Charity Registration No. 228382

THE WOLFSON FAMILY CHARITABLE TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

THE WOLFSON FAMILY CHARITABLE TRUST

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THE WOLFSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

ADMINISTRATIVE DETAILS

Trustees
Hon Mrs Laura Wolfson Townsley (Chairman)
Dame Janet Wolfson de Botton DBE
Sir Eric Ash CBE FRS FREng (retired 19 September 2019)
Sir Bernard Rix
Sir Ian Gainsford
Mr Martin Paisner CBE
Sir Michael Pepper FRS FREng (appointed 1 April 2020)
Lord Turnberg MD FRCP
Hon Mrs Elizabeth Wolfson Peltz
Hon Mrs Alexandra Wolfson Halamish

Directorate
Paul Ramsbottom MA MSt - Chief Executive

Reference and administrative details

Registered office:	8 Queen Anne Street London, W1G 9LD
Registered Charity No:	228382

Professional Services

Bankers
Barclays Bank plc
Charities Team
1 Churchill Place
London E14 5HP

Solicitors
Payne Hicks Beach
10 New Square
Lincoln's Inn
London WC2A 3QG

Auditors
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Principal Investment Managers
Cazenove Capital Management Limited
12 Moorgate
London EC2R 6DA

Website
www.wfct.org

THE WOLFSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Wolfson Family Charitable Trust is a charitable foundation established by a Trust Deed dated 30 March 1958 whose aims are the advancement of science, health, education and the arts and humanities. A large proportion of the assets derive from the realisation of the Trust's involvement in the Paz Oil Company of Israel. The trustees therefore consider it appropriate to make a majority of grants for these purposes to leading Israeli institutions.

At the end of the year the Board of trustees comprised four family trustees and four trustees with medical, scientific and legal expertise. The range of skills represented on the trustee Board is kept under review and appointments to the Board are made by the trustees, advised by the Nominations and Governance Committee. The Nominations and Governance Committee also advises on the remit and composition of expert panels or committees and any related governance matters.

During the year, Sir Eric Ash retired after many years of service. We express our gratitude to him for all that he has contributed to the Trust. Professor Sir Michael Pepper FRS, Pender Professor of Nanoelectronics at UCL, has been invited to join the Board from 1 April 2020.

Board meetings are held once or twice each year. The Board decides matters of strategy and overall policy, determines the priorities and allocations for grants programmes, sets budgets and authorises grant awards. The Board is advised by an Advisory Committee in Israel, drawn from leading academic and medical experts. It is also served by a number of panels and committees (shared with the Wolfson Foundation), which make recommendations on grant-making, risk management and investment policies. Panels are comprised of specialists in particular fields, as well as trustees.

The induction process for newly-appointed trustees and panel members comprises meetings with Board members and the chief executive, and covers governance, investment and grant-making policies. Documentation provided for new trustees includes copies of the Trust Deed, relevant minutes and recent annual reports and accounts.

At the end of the year the long-standing Chair of the Advisory Committee in Israel, Professor Haim Ben-Shahar, retired. We pay tribute to his outstanding leadership of the Committee, and the way in which he has shaped the funding programmes in Israel.

From April 2020, the Advisory Committee in Israel will be chaired by Professor Daniel Zajfman, formerly President of the Weizmann Institute.

Risks and uncertainties

The trustees have reviewed the major strategic, operational and financial risks which impact on the work of the Trust and, on professional advice, noted that systems have been established to mitigate the exposure to them. The trustees review this matter each year and take action required arising from the assessment and recommendations of the Risk & Audit Committee. The trustees consider the two main areas of risk for the Trust to be as follows:

(1) *Investment risk.* The trustees, supported by a dedicated Investment Committee which meets regularly, take a long-term approach to their investment strategy and aim to deliver the investment objective within an acceptable level of risk. A comprehensive review of investment management, undertaken at the request of trustees by the Investment Committee with the assistance of independent experts, was concluded in 2018.

