that advocate for a fair and timely transition from fossil fuels.

Trustees recognise that it is very important to raise public awareness and confidence that acting on climate change is possible, affordable and has social and health benefits. The Climate Change Collaboration continued to support initiatives which improve communication around climate change and which engage the public with it. The Collaboration also made new grants to support legal challenges against continued investment or extraction and production of fossil fuels that appear to conflict with international legislation or commitments and/or national legislation.

**Bates Wells and Braithwaite LLP - £2,800**

For research on the feasibility of a super-complaint from a designated consumer body against the potential mis-selling of investment products that fail to disclose financial risks posed by climate change.

**C40 Cities Climate Leadership Group - £25,000**

Towards the first year of a second phase of the C40 Divest Invest Forum, supporting major cities to commit to Divest Invest.

**Carbon Tracker - £8,667**

To investigate the scale of primary finance lending flowing from banks to fossil fuel projects and companies.

**Citizens UK - £55,000**

Towards phases 1 and 2 of the new community-based programme on climate change.

**FrameWorks Institute - £6,176**

For supplementary research in collaboration with YouGov on how the pandemic has affected public views on climate change.

**Friends of the Earth Charitable Trust - £7,458**

Towards continued collaboration with Platform London on its divestment work.

**Global Legal Action Network (GLAN) - £27,000**

Towards the cost of legal researchers for a human rights case at the European Court of Human Rights on the effect on communities' health and wellbeing by greenhouse gas-emitting companies.

**On Road Media - £42,500**

To support the second phase of strategic work on communications around climate change.

**Platform - £20,000**

Towards the on-going Divest Invest programme in partnership with Friends of the Earth.

**Students Organising for Sustainability UK - £15,000**

Towards phase 2 of support to student advocacy across the world with elected public representatives, to secure commitments on mandatory climate education, climate justice, green jobs, carbon targets, health and mental health affected by climate change, and biodiversity.

**Systemiq - £12,000**

To provide advice to As You Sow.

**The Commitment - £3,333**

To support advocacy activities that encourage the public to engage with their MPs and local councillors on climate change.

**Uplift - £20,000**

For core costs towards coordinating the end of government support for domestic extraction of fossil fuels within the UK.

**350.org - £8,333**

To support communities in cities as they engage with their elected representatives on Divest Invest.

Other Environment Grants

**Ashden – Climate Solutions in Action - £100,000**

Towards core costs.

**LITERACY SUPPORT - £59,750**

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 core secondary-level academies, demonstrated how transformed teacher skills could place students' own interests in reading, and their aspirations for life, at the heart of the subjects that most engaged them. 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 and GCSE grade attainment were gained in relatively short timeframes. In early 2019 a programme Literacy for Learning into 500 schools, and hundreds of thousands of engaged young people learning online within three years. It is now working with 10% of secondary schools in England, mainly working in city hubs or academy groups, with a view to supporting communities where there is greater disadvantage and related educational deficit. The aim throughout has been for an experience of reading at school that is both enjoyable and useful for revealing potential options and inspiring the chances of fulfilment in work for the future ahead. For more information, see <https://literacytrust.org.uk/secondary/>

During the school lockdowns, Literacy for Learning provided the basis for extensive transfer of support to teachers and students needing to work remotely. The body of years of literacy work engaging authors in books and reading with students and their subjects at secondary school enabled National Literacy Trust to become the provider of the virtual library resource in the new national online Oak Academy.

Future work will 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. To this end a small grants scheme has been established, to support local groups so that volunteer mentors can be resourced to build literacy in the early years at schools or equip school leavers who still experience reading difficulties with improved skills as they make the transition to work, apprenticeships or college.

**Age UK Staffordshire - £10,000**

To rebuild its Children Matter volunteer support from among the over-50s to help primary children struggling to read. This grant was cancelled in 2020/21 as it no longer could be fulfilled.

