
THE SOBELL FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

THE SOBELL FOUNDATION

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THE SOBELL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2021

Trustees	The Hon. Susan Gina Lacroix Andrea Gaie Scouller Karis Ann Lacroix Jerome Humphrey Andre Lacroix Julian Michael Edward Lee Sebastian Gaskell Lee Deborah Henny Ann Sobel
Charity registered number	274369
Principal office	PO Box 5402 Wincanton Somerset BA9 0BH
Independent auditors	Berg Kaprow Lewis LLP Chartered Accountants 35 Ballards Lane London N3 1XW
Bankers	C. Hoare & Co. 37 Fleet Street London EC4P 4DQ
Investment Manager	Troy Asset Management Limited Brookfield House 33 Davies Street London W1K 4BP

THE SOBELL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 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 published on 16 July 2014.

Structure, governance and management

a. Constitution

The Sobell Foundation was established by the late Sir Michael Sobell on 5 September 1977 for general charitable purposes and is a grant-making trust with which he was actively involved until shortly before his death in 1993. The deed of charitable trust, under which The Sobell Foundation was formed, is not specific about the objects of the trust and allows the trustees absolute discretion to apply funds for general charitable purposes.

b. Methods of appointment or election of Trustees

The trustees use their powers under the Trustee Act 2000 to appoint new trustees.

c. Policies adopted for the induction and training of Trustees

On appointment, new trustees would be provided with information on the structure and administration of the Foundation and, in this respect, would receive a copy of the most recent accounts, trustees' report and the trust deed. In addition new trustees would be required to attend training workshops to ensure they are aware of current legislation and Charity Commission guidelines. The existing trustees are updated on any changes in legislation and Charity Commission guidelines as and when they occur.

d. Organisational structure and decision-making policies

The trustees aim to meet quarterly to agree the broad strategy and areas of activity for the trust, including consideration of grant making, investment, reserves and risk management policies and performance.

Objectives and activities

a. Policies and objectives

The objects of the charity are to support projects and activities carried out by other charities. The trustees aim to support charities working in England, Wales, Israel and the Commonwealth of Independent States (CIS). Funding is generally restricted to charities working in the following fields: medical care and treatment, care and education for physically and mentally disabled adults and children and care and support for the elderly and children from disadvantaged backgrounds. In addition, in Israel only, the trustees support coexistence projects and projects relating to immigrant absorption.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

THE SOBELL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

Objectives and activities (continued)

b. Strategies for achieving objectives

The trustees aim to achieve a reasonable spread between Jewish charities (operating principally in the UK, Israel and the CIS) and non-Jewish charities operating in the UK, with between a third and a half generally being allocated to the former category. The trustees seek to focus their donations on projects where they feel they can make a positive and meaningful difference to the quality of the lives of those supported by the relevant charity.

Grants are only made to, or through, UK registered charities.

c. Activities undertaken to achieve objectives

The trustees receive a large number of grant applications from registered charities each year and support as many as possible of those meeting the criteria set out in the grant making policy outlined above. The trustees aim to deal with requests within three months of receipt, and often quicker, and to respond to each application received, whether or not a grant is made.

The day to day administration of grants and the processing and handling of applications prior to consideration by the trustees is delegated to a charity consultant.

Applicants for major grants may be invited to give a presentation to the trustees in support of their application.

The trustees tend to make visits to charities that have received substantial grants. The trustees also aim to visit Israel annually, seeing potential new projects and paying visits to projects which have been supported in the past. In this respect the trustees use the services of a consultant based in Israel who assists them in the evaluation of projects they wish to consider supporting. Many of the charities supported send reports of their activities to the trustees on a regular basis and, in some cases, the trustees make follow-up visits.

THE SOBELL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

Objectives and activities (continued)

d. Main activities undertaken to further the Charity's purposes for the public benefit

392 grants totalling just over £5.2 million were paid during the year, with donations ranging from £1,000 to £300,000. Approximately 70% of grants paid were made to UK charities and 30% to charities in Israel and Jewish charities in the UK. This allocation is within the ranges agreed by the trustees for grant allocation.

