

**The Sackler Trust**  
**(A company limited by guarantee)**

Trustees' Report and Audited  
Financial Statements

Year ended: 31 December 2020

Company Number: 07022224

Charity Number: 1132097

# The Sackler Trust

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## Reference and administrative details

**Company Number:** 07022224

**Charity Number:** 1132097

### **Directors and Trustees**

Dame Theresa E. Sackler DBE  
Marissa T. Sackler  
Sophia Dalrymple  
Michael D. Sackler  
Marianne K. Mitchell  
Anthony Collins

### **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**

George Hay & Company  
83 Cambridge Street  
Pimlico  
London SW1V 4PS

### **Bankers**

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

### **Investment Advisers**

Capital Generation Partners LLP  
Berkeley Square House  
Berkeley Square  
London W1J 6BX

Cazenove Capital  
12 Moorgate  
London EC2R 6DA

# **The Sackler Trust**

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## **Trustees' Report**

The Trustees present their report and accounts of The Sackler Trust (the ``Trust``) for the year ended 31 December 2020.

### **Trustees and Directors**

The Directors of the Trust are also Trustees of the Trust and throughout this report are referred to as Trustees. The Trustees serving throughout the year were Theresa E. Sackler, Marissa T. Sackler, Sophia Dalrymple, Michael D. Sackler, Marianne K. Mitchell and Anthony Collins.

### **Structure, Governance and Management**

#### **Governing Instrument**

The Trust was incorporated under the Companies Act 1985 as a private company limited by guarantee under number 07022224 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 Trust is governed by its Memorandum and Articles of Association.

#### **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. Grant applications are scrutinised to ensure conformity with the Trust's stated objectives. 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 16 the Trust committed charitable donations of £3,565,220 during the year (£280,000 in 2019). The reduced activity in 2019 arose from a temporary suspension of giving from March 2019 and then-existing commitments were further reduced by £2,920,315.

#### **Appointment of Trustees**

Trustees are appointed by Resolution of the Members of the Trust.

#### **Trustee activities**

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.

#### **Financial Risk Management**

Financial instruments, including equities securities are subject to various risks including market (comprising of currency risk and interest rate risk), credit, liquidity, operational and off-balance sheet risks. The Trust manages these risks on an aggregate basis along with the risks associated with its investing activities as part of its overall risk management policies. The Trust's investment advisers have full investment discretion. Activity and performance reports are reviewed at least monthly and regular meetings are held with them to review investment allocation and performance.

## Trustees' Report (continued)

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as equity prices, interest rates and foreign exchange rates.

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust has assets which are denominated in other currencies that include US Dollars. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The currency risk sensitivity analysis has not been disclosed because the impact is not material.

### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at 31 December 2020, the Trust is exposed to interest rate risk on the payment of Grants in instalments over an extended period. The interest rate risk sensitivity analysis has not been disclosed because the impact is not material.

### Coronavirus risks

At this present time, the Trustees do not perceive there to be any significant risk to the Trust's current operations. This will remain under review for the foreseeable future.

### Other 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.

## **Financial Review**

### Financial position

The accounts have been prepared in accordance with the revised Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2019). The Trustees have taken advantage of the small company exemptions in the preparation of this report.

The net increase in funds for the year was £1,584,027 and was added to the funds balance at the beginning of the year to give a balance carried forward at the end of the year of £49,389,347 (for the year ended 31 December 2019 the net increase of £4,543,200 was added to give a funds balance of £47,805,320). These funds are 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. As set out in page 16 outstanding commitments at the year end were £14,543,399 of which £5,906,332 are payable in 2021. The remaining £8,637,067 is the total of instalments payable in accordance with gift agreements to be paid during the years 2022 to 2025.
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 have decided to retain and invest approximately £40,000,000 in order to generate income and gains which the Trustees intend to distribute each year.

### Investment policy

The Trustees have committed £39.9 million to investment for the medium to long term. These are with a view to the long term preservation and growth of capital so that the Trust can fulfil the intention to maintain charitable payments out of the income arising. As shown on page 13 these investments were valued at £50.6 million at the year end (2019 - £48.1 million). Surplus uninvested funds are retained in short term cash deposits with maturity dates of less than one year.

# The Sackler Trust

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## Trustees' Report (continued)

### Trustees' Responsibilities Statement

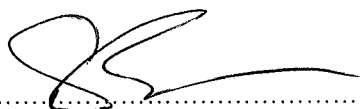
The Trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that 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). Under company law, the Trustees must not approve the accounts unless they are satisfied that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing those 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 UK Accounting Standards 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 Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

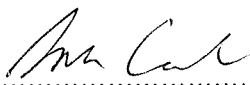
The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

On behalf of the Board



Sophia Dalrymple

Date: 21 June 2021



Anthony Collins

Date: 21 June 2021

# The Sackler Trust

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

### Opinion

We have audited the financial statements of The Sackler Trust ("the Charitable Company") for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, 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 (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 Charitable Company's affairs as at 31 December 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 requirements of the Companies Act 2006.