**Bringing Words to Life Ltd - £5,000**

Towards extending pre-GCSE school-leaver creative literacy into new secondary schools.

**British Dyslexia Association (BDA) - £9,750**

To create free webinars for parents of dyslexic children learning from home during the Covid-19 pandemic.

**Learning Partnerships - £5,000**

Towards the Let's Read primary school literacy mentor programme in inner-city Leeds.

**Ready, Steady, Read - £5,000**

Towards recruiting new reading mentors in primary schools in Hull.

**Schoolreaders - £10,000**

Towards recruiting new partner schools and local community volunteers in Stoke and north Staffordshire.

**Social Inclusion and Dyslexia - £5,000**

Towards employability support to School and Care Leavers with dyslexia in Sunderland.

**Youth Education Service - £10,000**

Towards dyslexia support courses for 16-18 year-olds in Somerset.

**GENERAL - £115,000**

**Bristol Refugee Rights - £20,000**

For relief aid during the Covid-19 pandemic and lockdowns.

**Intensive Care Society - £10,000**

To support Intensive Care staff through the challenges of the pandemic.

**National Emergencies Trust - £10,000**

Towards the Coronavirus-19 Appeal.

**The Sainsbury Archive - £25,000**

Towards core costs.

**Trussell Trust - £20,000**

Towards the Covid-19 pandemic and food bank appeal.

**Wiltshire Community Foundation - £10,000**

Towards the Covid-19 Response Fund.

**Women's Aid Federation of England - £20,000**

For relief aid during the Covid-19 pandemic and lockdowns.

**Cancelled Grants**

One grant totalling £6,176 was cancelled during the year.

**Future Plans**

The Trust will continue to support the activities set out on pages 5 to 9 by the award of grants, with renewed focus, as the pandemic recedes and commerce revives, on sustainable fashion and the sustainable ceramics and pottery industry.

**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 30 November 2021 and signed on their behalf by:



..... TRUSTEE

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

### Opinion

We have audited the financial statements of The J J Charitable Trust ('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 trustee's 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 on 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.

### 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 10, 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 Acts 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](http://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.

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.

# THE J J CHARITABLE TRUST

## 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

Date 15 December 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 J J CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted Funds £	Expendable Endowment £	Total Funds 2021 £	Total Funds 2020 £
<b>Income and Endowment from:</b>					
Investments	<b>3</b>	663,995	-	663,995	1,075,999
Other income		9,818	-	9,818	21,822
<b>Total Income</b>		<b>673,813</b>	<b>-</b>	<b>673,813</b>	<b>1,097,821</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Investment management fees	<b>4</b>	-	211,167	211,167	201,626
<b>Charitable activity:</b>					
Grant-making:					
Grant expenditure	<b>5</b>	1,190,927	-	1,190,927	1,072,427
Grant related support costs	<b>6</b>	264,999	-	264,999	227,994
<b>Cost of grant-making</b>		<b>1,455,926</b>	<b>-</b>	<b>1,455,926</b>	<b>1,300,421</b>
<b>Total expenditure</b>		<b>1,455,926</b>	<b>211,167</b>	<b>1,667,093</b>	<b>1,502,047</b>
<b>Net operating (deficit)</b>		<b>(782,113)</b>	<b>(211,167)</b>	<b>(993,280)</b>	<b>(404,226)</b>
Gains / (losses) on investments	<b>9</b>	-	9,966,372	9,966,372	(7,046,067)
Exchange gains / (losses)		-	15,867	15,867	(39,232)
Transfers between funds		782,113	(782,113)	-	-
<b>Net movement in funds</b>		<b>-</b>	<b>8,988,959</b>	<b>8,988,959</b>	<b>(7,489,525)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		-	39,483,793	39,483,793	46,973,318
Total funds carried forward		-	48,472,752	48,472,752	39,483,793

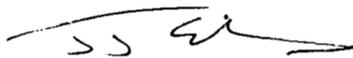
The notes on pages 17 to 24 form part of these accounts.