84 grants paid in the year were of amounts ranging from £20,000 to £50,000.

5 grants in excess of £50,000 were paid in the year as follows:

- £100,00 to Desert Stars representing the second instalment of a three year grant towards the building costs of a High School for the Bedouin community.
- £77,000 to the Royal Brompton & Harefield NHS trust in respect of the second instalment of a three-year grant towards the funding of a Specialist Nurse to care for children with complex co-morbidities.
- £70,000 to World Jewish Relief in respect of the final instalment of a three year grant towards combatting poverty and depravation amongst the world's most vulnerable Jewish communities.
- £200,000 to Jewish Care representing the final instalment of a three year grant towards the cost of refurbishment and improvements to The Michael Sobell Jewish Community Centre in London.
- £300,000 to The Michael Sobell Hospice towards the running costs of the newly re-established Hospice.

The Trustees have complied with section 2(1)(b) of the Charities Act 2011, having due regard to the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives, when setting the grant making policy and in making awards.

e. Plans for future periods

The trustees aim to continue to support as many charities as possible that meet the criteria set out in their grant making policy, the details of which can be found at:

<https://www.sobellfoundation.org.uk/SobellGuidelinesForApplicants.htm>

Financial review

a. Overview

The Foundation funds the grants it makes to charities from investment income with any shortfall being met from the proceeds of investment sales.

The trustees have charitable commitments (before discount) for 2021/22 of £1,634,333 and £144,000 for 2022/23.

b. Reserves policy

The trustees aim to maintain a reserve fund, including cash, at a level equating to at least two years normal charitable expenditure in order to meet any short term variances in cash flow. This enables the trustees to respond to grant applications and to cover support and governance costs.

THE SOBELL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

c. Investment policy and performance

The trustees' investment policy is to invest their funds prudently, balancing risk and return, with a view to maintaining the real capital value of their funds over the medium term. The trustees' investments are managed under a discretionary fund management agreement with one investment manager. The investment manager meets the trustees twice a year to discuss performance. The aim is to provide an annual total return (capital growth with dividends and yield reinvested) of around 4%.

The income from the investment portfolio for the year, £1,071,332, represented a return on the original cost of the investments of c. 2.5% (2020: 1.8%).

The total return on investments, before fees, for the year ended 5 April 2021 was 15.8% (2020: -3.75%) against a year on year target return (capital growth with dividends and yield reinvested) of 4% per annum. The MSCI PIMFA Balanced Index (peer group) showed an increase over the same period of 20.8% (2020 -7.07%).

d. Factors relevant to achieve objectives

The continuing volatility of the stock market over the last few years has made the management of the investments particularly difficult. The trustees, on professional advice from their investment advisor, remain of the view that the current mix of equities, bonds, cash and other investments is appropriate to their investment policy and attitude towards risk.

e. Risk management

The trustees have identified the major risks to which the charity is exposed. These fall into two main categories: protection of assets and income and the integrity of the grant making process. Having carried out their annual review of these risks, the trustees remain confident that they have the systems and procedures in place to mitigate the risks as far as possible.

f. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future despite the current uncertain outlook. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

THE SOBELL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' 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 & 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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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 order of the members of the board of Trustees and signed on their behalf by:



.....
Sebastian Gaskell Lee
Trustee
Date: 24/01/2022

THE SOBELL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SOBELL FOUNDATION

Opinion

We have audited the financial statements of The Sobell Foundation (the 'charity') for the year ended 5 April 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 incoming resources and application of resources 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt 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.

THE SOBELL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SOBELL FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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 course of 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the 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.

THE SOBELL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SOBELL FOUNDATION (CONTINUED)

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risks of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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.