(2) *The reputational risk of making awards to inappropriate recipients.* The trustees are advised in their decision-making by dedicated panels of experts, by independent peer reviewers and by a professional team of staff. In addition, regular visits are made by staff and trustees to projects. Grants are paid in arrears on receipt of evidence of appropriate expenditure. A framework for monitoring and evaluation has been established. Full details of all expert panels are available on the website.

In addition to these two ongoing risks, since early 2020 trustees have been keeping under constant review the impact of Covid-19 on our own operations and on the sectors that we serve. More information on this is contained later in the report, particularly under Future Plans.

Conflicts of interests
Where a trustee holds an active post (whether honorary or otherwise) at an applicant organisation, then that trustee takes no part in the decision on whether to make and award. Similarly committee/panel members with a conflict of interest take no part in making recommendations relating to organisations in which they (or relatives or business partners) have an involvement. A register of interests is maintained by the Wolfson office.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT
The objectives of the Trust, through its grant-making, are the advancement of science and medicine, health, education, the arts and humanities. The trustees have complied with section 17 (5) of the 2011 Charities Act, having due regard for the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, when setting the grant making policy and in making awards. One measure of the public benefit generated by the Trust is demonstrated by the list of projects supported (see note 16).

The Trust continues to pursue its objectives through expenditure on outstanding projects across the range of the Trust's activities, usually by the provision of buildings or equipment. Three particular factors continue to influence trustees in their decision-making. First, trustees aim to back excellence (both existing and potential). Secondly, attempts are made to identify and support important areas that are under-funded. Thirdly, applicants are encouraged to use Wolfson funds as a catalyst, so that the Trust's funding can lever additional support.

It is anticipated that the range of activities will remain broadly similar during 2020-21 (albeit with additional funding to help support those affected by the Covid-19 crisis). The impact of the Trust's funding is monitored through regular reports on projects provided by recipients during the lifetime of a grant, and also by visits undertaken by trustees, Advisory Committee members and staff. In October 2019, the chief executive spent a week in Israel visiting organisations in receipt of funding.

Grant-making process and policy
Trustees make awards once or twice each year and are advised by the Advisory Committee in Israel in addition to expert panels which meet before the main Board meetings. As well as assessing the merits of the applicants' proposals and their congruence with the Trust's aims and priorities, appraisal criteria include: the anticipated outcome of the project (including public benefit); financial viability; value for money; adequate provision for on-going costs and maintenance and the aesthetics of any building project.

Priorities, which are described in this report, are grouped around four funding areas: Science and Medicine, Education, Arts and Humanities and Health. Awards for Israeli universities and hospitals are normally made under the umbrella of designated programmes in which relevant organisations are invited to participate.

Applications are assessed by expert reviewers, and applicants are given an opportunity to respond to queries raised during the review process.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

As stated above grants are, as a general policy, given to act as a catalyst, to back excellence and talent and to provide support for promising future capital projects which may currently be underfunded. In fulfilment of this policy, grants were made in the year totalling some £1.55 million. The year's grant-giving was successful in that, on the advice of external experts, first-rate projects in a number of priority areas were funded. Given the nature of the investment it is too early to assess the long-term benefits of projects funded. In terms of funding in previous years, a publication was produced by the Advisory Committee Israel for the 60th anniversary of the Trust during 2018 outlining the impact of funding.

Science and Medicine

The key investment during the year was for a national programme at eight leading Israeli hospitals to support the purchase of equipment - and, in particular, equipment that will support research in a clinical environment.

The programme followed the existing successful pattern of the Trust's funding in Israel with the Advisory Committee in Israel forming a specialist sub-committee for the purpose. A prerequisite for much contemporary top quality science – in Israel, as elsewhere - is access to cutting edge (often highly expensive) equipment. Perversely, finding support for equipment is often the most challenging part of the funding ecosystem. The Trust's strategy continues to be one of funding around a national research theme across multiple institutions and focussed on specialist equipment. Awards were made in partnership with the Wolfson Foundation.

