

The Sackler Trust
(A company limited by guarantee)

Report and Financial Statements

Period ended: 31 December 2010

Company Number: 7022224

Charity Number: 1132097

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The Sackler Trust

Trustees' Report

The Trustees present their report and accounts for the period from incorporation on 17 September 2009 to 31 December 2010

Reference and administrative details

Company Number: 7022224

Charity Number: 1132097

Directors and Trustees

Dr Mortimer D Sackler KBE (Deceased 24 March 2010)
Theresa E Sackler (appointed 28 September 2009)
Marissa T Sackler (appointed 24 November 2009)
Sophia Sackler Dalrymple (appointed 24 November 2009)
Michael D Sackler (appointed 24 November 2009)
Christopher B Mitchell (appointed 17 September 2009)
Peter Stormonth Darling (appointed 24 November 2009)
Raymond M Smith (appointed 18 September 2009)
Marianne K Mitchell (appointed 24 November 2009)

Secretary

Tiercel Services Limited

Principal and Registered Office Address

New Zealand House, 9th Floor
80 Haymarket
London SW1Y 4TQ

Solicitor

Christopher B Mitchell
New Zealand House, 9th Floor
80 Haymarket
London SW1Y 4TQ

Accountants

Management Revisions Limited
New Zealand House, 9th Floor
80 Haymarket
London SW1Y 4TQ

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Natwest Bank plc
St James' & Piccadilly Branch
208 Piccadilly
London W1A 2DG

Trustees' Report

Trustees and Directors

The Directors of the Company are also Trustees of the Trust and throughout this report are referred to as Trustees. The Trustees serving during the period were Theresa E Sackler, Marissa T Sackler, Sophia Sackler Dalrymple, Michael D Sackler, Christopher B Mitchell, Peter Stormonth Darling, Raymond M Smith and Marianne K, Mitchell. Dr Mortimer D Sackler served until his death on 24 March 2010.

Structure, Governance and Management

Governing Instrument

The Company herein referred to as the "Trust" was incorporated under the Companies Act 1985 as a private company limited by guarantee under number 7022224 on 17 September 2009. The Trust obtained charitable status under the Charities Act 1960 on 13 October 2009, and it is registered as a charity under number 1132097. The Trustees have absolute discretion as to the investment policy of the Trust.

Appointment of Trustees

Trustees are appointed by Resolution of the Members.

Trustee induction and training

The Trustees are supported in their activities by the Advisors noted on page 1 and attend Trustee meetings.

Management and organisation

The Trust has no employees. The administration of the Trust is dealt with by the Trustees and supported by the Advisors noted on page 1. These services are provided free of charge.

Related parties

During the period, the Trust received a donation of £5,000,000 from Mrs Theresa E Sackler.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Trust faces and confirm that systems have been established so that the necessary steps can be taken to lessen these risks. These are kept under regular review.

Major risks

The Trust's outstanding charitable commitments are expected to be met out of current resources and future income. The Trustees have identified no other major risks.

Objectives and Activities

As set out in the objects contained in the Trust's memorandum of association, the principal object of the Trust is the advancement of research and education in England and Wales and elsewhere in the fields of art, science and medical research and any other charitable objects as the Trustees shall, at their discretion, decide according to the laws of England and Wales. The trustees confirm they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Achievements and Performance

As shown on page 9 the Trust committed and paid charitable donations of £203,000 during the period.

Trustees' Report

Financial Review

Financial position

Net incoming resources for the period amounted to £26,069,792 and are carried forward at the end of the period. This fund is unrestricted and will be applied to meeting the Trust's commitments and any other donations in the coming year.

The Directors report that

- 1 The Trust has sufficient funds to cover its immediate and future commitments out of current resources
- 2 The Trust's assets are held in order to further its objectives and all funds received have been or will be applied to the achievement of those objectives
- 3 The Trustees have performed a review of the Trust's ability to continue as a going concern. In their opinion the Trust will be able to continue in operational existence for the foreseeable future

Reserves policy

The Trust does not make full distribution of its income in each year but works to a broad policy of making full distribution of its income in the medium to long term.

Investment policy

Surplus funds are retained in cash in sterling on bank term deposits.

Trustees' Responsibilities in relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that these accounts comply with these requirements.

To the knowledge and belief of the Trustees, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) that auditors are not aware of, and the Trustees have taken all the steps necessary to ensure the Trustees are aware of any relevant information, and to establish that the company's auditors are aware of that information.