# THE J J CHARITABLE TRUST

## BALANCE SHEET AS AT 5 APRIL 2021

	<i>Notes</i>	2021	2020
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	<b>8</b>	10,204	4,560
Investments	<b>9</b>	48,759,225	39,629,605
		48,769,429	39,634,165
<b>CURRENT ASSETS</b>			
Debtors	<b>10</b>	194,829	213,355
Cash at bank and in hand		211,251	577,561
		406,080	790,916
<b>CURRENT LIABILITIES</b>			
<b>Creditors</b> - amounts falling due within 1 year	<b>11</b>	702,757	941,288
<b>NET CURRENT LIABILITIES</b>		(296,677)	(150,372)
<b>NET ASSETS</b>		48,472,752	39,483,793
<b>CAPITAL FUNDS</b>			
Expendable endowment	<b>12</b>	48,472,752	39,483,793
<b>INCOME FUNDS</b>			
Unrestricted funds	<b>12</b>	-	-
		48,472,752	39,483,793

The financial statements were approved and authorised for issue by the Trustees on 30 November 2021 and were signed on their behalf by :



.....

TRUSTEE

The notes on pages 17 to 24 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 2021

	<b>2021</b>	<b>2020</b>
	£	£
<b>Cash flows from operating activities</b>		
<b>Net cash (used in) operating activities</b>	(1,882,924)	(1,057,380)
<b>Cash flows from investing activities:</b>		
Dividends and interest	663,995	1,075,818
Exchanges gains / (losses)	15,867	(39,232)
Purchase of investments	(23,043,670)	(10,139,682)
Sale of investments	24,107,443	8,743,586
<b>Net cash generated by / (used in) investing activities</b>	1,743,635	(359,510)
<b>Change in cash and cash equivalents in the year</b>	(139,289)	(1,416,890)
<b>Cash and cash equivalents at the beginning of the year</b>	963,264	2,380,154
<b>Cash and cash equivalents at the end of the year</b>	823,975	963,264

	<b>2021</b>	<b>2020</b>
	£	£
<b>Reconciliation of net expenditure to net cash flow from operating activities</b>		
Net movement in funds as per the statement of financial activities	8,988,959	(7,489,525)
(Gains) / losses on investments	(9,966,372)	7,046,067
Dividends and interest	(663,995)	(1,075,818)
Exchanges (gains) / losses	(15,867)	39,232
Fixed asset additions	(9,245)	-
Depreciation charges	3,601	2,280
Decrease / (increase) in debtors	18,526	(35,644)
(Decrease) / increase in creditors	(238,531)	456,028
<b>Net cash (used in) operating activities</b>	(1,882,924)	(1,057,380)

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

	<b>2021</b>	<b>2020</b>	<b>Change in year</b>
	£	£	£
Cash at bank and in hand	211,251	577,561	(366,310)
Cash balances held by investment manager for reinvestment (Note 9)	612,724	385,703	227,021
	823,975	963,264	(139,289)

The notes on pages 17 to 24 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 investment portfolio has performed strongly during the year and has recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year.

The Charity has adopted a total return basis to budget for its annual income. The endowment assets of the Trust remain significant, and 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 either at cost less any necessary provision for impairment or fair value where they are traded on an active market.

#### 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 £44,616k (2020: £36,067k).

#### 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. Leasehold improvements are depreciated over the life of the lease.