Health and Disability

In the UK, trustees supported the major capital infrastructure project being undertaken by Kisharon to create new special school (in partnership with the Wolfson Foundation). The longstanding support for elderly care provision was continued with funding for The Fed's Beach House in Manchester, which provides specialist support for those suffering from dementia.

In Israel, a range of projects were funded in Israel: all with the common theme of supporting people with disabilities. Awards included, for example, furniture for Kfar Ofarim village in central Israel for people with autism.

Arts & education

There was a strong heritage theme to this year's arts & education funding. Two historic London synagogues (Bevis Marks and Sandys Row) received funding for conservation work. SOAS received support for a lectureship in Jewish music and JW3 for their adult education programme in history.

FINANCIAL REVIEW

The trustees have prepared accounts in accordance with current statutory requirements, the Trust Deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)). The Trust's total return on the fund's assets in 2019/20 was a negative return of £1.3 million (2018/19: a positive return of £2.89 million) of which income net of fees was £0.92 million (2018/19: £1.08 million) and losses were £2.22 million (2018/19: gains of £1.81 million). The portfolio of listed investments and cash held on deposit had a total value of £35.8 million at 31 March 2020 (2019: £38.9 million). While international markets remained volatile after the year end due to the global pandemic, by the end of April 2020 the portfolio had recovered all the losses it had incurred in the first quarter of the 2020 calendar year, the period responsible for the poor total return shown in these accounts.

Income is applied to the charitable aims of the Trust as described elsewhere in this report. Grants awarded (net of relinquished grants) during the year were £1.54 million (2018/19: £1.43 million). The trustees hold deposits, gilts and other bonds to cover the Trust's current commitments.

The Trust's net assets are held in unrestricted funds as the trustees have power to distribute both

income and capital. The Trust has shared objectives and joint administration with The Wolfson Foundation, registered charity number 1156077 and a company limited by guarantee (8927040), at 8 Queen Anne Street, London, W1G 9LD.

Investment policy and performance
The Trust is managed on the basis of existing in perpetuity and hence the Trust has the objective of maintaining the portfolio's real purchasing power after inflation over time. Trustees allocate funding on a total return (rather than income) basis.

The long-term investment objective is an average annual total return of UK CPI + 4% (recently changed from UK RPI + 4%). The trustees aim to distribute 4% of the fund on an annual basis. The value used to calculate the distribution is the average portfolio value over the last five years.

The asset allocation within the portfolio is arranged accordingly, taking advantage of our long-term investment horizon. Policies and investment allocations are continually reviewed by the Investment Committee and trustees. Trustees review the investment strategy with the Investment Committee and fund managers (signatories to the UN Principles for Responsible Investment), in order to ensure that (1) the Foundation can achieve or outperform its target return in the long term; and (2) investment decisions made by our fund managers are taken in a socially responsible manner and in accordance with Wolfson's core principles. Responsible investment underpins the investment strategy and trustees have a policy of not investing directly in tobacco companies or fossil fuel extractors.

The Investment Committee is responsible to the trustees for investment policy and monitoring the portfolio. Committee members are available to report to the trustees at Board meetings. Trustees and the Risk and Audit Committee review the terms of the Investment Committee mandate.

The Foundation's entire portfolio has been restructured in the last two years in line with the trustees' investment objective.

The performance of the portfolio is monitored by the trustees and the Investment Committee.

Reserves policy
The total net funds of the Trust as at 31 March 2020 stood at £32.9 million, all represented by an expendable endowment fund.

As stated above, in the *Investments policy and performance* section, the trustees aim to distribute 4% of the fund on an annual basis in grants and other expenditure. The trustees consider it prudent to have liquid assets within investments to cover a significant proportion of planned expenditure. They have agreed that a target of 8% of the value of the investments portfolio (currently £2.9 million) should be retained in a combination of cash and short-dated gilts.