The report of the Trustees has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board


C B Mitchell


R M Smith

Date

11 5 JUN 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SACKLER TRUST

We have audited the financial statements of the Sackler Trust for the period ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 7. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006.

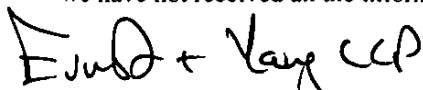
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate 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
- ▶ certain disclosures of trustees' remuneration specified by law are not made, or
- ▶ we have not received all the information and explanations we require for our audit.



Paul Gordon (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

15 June 2011

STATEMENT OF FINANCIAL ACTIVITIES
For the period ended 31 December 2010

	<i>Notes</i>	2010 £
INCOMING RESOURCES		
Voluntary income		
Donations received		26,264,232
Investment income		
U K Bank deposit interest		9,315
TOTAL INCOMING RESOURCES		<u>26,273,547</u>
RESOURCES EXPENDED		
Charitable activities	3	203,000
Governance costs	4	755
TOTAL RESOURCES EXPENDED		<u>203,755</u>
NET INCOMING RESOURCES FOR THE YEAR		<u>26,069,792</u>
NET MOVEMENT IN FUNDS		<u>26,069,792</u>
Fund balances at 17 September 2009		-
FUND BALANCES AT 31 DECEMBER 2010		<u><u>26,069,792</u></u>

Notes

All funds received are unrestricted

There were no other recognised gains or losses

All amounts derive from continuing activities

BALANCE SHEET
at 31 December 2010

	<i>Notes</i>	2010 £
CURRENT ASSETS		
Cash at bank		26,070,452
CREDITORS: amounts falling due within one year	5	<u>(660)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>26,069,792</u></u>
REPRESENTED BY:		
TRUST FUND		
Unrestricted		<u><u>26,069,792</u></u>

Approved by the Directors



C B Mitchell – Director and Trustee



R M Smith – Director and Trustee

Date 15 JUN 2011

The Sackler Trust

CASH FLOW STATEMENT

For the period ended 31 December 2010

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

	2010 £
Net movement in funds for the year	26,069,792
Interest receivable	(9,315)
Increase in creditors	660
Net cash flow from operating activities	<u>26,061,137</u>

	£
Net Cash inflow from operating activities	26,061,137
Deposit interest received	9,315
Increase in cash	<u>26,070,452</u>
Net cash resources at 17 September 2009	-
Net Cash Resources at 31 December 2010	<u>26,070,452</u>

NOTES TO THE ACCOUNTS

at 31 December 2010

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention in accordance with the Companies Act 2006, applicable accounting standards and comply with the revised Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005)

Incoming resources

All incoming resources are included in the statement of financial activities when the Foundation is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant
- Donated services and facilities are included at the value to the Foundation where this can be quantified. The value of services provided by volunteers has not been included in these accounts
- Investment income is included when receivable
- Incoming resources from charitable trading activity are accounted for when earned
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the Foundation earns the right to consideration by its performance

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates

- Costs of generating funds comprise the costs associated with attracting voluntary income
- Charitable expenditure comprises those costs incurred by the Foundation in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and include the accountancy fees and costs linked to the strategic management of the Foundation
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource

Funds accounting

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

2 LEGAL STATUS OF THE FOUNDATION

The Foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £10

The Sackler Trust

NOTES TO THE ACCOUNTS

at 31 December 2010

3. CHARITABLE ACTIVITIES

	2010 £
Institutional grants committed and paid	
Turquoise Mountain Trust	150,000
Glyndebourne Arts Trust	25,000
Southbank Centre	10,000
Miscellaneous Donations under £10,000	18,000
Charge for the period	<u>203,000</u>

4. GOVERNANCE COSTS

	2010 £
Auditor's remuneration	660
Bank charges and interest	95
	<u>755</u>

5. CREDITORS: amounts falling due within one year

	2010 £
Accruals	<u>660</u>

6. RELATED PARTY TRANSACTIONS

During the period the Trust received a donation of £5,000,000 from Mrs Theresa E Sackler. No other transactions with related parties were undertaken that are required to be disclosed under Financial Reporting Standard No. 8.

7. TAXATION

In the opinion of the Trustees the Foundation is exempt from tax on income and gains arising in pursuit of its charitable objects.