Berg Kaprow Lewis LLP

Berg Kaprow Lewis LLP

Chartered Accountants
London

Date 24/01/2022

Berg Kaprow Lewis LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE SOBELL FOUNDATION

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

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Investments	2	1,888,872	1,888,872	1,370,553
		<u>1,888,872</u>	<u>1,888,872</u>	<u>1,370,553</u>
Total income				
Expenditure on:				
Raising funds	3	262,089	262,089	295,945
Charitable activities	4	1,676,460	1,676,460	5,712,115
		<u>1,938,549</u>	<u>1,938,549</u>	<u>6,008,060</u>
Total expenditure				
Net expenditure before net gains/(losses) on investments		(49,677)	(49,677)	(4,637,507)
Net (losses)/gains on investments		8,559,608	8,559,608	(5,677,610)
		<u>8,509,931</u>	<u>8,509,931</u>	<u>(10,315,117)</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		54,983,374	54,983,374	65,298,491
Net movement in funds		8,509,931	8,509,931	(10,315,117)
		<u>63,493,305</u>	<u>63,493,305</u>	<u>54,983,374</u>
Total funds carried forward				

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 26 form part of these financial statements.

THE SOBELL FOUNDATION

**BALANCE SHEET
AS AT 5 APRIL 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	9	64,758,643	59,283,950
		<u>64,758,643</u>	<u>59,283,950</u>
Current assets			
Debtors	10	418,697	303,273
Cash at bank and in hand		175,899	1,227,104
		<u>594,596</u>	<u>1,530,377</u>
Creditors: amounts falling due within one year	11	(1,719,998)	(4,318,000)
Net current liabilities		<u>(1,125,402)</u>	<u>(2,787,623)</u>
Total assets less current liabilities		<u>63,633,241</u>	<u>56,496,327</u>
Creditors: amounts falling due after more than one year	12	(139,937)	(1,512,953)
Total net assets		<u><u>63,493,304</u></u>	<u><u>54,983,374</u></u>
Charity funds			
Unrestricted funds	15	63,493,304	54,983,374
Total funds		<u><u>63,493,304</u></u>	<u><u>54,983,374</u></u>

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



.....
Sebastian Gaskell Lee

Trustee

Date: 24/01/2022

The notes on pages 13 to 26 form part of these financial statements.

THE SOBELL FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	17	(5,773,937)	(7,002,947)
Cash flows from investing activities			
Dividends, interests and rents from investments		1,639,447	1,648,573
Proceeds from sale of investments		30,168,630	35,774,715
Purchase of investments		(27,083,715)	(29,572,640)
Net cash provided by investing activities		4,724,362	7,850,648
Change in cash and cash equivalents in the year		(1,049,575)	847,701
Cash and cash equivalents at the beginning of the year		1,227,104	379,403
Cash and cash equivalents at the end of the year	18	177,529	1,227,104

The notes on pages 13 to 26 form part of these financial statements

THE SOBELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Sobell Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

The Trustees are confident that the Foundation has adequate reserves and resources to continue operations for the foreseeable future and is well placed to manage its business risks successfully despite the current uncertain economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The charity does not have restricted funds.

1.4 Income

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

THE SOBELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies (continued)

1.5 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

Grant commitments are recognised as liabilities in the balance sheet and charged to the statement of profit or loss when the commitment to make the grant is communicated to the recipient. Grants due in more than one year are discounted to present value. The discount rate used is determined using the charity's average income yield on investments.

THE SOBELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies (continued)

1.11 Financial instruments

The Charity 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Charity also enters into non-basic financial instruments transactions such as forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in administrative expenses. The Charity does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Dividend income	933,770	933,770
Gains on forward foreign exchange contracts	817,540	817,540
Interest	137,562	137,562
	<hr/>	<hr/>
	1,888,872	1,888,872
	<hr/>	<hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Dividend income	1,338,683	1,338,683
Losses on forward foreign exchange contracts	(130,669)	(130,669)
Interest	162,539	162,539
	<hr/>	<hr/>
	1,370,553	1,370,553
	<hr/>	<hr/>

THE SOBELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

3. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	262,089	262,089
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment management fees	295,945	295,945