As at 31 March 2020, cash and gilts in the portfolio totalled £2.9 million (8% of the total), equal to this target. The trustees consider that reserves are available at a level which enables them to plan with confidence for the future.

PLANS FOR THE FUTURE
During 2020-21, trustees will consider a major programme of support for equipment at Israeli universities in the broad area of metabolomics.

As the financial year came to an end the significant impact of Covid-19 on the organisations and sectors that we serve became clear. In early 2020-21, trustees agreed to support emergency funding for Covid-19 related research at Israeli universities and for Jewish community charities in the UK. Full details will be contained in next year's report.

THE WOLFSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the charity's assets and hence taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

STATEMENT OF DISCLOSURE TO AUDITORS

So far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the trustees believe they have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the trustees on 15 October 2020 and signed on their behalf by:

Hon. Laura Wolfson Townsley
Chairman

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WOLFSON FAMILY CHARITABLE TRUST

Opinion

We have audited the financial statements of the Wolfson Family Charitable Trust ('the Charity') for the year ended 31 March 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 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 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 Financial Reporting Council's (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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 154 of the Charities Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE WOLFSON FAMILY CHARITABLE TRUST

Other information
The other information comprises the information included in the annual report and the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 6, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE WOLFSON FAMILY CHARITABLE TRUST

Auditor's responsibilities for the audit of the financial statements

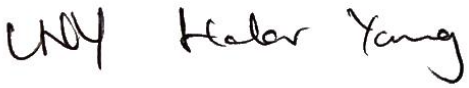
We have been appointed as auditor under section 144 of the Charities act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

UHY Hacker Young is eligible to act as an auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006



UHY Hacker Young
Chartered Accountants
Statutory Auditor

3rd November 2020
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THE WOLFSON FAMILY CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Income:			
Investments	3	992	1,118
Total income		992	1,118
Expenditure on:			
Raising funds		70	41
Charitable activities			
Grant making activities:	4		
Science and medicine		1,036	1,032
Education		70	165
Health and disability		248	350
Arts and humanities		330	39
Total charitable expenditure		1,684	1,586
Total expenditure		1,754	1,627
Net expenditure and net movement in funds before gains and losses on investments		(762)	(509)
Realised and unrealised (losses) / gains on investments:			
- Disposal and revaluation	9	(1,740)	1,702
- Foreign exchange (losses) / gains		(479)	112
Net movement in funds		(2,981)	1,305
Reconciliation of funds			
Total funds brought forward		35,834	34,529
Total funds carried forward		32,853	35,834

The net realised and unrealised losses of £2,219,416 for the year ended 31 March 2020 (2019 gains: £1,813,553) reflect a large decrease in market values in the last quarter of the financial year. The net realised gain on investment disposals by reference to their acquisition cost was £296,341 (2019: £6,934,250).

All recognised gains and losses have been included in the Statement of Financial Activities and are derived from the continuing activities of the charitable trust.

THE WOLFSON FAMILY CHARITABLE TRUST

BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	£'000	31 March 2020 £'000	(Restated) £'000	31 March 2019 (Restated) £'000
Fixed assets					
Investments	9		33,625		36,297
Current assets					
Investments	9	2,167		2,574	
Debtors	10	78		110	
Cash at bank		13		13	
		2,258		2,697	
Creditors falling due within one year	11	(2,277)		(2,245)	
Net current assets			(19)		452
Total assets less current liabilities			33,607		36,749
Creditors falling due after one year	12		(754)		(915)
Total net assets			32,853		35,834
Funds					
Expendable endowment fund			32,853		35,834

The financial statements on pages 10 to 22 were approved by the trustees on 15 October 2020 and were signed on their behalf by:

Hon. Laura Wolfson Townsley
Chairman

Paul Ramsbottom
Chief Executive

THE WOLFSON FAMILY CHARITABLE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Cash used in operating activities	13	(2,350)	(1,578)
Cash flows from investing activities			
Dividends and interest and distributions from investments	3	992	1,118
Purchase of investments	9	(13,034)	(47,900)
Proceeds from disposal of investments	9	13,986	49,494
Decrease/(Increase) in current asset investments		406	(1,135)
Net cash provided by investing activities		2,350	1,577
Decrease in cash and cash equivalents during the year		-	(1)
Cash and cash equivalents brought forward		13	14
Cash and cash equivalents carried forward		13	13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

The particular accounting policies adopted by the trustees are set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)); the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102); and the Charities Act 2011.