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

In the application of the charity's accounting policies, which are described in note 2, 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:

	2021		2020	
	£	%	£	%
Government fixed interest	1,247	-	1,429	-
Other fixed interest	26,941	4	34,844	3
UK equities	184,335	28	529,414	49
Overseas equities	208,947	31	228,036	21
Alternatives	203,006	31	222,225	21
Impact Investments	39,384	6	60,051	6
Other	135	-	-	-
	<u>663,995</u>	<u>100</u>	<u>1,075,999</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

	2021		2020	
	£	£	£	£
<b>Reconciliation of grants payable:</b>				
Commitments at 6 April 2020		728,382		437,755
Grants not accrued at 6 April 2020	-		252,992	
Grants approved in the year	1,202,666		819,434	
Grants cancelled, refunded or amended	3,261		-	
Grants not accrued at 5 April 2021	(15,000)		-	
<b>Grants payable for the year</b>		<b>1,190,927</b>		<b>1,072,426</b>
Grants paid during the year	(1,313,804)		(781,799)	
Commitments at 5 April 2021		<u>605,505</u>		<u>728,382</u>

**Commitments at 5 April 2021 are payable as follows:**

	2021		2020	
	£	£	£	£
Within one year (Note 11)		<u>605,505</u>		<u>728,382</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 2021 was £15,000 (2020: £0).

## NOTES TO THE ACCOUNTS

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

The amount payable in the year consisted of the following:

	<b>£</b>
<b>Literacy Support</b>	
Age UK Staffordshire	10,000
Schoolreaders	10,000
Youth Education Service	10,000
Net grants payable/cancelled up to £10,000	29,750
<b>Environment - UK</b>	
Purpose Disruptors	550,810
Ashden - Climate Solutions in Action	100,000
Citizens UK	55,000
On Purpose Group	52,000
On Road Media	42,500
Financial Times	30,000
Global Legal Action Network (GLAN)	27,000
C40 Cities Climate Leadership Group	25,000
Sustainable Fashion Programme	20,840
Platform	20,000
Uplift	20,000
Students Organising for Sustainability	15,000
Systemiq	12,000
Net grants payable/cancelled up to £10,000	61,027
<b>General</b>	
Bristol Refugee Rights	20,000
Trussell Trust	20,000
Women's Aid Federation of England	20,000
Net grants payable/cancelled up to £10,000	40,000
Total grants payable per Statement of Financial Activities	<b>1,190,927</b>

### 6. ALLOCATION OF SUPPORT COSTS

	<b>Grant- making</b>	<b>Governance</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	140,612	4,469	145,081	124,932
Share of joint office costs	29,016	-	29,016	28,654
Direct costs including travel	8,738	-	8,738	47,867
Depreciation	3,601	-	3,601	2,280
	181,967	4,469	186,436	203,733
Legal and professional fees	61,157	-	61,157	14,859
Consultancy	7,604	-	7,604	1,800
Auditors' remuneration	-	9,802	9,802	7,602
	250,728	14,271	264,999	227,994

During the year no Trustee received any remuneration (2020: £nil) or was reimbursed expenses (2020: £nil).

## NOTES TO THE ACCOUNTS

### 7. ANALYSIS OF STAFF COSTS

	2021	2020
	£	£
Wages and salaries	118,258	101,379
Social security costs	13,095	11,336
Other pension costs	13,728	12,217
	145,081	124,932

The Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 1.8% (2020: 1.6%) 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 2020/21.

The average number of staff employed during the year was 13, all on a part-time basis (2020: 15). This equates to 2.1 full-time employees (2020: 2.1).

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 £98,107 (2020: £60,139). No employee earned in excess of £60,000 (2020: Nil).

### 8. TANGIBLE FIXED ASSETS

#### Leasehold Improvements

	2021	2020
	£	£
<b>Cost</b>		
At 6 April 2020	22,800	22,800
Additions	9,245	-
At 5 April 2021	32,045	22,800
<b>Depreciation</b>		
At 6 April 2020	18,240	15,960
Charge for the year	3,601	2,280
At 5 April 2021	21,841	18,240
<b>Net Book Value</b>		
At 5 April 2021	10,204	4,560
At 5 April 2020	4,560	6,840

