

The Sackler Trust
(A company limited by guarantee)

Report and Financial Statements

Year ended: 31 December 2014

Company Number: 7022224

Charity Number: 1132097

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COMPANIES HOUSE

The Sackler Trust

Reference and administrative details

Company Number: 7022224

Charity Number: 1132097

Directors and Trustees

Dame Theresa E. Sackler DBE
Marissa T. Sackler
Sophia Sackler Dalrymple
Michael D. Sackler
Christopher B. Mitchell
Peter Stormonth Darling
Raymond M. Smith
Marianne K. Mitchell

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

C. Hoare & Co
37 Fleet Street
London EC4P 4DQ

Credit Suisse
Helvetia Court
Les Echelons, South Esplanade
St Peter Port
Guernsey
Channel Islands GY1 3YJ

J. P. Morgan International Bank
1 Knightsbridge
London SW1X 7LX

Strategic Report and Trustees' Report

The Trustees present their report and accounts for the year ended 31 December 2014

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 year 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.

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 Advisers 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 Advisers noted on page 1. These services are provided free of charge by the Trustees.

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, and will continue to be, 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 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Grant-making policy

It is the policy of the Trust to review applications from charitable organisations and to make grants on a selective basis.

Achievements and Performance

As shown on page 9 the Trust committed charitable donations of £7,634,209 during the year (£4,267,493 in 2013).

Strategic Report and Trustees' Report

Financial Review

Financial position

Net outgoing resources for the year amounted to £2,834,868 and were deducted from the fund balance at the beginning of the year to give a balance carried forward at the end of the year of £56,888,092 (For the year ended 31 December 2013 net incoming resources of £8,068,889 were added to give a fund balance of £59,722,960) This fund is unrestricted and will be applied to meeting the Trust's commitments and any other donations in the coming year.

The Trustees 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 Trustees are considering that it would be prudent to convert out of the reserves the amount of £40,000,000 as a designated fund in order to generate an approximate income of 5% per annum which the Trustees intend to distribute each year.

Investment policy

Surplus funds are retained in cash deposits and United States Government Securities.

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


.....
Christopher B. Mitchell

Date 22 JUNE 2015


.....
Raymond M. Smith

Date 22 JUNE 2015

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

We have audited the financial statements of The Sackler Trust for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 9. 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 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 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 2014 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

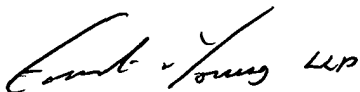
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Report for the financial year 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime.



James Stuart (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

26/6/15

The Sackler Trust

STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 December 2014

	<i>Notes</i>	2014 £	2013 £
INCOMING RESOURCES			
Voluntary income			
Donations received		1,932,343	13,454,379
Investment and similar income	3	587,729	(67,333)
TOTAL INCOMING RESOURCES		<u>2,520,072</u>	<u>13,387,046</u>
RESOURCES EXPENDED			
Charitable activities	4	7,634,201	4,267,493
Governance costs	5	43,928	42,076
TOTAL RESOURCES EXPENDED		<u>7,678,129</u>	<u>4,309,569</u>
Net (resources expended) / incoming resources before other recognised gains and losses		(5,158,057)	9,077,477
OTHER RECOGNISED GAINS AND LOSSES			
Gains / (losses) on investment assets		2,323,189	(1,008,588)
NET MOVEMENT IN FUNDS		(2,834,868)	8,068,889
Fund balances at 1 January		<u>59,722,960</u>	<u>51,654,071</u>
FUND BALANCES AT 31 DECEMBER		<u>56,888,092</u>	<u>59,722,960</u>

All funds received are unrestricted.

There were no other recognised gains or losses.

All amounts derive from continuing activities.

BALANCE SHEET
at 31 December 2014

	<i>Notes</i>	2014 £	2013 £
FIXED ASSETS			
Investments at market value	6	10,052,331	–
CURRENT ASSETS			
United States Treasury Bills at market value		34,692,201	45,653,638
Cash at bank		<u>15,622,119</u>	<u>16,410,615</u>
		50,314,320	62,064,253
CREDITORS: amounts falling due within one year	7	<u>(3,091,892)</u>	<u>(1,979,626)</u>
NET CURRENT ASSETS		<u>47,222,428</u>	<u>60,084,627</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		57,274,759	60,084,627
CREDITORS: amounts falling due beyond one year	8	<u>(386,667)</u>	<u>(361,667)</u>
TOTAL NET ASSETS		<u>56,888,092</u>	<u>59,722,960</u>
REPRESENTED BY:			
TRUST FUND			
Unrestricted		<u>56,888,092</u>	<u>59,722,960</u>