The Wolfson Family Charitable Trust meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention, with the exception that investments are included at market value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Report) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102).

The most significant areas of adjustments and key assumptions that affect items in the accounts are to do with estimating the liability from multi-year grant commitments (see note 8 for more information). With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of the investments.

The financial statements have been prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £'000.

Restatement

An amount of £256,198 has been restated between fixed asset investments and current asset investments as at 31 March 2019. This reflects the fact that an amount of cash held for future investment was previously included within the private equity section of fixed asset investments. This item does not affect the net assets of the charity.

(b) Going concern

While Covid-19 is causing uncertainty in investment markets, the trustees consider that as the finances are based on a long-term endowment there are no material uncertainties about the Trust's ability to continue as a going concern.

(c) Investment income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(d) Resources expended

Expenditure is included on an accruals basis.

Grant awards and other liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(e) Allocation of management and administration expenses

Management and administration expenses are allocated between charitable activity and governance. Management and administration expenses relating to grant making activities are apportioned evenly amongst the four grant making categories.

The allocation of management and administration expenses is analysed in note 4.

1. Accounting policies (continued)

(f) Governance costs

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice, including the statutory audit and legal fees.

(g) Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the expendable endowment fund.

(h) Gains and losses on investments

Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or purchase cost if acquired in the year). Unrealised gains and losses on investments are calculated as the difference between the closing mid-market value at the year end and opening mid-market value (or purchase cost if acquired in the period).

Realised and unrealised gains and losses on investments are not separated in the statement of financial activities and are recognised in the statement of financial activities as they arise.

(i) Investment assets

Investments are included at closing mid-market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the period.

Cash balances are managed as part of a portfolio of investment assets and are included on the balance sheet as current assets.

2. Maintaining the Wolfson Family Charitable Trust for the longer term

2.1 Preserving the real value of the fund

In order to achieve a proper balance between the interests of current and future beneficiaries, the trustees have determined that they are aiming to preserve the value of the expendable endowment fund broadly in real terms, and that investment returns in excess of the amount required to preserve the real value of the fund may be expended in furtherance of the Trust's objectives.

The net value of the fund is the residual sum, dependent upon the amounts and timing of both income and expenditure.

	2016	2017	2018	2019	2020
RPI at the Trust's year end	101.4	105.0	108.5	111.8	
CPI at the Trust's year end					113.5

The RPI stood at 258.5 at March 2015 and has been rebased to 100 to show the growth from the commencement of this period. From April 2019, CPI has been applied to the adjusted RPI figure at this date as the formal investment target changed near the year ended 31 March 2019 from RPI + 4% to CPI + 4%.

	£'000	£'000	£'000	£'000	£'000
Actual expendable endowment fund	31,721	36,240	34,529	35,834	32,853
Target expendable endowment fund	32,919	33,953	35,088	36,138	36,678
Increase / (decrease) in fund in real terms relative to March 2020	(1,198)	2,287	(559)	(304)	(3,825)

3. Investment income

	2020 £'000	2019 £'000
Dividends-UK companies, unit trusts and OEICS	57	348
Dividends-Foreign securities, unit trusts and OEICS	260	97
Interest-UK securities, unit trusts and OEICS	17	34
Interest-Foreign securities, unit trusts, OEICS and Eurobonds	116	90
Interest-cash deposits	1	38
Distribution – Oxford University Endowment Management Ltd.	541	511
	992	1,118

3.1 Investment performance

In setting the objectives against which the performance of the investment managers is measured, the Trustees are primarily concerned with the total return on investments, namely the sum of investment income (note 1(c) above) and gains and losses on investments (note 1(h) above).