THE SOBELL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Grant making activities	1,544,817	1,544,817
Support costs	131,643	131,643
	<hr/> 1,676,460	<hr/> 1,676,460
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Grant making activities	5,508,835	5,508,835
Support costs	203,280	203,280
	<hr/> 5,712,115	<hr/> 5,712,115

5. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £
Grant making activities	1,544,817	-	1,544,817
Support costs	-	131,643	131,643
	<hr/> 1,544,817	<hr/> 131,643	<hr/> 1,676,460

THE SOBELL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

5. Analysis of expenditure by activities (continued)

	<i>Direct costs</i> 2020 £	<i>Support costs</i> 2020 £	<i>Total funds</i> 2020 £
Grant making activities	5,508,835	-	5,508,835
Support costs	-	203,280	203,280
	<hr/> 5,508,835	<hr/> 203,280	<hr/> 5,712,115

Analysis of support costs

	Unrestricted funds 2021 £	Total funds 2021 £
Stationery and postage	529	529
Information technology	8,157	8,157
Bank charges & processing fees	644	644
Other costs	2,259	2,259
Consultancy fees and expenses	30,254	30,254
General management	70,000	70,000
Accountancy	11,400	11,400
Audit fees	8,400	8,400
	<hr/> 131,643	<hr/> 131,643

THE SOBELL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

5. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Grant making activities 2020 £</i>	<i>Total funds 2020 £</i>
Stationery and postage	335	335
Office functions	206	206
Information technology	16,179	16,179
Bank charges & processing fees	6,505	6,505
Other costs	10,043	10,043
Consultancy fees and expenses	59,026	59,026
Trustees travelling expenses to Israel	9,813	9,813
General management	83,173	83,173
Accountancy	9,600	9,600
Audit fees	8,400	8,400
	<u>203,280</u>	<u>203,280</u>

6. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Grant making activities	<u>1,544,817</u>	<u>1,544,817</u>

	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Grant making activities	<u>5,508,835</u>	<u>5,508,835</u>

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	2021	2020
	£	£
Grants paid in the year		
United Kingdom		
Community	778,600	894,200
Cultural and Environmental	79,000	96,450
Education	320,500	551,500
Hardship alleviation	679,400	842,200
Medical (care/treatment)	<u>1,808,033</u>	<u>2,024,233</u>
	3,665,533	4,408,583
Israel		
Community	295,000	369,000
Cultural and Environmental	27,000	4,500
Education	515,500	637,500
Hardship alleviation	270,000	307,500
Medical (care/treatment)	<u>464,300</u>	<u>714,300</u>
	1,571,800	2,032,800
Total grants paid in the year	<u>5,237,333</u>	<u>6,441,383</u>
Grants awarded in prior years	(3,977,333)	(4,209,700)
Grants rescinded due to the conditions for payment not being met	(19,000)	(10,000)
Future commitments awarded in current year	271,000	3,100,839
Total grants paid and awarded in the year	<u>1,512,000</u>	<u>5,322,522</u>
Finance charges on discounting of future commitments	32,817	186,313
Total	<u>1,544,817</u>	<u>5,508,835</u>

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7. Auditors' remuneration

The Auditor's remuneration amounts to an audit fee of £8,400 (2020 - £8,400), and accountancy services of £11,400 (2020 - £9,600).

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year, one trustee received reimbursement of expenses to attend a conference.

During the prior year, three trustees received £9,813 in reimbursement of travelling expenses. One trustee received £199 in reimbursement of software subscriptions. One trustee received £500 in reimbursement of office supplies).