# THE J J CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

### 9. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
<b>Market value 5 April 2020</b>	39,243,902	44,893,873
Add: Acquisitions at cost	23,043,670	10,139,682
Less: Disposals at proceeds value	(24,107,443)	(8,743,586)
Net gains / (losses) on investments	9,966,372	(7,046,067)
<b>Market value 5 April 2021</b>	48,146,501	39,243,902
Investment cash	612,724	385,703
<b>Total investments</b>	48,759,225	39,629,605

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

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Government fixed interest	623,538	713,725	1,123,963	1,276,411
Other fixed interest	1,322,540	1,645,946	1,397,263	1,887,537
UK equities	3,270,061	5,784,562	7,999,799	11,383,863
Overseas equities	20,192,001	25,091,980	13,287,182	15,937,553
Alternatives	6,604,935	8,266,908	4,822,211	5,581,569
Other	950,000	950,000	-	-
Cash	612,724	612,724	385,703	385,703
<b>Impact investments</b>				
Unquoted	3,922,707	3,530,911	3,475,982	3,176,969
Quoted	2,103,751	2,162,469	-	-
	39,602,257	48,759,225	32,492,103	39,629,605

During the year there was no disinvestment from the investment portfolio (2020: £nil).

### 10. DEBTORS

	2021	2020
	£	£
Accrued income	49,308	111,631
Other debtors	145,521	101,724
	194,829	213,355

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

	2021	2020
	£	£
Grants payable within one year	605,505	728,382
Professional charges	19,993	22,461
Investment management fee	45,277	67,111
Other creditors	31,982	123,334
	702,757	941,288

# THE J J CHARITABLE TRUST

## NOTES TO THE ACCOUNTS

### 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2021
	£	£	£
Fund balances at 5 April 2021 are represented by:			
Tangible fixed assets	-	10,204	10,204
Investments	-	48,759,225	48,759,225
Current assets	657,480	(251,400)	406,080
Current liabilities	(657,480)	(45,277)	(702,757)
<b>Total net assets</b>	-	48,472,752	48,472,752
<b>Movement in the year</b>			
Opening balance as at 5 April 2020	-	39,483,793	39,483,793
Total income and endowments	673,813	-	673,813
Cost of raising funds	-	(211,167)	(211,167)
Cost of grant-making	(1,455,926)	-	(1,455,926)
Net losses on investments	-	9,966,372	9,966,372
Net losses on currency exchange	-	15,867	15,867
Transfers between funds	782,113	(782,113)	-
Closing balance as at 5 April 2021	-	48,472,752	48,472,752

### COMPARATIVE

	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 gains on investments	-	(7,046,067)	(7,046,067)
Net gains 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

### 13. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2021 (2020: £0).

**NOTES TO THE ACCOUNTS**

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

	<b>Unrestricted Funds</b>	<b>Expendable Endowment</b>	<b>Total Funds 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>			
Income from investments	1,075,999	-	1,075,999
Other income	21,822	-	21,822
<b>Total income and endowments</b>	1,097,821	-	1,097,821
<b>Resources expended</b>			
<b>Cost of raising funds</b>			
Investment management costs	-	201,626	201,626
<b>Charitable activities</b>			
Grant-making:			
Grant expenditure	1,072,427	-	1,072,427
Grant related support costs	227,994	-	227,994
<b>Cost of grant-making</b>	1,300,421	-	1,300,421
<b>Total expenditure</b>	1,300,421	201,626	1,502,047
<b>Net operating (deficit)</b>	(202,600)	(201,626)	(404,226)
Gains on investments	-	(7,046,067)	(7,046,067)
Exchange gains	-	(39,232)	(39,232)
Transfers between funds	334,427	(334,427)	-
<b>Net movement in funds</b>	131,827	(7,621,352)	(7,489,525)
<b>Reconciliation of funds</b>			
Total funds brought forward	(131,827)	47,105,145	46,973,318
Total funds carried forward	-	39,483,793	39,483,793