Although these constituent elements are required to be shown separately in the statement of financial activities, no importance attaches to how much of the total return is represented by investment income and how much is represented by gains or losses on investments, and the investment managers are not set separate targets for these amounts. This approach is termed a total return approach.

The long-term investment objective has, until the end of last year, been an average annual total return of UK RPI + 4%. This target was changed to UK CPI + 4%, and this has been reflected in calculations from this financial year.

The uplift in investment management fees for the period is the result of a change, agreed in February 2019 with Cazenove Capital, to the method for calculating fees to an "all-in" fee rate, which has led to a higher explicit management charge but reduced commission charged on transactions.

A summary of investment performance for the period since the total return approach was adopted is set out below.

3.1 Investment performance (continued)

Changes in the investment portfolio

		2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	Total £'000
Opening value of investments	A	37,145	34,864	39,170	37,628	38,871	37,145
Investment income		885	924	882	1,118	992	4,801
Investment gains/ (losses)		(2,039)	5,167	(988)	1,814	(2,219)	1,735
Investment management fees		(40)	(41)	(45)	(41)	(69)	(236)
Total return	B	(1,194)	6,050	(151)	2,891	(1,296)	6,300
Amounts withdrawn from portfolio (note (i))		(1,087)	(1,744)	(1,391)	(1,648)	(1,782)	(7,652)
Closing value of investments		34,864	39,170	37,628	38,871	35,793	35,793

(i) These amounts are on a "cash basis" - being the monies withdrawn from the investment portfolio in the period in order to pay grants and disburse other expenditure.

Investment returns compared to the Trust's objective

		2016	2017	2018	2019	2020	2016 - 2020 Average
Actual return % (B/A)		(3.16%)	17.58%	(0.35%)	7.68%	(3.35%)	3.68%
Target return % (RPI + 4%)	C	5.61%	7.30%	7.62%	6.99%		
Target return % (CPI + 4%)	C					5.50%	6.60%
Return (below) / in excess of target %		(8.77%)	10.28%	(7.97%)	0.69%	(8.85%)	(2.92%)

		2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	Total £'000
Actual return £'000	B	(1,194)	6,050	(151)	2,891	(1,296)	6,300
Target return £'000 (C x A)		2,080	2,580	2,985	2,632	2,138	12,415
Return (below) / in excess of target £'000		(3,274)	3,470	(3,136)	259	(3,434)	(6,115)

4. Grant making activities

	Grants awarded (net) £'000	Allocated expenses (note 5) £'000	Total 2020 £'000	Total 2019 £'000
Science and medicine	1,000	36	1,036	1,032
Education	35	35	70	165
Health and disability	213	35	248	350
Arts and humanities	294	36	330	39
	1,542	142	1,684	1,586

The list of individual grants made during the year is set out in note 16. Grants awarded are net of relinquished grants, see note 8.

The total management and administration expenses are apportioned evenly amongst the four grant making activities.

Significant aspects of the grant activity during the year are described on pages 3 and 4 of the Trustees' report.

4.1 Charitable expenditure

The Trustees aim to distribute approximately 4% of the fund, including administrative costs, on an annual basis. The value used to calculate the normal target distribution is the average of the last five years' investment portfolio value.

	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2016 - 20 £'000
Actual charitable expenditure (note (i))	1,649	1,531	1,560	1,586	1,684	8,258
Target charitable expenditure	1,413	1,413	1,474	1,501	1,491	7,292
Expenditure in excess of target	236	118	86	85	193	966

(i) These amounts are on an "accruals basis", meaning that grants are included in the year of award, as described in note 1(d).