On behalf of the Board



Christopher B. Mitchell – Director and Trustee

Date... 22 JUNE 2015

Raymond M. Smith – Director and Trustee



Date... 22 JUNE 2015

The Sackler Trust

CASH FLOW STATEMENT

For the year ended 31 December 2014

	2014 £	2013 £
Net cash inflow from operating activities	(4,608,520)	11,370,383
Interest and similar income	587,729	(67,333)
Financial Investment		
Purchase of investments	(72,779,522)	(64,618,123)
Sale of investments	<u>76,011,817</u>	<u>60,553,766</u>
Net Financial Investment	3,232,295	(4,064,357)
Increase /(Decrease) in cash	(788,496)	7,238,693
Net cash resources at 1 January	16,410,615	9,171,922
Net cash resources at 31 December	<u>15,622,119</u>	<u>16,410,615</u>

Note to the cash flow statement

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

	2014 £	2013 £
Net movement in funds for the year	(2,834,868)	8,068,889
Revaluation of investments	(2,323,189)	1,008,588
Interest and similar income	(587,729)	67,333
Increase in creditors	1,137,266	2,225,573
Net cash flow from operating activities	<u>(4,608,520)</u>	<u>11,370,383</u>

NOTES TO THE ACCOUNTS

at 31 December 2014

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, subject to the revaluation of investments, 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:

- 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 a contingent liability but not accrued as expenditure.

Investments

Investments are stated at their market value. Realised and unrealised gains and losses on investments are included in other recognised gains and losses in the Statement of Financial Activities.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in the Statement of Financial Activities.

2. LEGAL STATUS OF THE TRUST

The Trust 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 2014

3. INVESTMENT AND SIMILAR INCOME

	2014	2013
	£	£
U.K. bank deposit interest	4,407	1,033
Overseas bank deposit interest	34,917	23,212
Exchange differences	548,405	(91,578)
	<u>587,729</u>	<u>(67,333)</u>

4. CHARITABLE ACTIVITIES

	2014	2013
	£	£
Institutional grants made:		
The Old Vic	2,000,000	–
The Garden Bridge	1,000,000	–
The Royal Ballet School	1,000,000	–
New York Genome Center – USD 1,000,000	588,201	–
Canterbury Cathedral	500,000	–
Kettles Yard Art Gallery	500,000	–
The English Stage Company	360,000	–
Imperial College, London	300,000	–
Salisbury Cathedral	250,000	–
Dulwich Picture Gallery	–	1,000,000
Glasgow University	–	1,000,000
The Serpentine Gallery	–	500,000
Royal Hospital for Neuro-Disability	100,000	250,000
St Peter's College, Oxford	–	250,000
Miscellaneous Donations under £250,000 (2014:47 grants, 2013:43 grants)	1,036,000	1,267,493
	<u>7,634,201</u>	<u>4,267,493</u>
Charge for the year		
	2014	2013
	£	£

Reconciliation of grants payable:

Commitments at 1 January	2,337,500	115,000
Grants made	7,634,201	4,267,493
Grants paid	(6,495,867)	(2,044,993)
Commitments at 31 December	<u>3,475,834</u>	<u>2,337,500</u>
Payable within one year	3,089,167	1,975,833
Payable beyond one year	386,667	361,667
	<u>3,475,834</u>	<u>2,337,500</u>

The Sackler Trust

NOTES TO THE ACCOUNTS

at 31 December 2014

5. GOVERNANCE COSTS

	2014	2013
	£	£
Investment management and custody fees	42,531	40,728
Auditor's remuneration	1,044	771
Bank charges and interest	353	577
	<u>43,928</u>	<u>42,076</u>

6. FIXED ASSETS

Investments at market value	UK Listed	Other Listed	Deposits	Total
	£	£	£	£
Additions at costs	3,112,266	4,672,261	2,210,499	9,995,026
Gains on revaluation	22,563	21,623	13,119	57,305
	<u>3,134,829</u>	<u>4,693,884</u>	<u>2,223,618</u>	<u>10,052,331</u>

7. CREDITORS: amounts falling due within one year

	2014	2013
	£	£
Grants payable	3,089,167	1,975,833
Accruals	2,725	3,793
	<u>3,091,892</u>	<u>1,979,626</u>

8. CREDITORS: amounts falling due beyond one year

	2014	2013
	£	£
Grants payable	<u>386,667</u>	<u>361,667</u>

9. TAXATION

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