9. Fixed asset investments

	Managed funds £	Cash held in investment portfolio £	Direct investments £	Total £
Cost or valuation				
At 6 April 2020	20,416,182	954,151	37,913,617	59,283,950
Additions	-	15,532,100	11,551,615	27,083,715
Disposals	(1,152,050)	(15,349,983)	(13,666,597)	(30,168,630)
Revaluations	6,505,977	-	2,053,631	8,559,608
At 5 April 2021	<u>25,770,108</u>	<u>1,136,268</u>	<u>37,852,267</u>	<u>64,758,643</u>
Net book value				
At 5 April 2021	<u>25,770,108</u>	<u>1,136,268</u>	<u>37,852,267</u>	<u>64,758,643</u>
At 5 April 2020	<u>20,416,182</u>	<u>954,151</u>	<u>37,913,617</u>	<u>59,283,950</u>

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10. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	113,868	100,345
Prepayments and accrued income	192,967	202,928
Financial instruments	111,862	-
	<u>418,697</u>	<u>303,273</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	85,665	86,147
Grants accrued - institutional (see note 13)	1,634,333	3,953,833
Financial instruments	-	278,020
	<u>1,719,998</u>	<u>4,318,000</u>

12. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Grants accrued - institutional (see note 13)	<u>139,937</u>	<u>1,512,953</u>

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13. Grants accrued

	2021 £	2020 £
As at 6 April 2020	5,466,786	6,389,334
Opening commitments paid in current year	(3,977,333)	(4,209,700)
New commitments in the year	271,000	3,100,839
Cancelled commitments	(19,000)	-
Finance charges on discounting of future commitments	32,817	186,313
	<u>1,774,270</u>	<u>5,466,786</u>

Breakdown of commitments

	2021 £	2020 £
Due within one year (see note 11)	1,634,333	3,953,833
Due after one year (see note 12)	139,937	1,512,953
	<u>1,774,270</u>	<u>5,466,786</u>

14. Financial instruments

	2021 £	2020 £
Financial assets		
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	111,862	-
	<u>111,862</u>	<u>-</u>
	2021 £	2020 £
Financial liabilities		
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	-	(278,020)
	<u>-</u>	<u>(278,020)</u>

The Charity has entered into forward foreign currency contracts. As at 5 April 2021, the outstanding contracts all mature within 1 month of the year end (as in 2020). The Charity is committed to sell US\$9,000,000 (2020 - US\$6,042,000) for a fixed sterling amount.

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FOR THE YEAR ENDED 5 APRIL 2021**

15. Statement of funds

Statement of funds - current year

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
Unrestricted funds					
General Funds - all funds	54,983,374	1,888,872	(1,938,550)	8,559,608	63,493,304

Statement of funds - prior year

	<i>Balance at 6 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 5 April 2020 £</i>
Unrestricted funds					
General Funds - all funds	65,298,491	1,648,573	(6,286,080)	(5,677,610)	54,983,374

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	64,758,643	64,758,643
Current assets	594,596	594,596
Creditors due within one year	(1,719,998)	(1,719,998)
Creditors due in more than one year	(139,937)	(139,937)
Total	63,493,304	63,493,304

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fixed asset investments	59,283,950	59,283,950
Current assets	1,530,377	1,530,377
Creditors due within one year	(4,318,000)	(4,318,000)
Creditors due in more than one year	(1,512,953)	(1,512,953)
Total	<u>54,983,374</u>	<u>54,983,374</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>8,509,931</u>	<u>(10,315,117)</u>
Adjustments for:		
Revaluation of investments	(8,559,608)	5,582,327
Dividends and interest from investments	(1,639,447)	(1,648,573)
(Increase)/decrease in debtors	(3,562)	42,805
Increase/(decrease) in creditors	(3,969,389)	(942,409)
Unrealised (gains)/losses on forward foreign exchange contracts	(111,862)	278,020
Net cash used in operating activities	<u>(5,773,937)</u>	<u>(7,002,947)</u>

18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>177,529</u>	<u>1,227,104</u>
Total cash and cash equivalents	<u>177,529</u>	<u>1,227,104</u>

THE SOBELL FOUNDATION

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19. Analysis of changes in net debt

	At 6 April 2020	Cash flows	Changes in market value and exchange rate movements	At 5 April 2021
	£	£	£	£
Cash at bank and in hand	1,227,104	(1,051,205)	-	175,899
Financial instruments	-	-	111,862	111,862
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. Related party transactions

There were no disclosable related party transactions during the year apart from those disclosed in note 8.