5. Management and administration expenses

	Governance costs £'000	Grant making activities £'000	Total 2020 (Note 4) £'000	Total 2019 £'000
Consultancy fees	-	3	3	11
Auditors' remuneration for audit services	7	-	7	7
Auditors' remuneration for other services	18	-	18	17
Legal fees	7	-	7	-
Staff costs (see note 7)	-	88	88	85
Other administrative expenses	-	19	19	39
	32	110	142	159

5. Management and administration expenses (continued)

The governance costs comprise costs of running the Trust and planning for future developments, including audit fees, legal advice for the Trustees and costs of complying with constitutional and statutory requirements, such as Trustees' meetings, the preparation of accounts and satisfying public accountability.

The costs relating to grant making activity represent costs incurred in assessing applications, administration of the grants awarded and post grant monitoring.

Staff costs cover salary and other costs paid in respect of part time employees, shared with the Wolfson Foundation, engaged during the year (see note 7). No staff costs are allocated to governance costs as the amount of related activity is immaterial compared to the grant making activity.

Legal fees comprise charges for legal work from Bryan Cave Leighton Paisner LLP where Martin Paisner, (a Trustee) was a partner until 30 April 2020.

6. Trustees' remuneration

No fees are paid to trustees for their services as Board Members. During the year, expenses of £4,183 (2019: £1,365) were incurred by the trustees.

As allowed by the Trust Deed, consultancy fees of £2,500 were paid to Lord Turnberg in connection with his work undertaken in advising on applications to the Wolfson Family Charitable Trust. Trustees who are family members did not receive any remuneration.

7. Staff costs

During the year there were 4 part time employees.

	31 March 2020 £'000	31 March 2019 £'000
Salaries	72	69
Social security costs	9	9
Other pension costs	7	7
	88	85

The average number of part time employees, shared with Wolfson Foundation, employed throughout the year was 4 (2019: 4). During the year, one employee received emoluments between £70,000 and £80,000.

8. Grants awarded for future payment

Grants awarded by the Trustees for future payment at 31 March 2020 total £3,015,263 (2019: £3,150,133) as follows:

	At 1 April 2019 £'000	Grants awarded during the year £'000	Grants paid during the year £'000	Grants relinquished & adjusted £'000	At 31 March 2020 £'000
Science and medicine	2,410	1,000	(1,117)	-	2,293
Education	154	35	(35)	-	154
Health and disability	446	224	(415)	(11)	244
Arts and humanities	140	294	(110)	-	324
	3,150	1,553	(1,677)	(11)	3,015

	31 March 2020 £'000	31 March 2019 £'000
Due within one year (note 11)	2,261	2,235
Due after more than one year (note 12)	754	915
	3,015	3,150

A summary of grants awarded during the year is set out in note 16.

9. Investments

Fixed asset investments

	Market value 2019 £'000 (Restated (note 1))	Purchases £'000	Sales £'000	Gains/ (losses) £'000	Market value 2020 £'000
Equities	26,443	8,537	(9,223)	(1,381)	24,376
Fixed Income	3,046	1,450	(1,100)	(402)	2,994
Absolute Returns	5	-	(1)	-	4
Real Assets	5,584	3,047	(3,306)	133	5,458
Gilts and Others	1,219	-	(356)	(70)	793
	36,297	13,034	(13,986)	(1,720)	33,625
Current asset investments					
Cash held for future investment	2,574				2,168
Total investment assets	38,871				35,793

The acquisition cost of these investments is £37,342,050 (2019: £38,231,282).

10. Debtors

	31 March 2020 £'000	31 March 2019 £'000
Accrued income	65	92
Sundry debtors	13	18
	78	110

11. Creditors falling due within one year

	31 March 2020 £'000	31 March 2019 £'000
Grants payable (note 8)	2,261	2,235
Accrued expenses of administration	16	10
	2,277	2,245

12. Creditors falling due after one year

	31 March 2020 £'000	31 March 2019 £'000
Grants payable (note 8)	754	915

13. Reconciliation of net movement in funds to net cash used in operating activities

	31 March 2020 £'000	31 March 2019 £'000
Net (outgoing) / incoming resources	(2,981)	1,305
Losses / (Gains) on investments	1,720	(1,702)
Investment income	(992)	(1,118)
Decrease / (increase) in debtors	32	(18)
Decrease in creditors	(129)	(45)
Net cash used in operating activities	(2,350)	(1,578)

14. Joint administration

The Charity has shared objectives and joint administration with the Wolfson Foundation, registered charity number 1156077 and Company registration number 08927040, at 8 Queen Anne Street, London W1G 9LD.

15. Related party transactions

During the year, fees of £6,600 were paid in respect of legal services provided by Bryan Cave Leighton Paisner LLP of which Martin Paisner (Trustee) was a partner until 30 April 2020.

16. Grants awarded during the year

	£
Science and Medicine	
Awards were made to the following Israeli Medical Centres:	
Rambam Health Care Campus, Haifa, Israel -Catheterization laboratory (joint award with the Wolfson Foundation totalling £400,000)	160,000
Hadassah Medical Center, Jerusalem, Israel -da Vinci XI surgical system (joint award with the Wolfson Foundation totalling £370,000)	148,000
Tel Aviv Sourasky Medical Center, Israel -Radiotherapy MRI simulation system (joint award with the Wolfson Foundation totalling £360,000)	144,000
Soroka Medical Center, Beer Sheva, Israel -Cardiac interventional hybrid procedure room (joint award with the Wolfson Foundation totalling £340,000)	136,000
Chaim Sheba Medical Center, Tel HaShomer, Israel -MRI simulator (joint grant with the Wolfson Foundation totalling £320,000)	128,000
Rabin Medical Center, Petah Tikva, Israel -TEM and Cryostat equipment (joint award with the Wolfson Foundation totalling £300,000)	120,000
Shaare Zedek Medical Center, Jerusalem, Israel -Fluorescence Activated Cell Sorting (FACS) Machine, and research and clinical equipment for the Assisted Reproduction (IVF) Service (joint award with the Wolfson Foundation totalling £243,000)	97,200
Edith Wolfson Medical Center, Holon, Israel -MRI simulator system (joint award with the Wolfson Foundation totalling £167,000)	66,800
Total Science and Medicine (8 grants)	**1,000,000**
Education	
JW3, London, NW3 -Adult learning and history programme	25,000
Prism, London, W1 -Wolfson Jewish Education Fund	9,600
Total Education (2 grants)	**34,600**

Arts and Humanities

Yad Vashem, Jerusalem, Israel -Heritage Gallery in the Shoah Heritage Collections Centre	200,000
Bevis Marks Synagogue, London, EC2 -Restoration work (joint award with the Wolfson Foundation totalling £150,000)	54,000
Sandys Row Synagogue, London, E1 -Restoration of interior features	15,000
SOAS, London, WC1 (in partnership with the Jewish Music Institute) -Joe Loss Lectureship in Jewish Music	25,000
Total Arts and Humanities (4 grants)	**294,000**

Health and Disability

Kisharon, London, NW9 -Construction of new special school (joint award with the Wolfson Foundation totalling £175,000)	75,000
The Fed, Manchester -Extension to Beach House (specialist dementia care facility)	50,000
ALUT, Givatayim, Israel -Furniture for the 'Home for Life' in Kfar Ofarim village	20,000
Israel Elwyn, Jerusalem, Israel -Equipment for training kitchen	20,000
LOTEM, Yokne'am, Israel -Tablets, cases and software	19,500
Ilan, Petah Tikva, Israel -Equipment for the Rehabilitative Day Care Center	14,000
Emda - Alzheimer Association of Israel, Ramat Gan, Israel -"Activities for Health" kits	15,000
OZMA, Givatayim, Israel -IT equipment	10,700
Total Health and Disability (8 grants)	**224,200**
Total grants awarded	**1,552,800**
(Total number of grants: 22)	
Grants relinquished during the year	**11,221**
Grants awarded (net)	**1,541,579**