### 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 below. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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 Charitable Company'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.

### Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the trustees' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' Report.

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.

### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the charitable company's operations, we identified that the principal risks of non-compliance with laws and regulations relates to grant making. We considered the extent to which non-compliance might have a material effect on the financial statements that results in the situation that no further grant funding can be provided. We also considered the relevant laws and regulations that have a direct impact on the preparation of the financial statements.

We are required to evaluate management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). We found there were no principal risks directly impacting the charitable company's income and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- ▶ Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- ▶ Evaluating management's controls designed to prevent and detect irregularities;
- ▶ Identifying and testing journals, in particular journal entries posted with unusual account combinations or with unusual descriptions; and
- ▶ Challenging assumptions and judgements made by management in their critical accounting estimates.

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 Dr. Mortimer and Theresa Sackler Foundation**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DR. MORTIMER AND THERESA SACKLER FOUNDATION**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Fox BA FCA (Senior Statutory Auditor)

For and on behalf of George Hay & Company, Statutory Auditors

83 Cambridge Street, Pimlico, London, SW1V 4PS

Date: 21 June 2021



**STATEMENT OF FINANCIAL ACTIVITIES**  
**Incorporating Income and Expenditure Account**  
**For the year ended 31 December 2020**

		2020	2019
	<i>Notes</i>	£	£
<b>INCOMING RESOURCES</b>			
Donations received		—	—
Investment and similar income	3	512,709	638,372
<b>TOTAL INCOMING RESOURCES</b>		<u>512,709</u>	<u>638,372</u>
<b>RESOURCES EXPENDED</b>			
Charitable activities	4	872,820	(924,404)
Costs of generating funds	5	266,104	252,356
<b>TOTAL RESOURCES EXPENDED</b>		<u>1,138,924</u>	<u>(672,048)</u>
Net gains on investments	6	2,210,242	3,223,780
<b>NET INCOME</b>		1,584,027	4,534,200
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		<u>47,805,320</u>	<u>43,271,120</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>49,389,347</u>	<u>47,805,320</u>

All funds received are unrestricted.

There were no other recognised gains or losses.

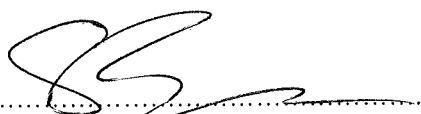
All amounts derive from continuing activities.

The accompanying notes 1 to 14 form an integral part of these Financial Statements

**BALANCE SHEET**  
**at 31 December 2020**

		2020	2019
	Notes	£	£
<b>FIXED ASSETS</b>			
Investments	7	50,601,467	48,074,368
<b>CURRENT ASSETS</b>			
Cash at bank		13,389,169	17,254,106
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(5,999,909)</u>	<u>(7,795,868)</u>
<b>NET CURRENT ASSETS</b>		<u>7,389,260</u>	<u>9,458,238</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		57,990,727	57,532,606
<b>CREDITORS: amounts falling due beyond one year</b>	9	<u>(8,601,380)</u>	<u>(9,727,286)</u>
<b>NET ASSETS</b>		<u>49,389,347</u>	<u>47,805,320</u>
<b>REPRESENTED BY:</b>			
<b>FUNDS OF THE TRUST</b>			
Unrestricted Funds		49,389,347	47,805,320
<b>TOTAL FUNDS OF THE TRUST</b>		<u>49,389,347</u>	<u>47,805,320</u>

Approved by the Trustees and signed on behalf of the Board by:



Sophia Dalrymple – Director and Trustee

Date: 21 June 2021



Anthony Collins – Director and Trustee

Date: 21 June 2021

The accompanying notes 1 to 14 form an integral part of these Financial Statements

# The Sackler Trust

## CASH FLOW STATEMENT

For the year ended 31 December 2020

	2020	2019
	£	£
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	<u>(4,060,789)</u>	<u>(5,669,321)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(316,857)	(382,985)
Interest and dividend income received	605,812	791,934
<b>Net cash flows provided by investing activities</b>	<u>288,955</u>	<u>408,949</u>
<b>Change in cash in the reporting period</b>	<b>(3,771,834)</b>	<b>(5,260,372)</b>
<b>Cash at the beginning of the reporting period</b>	<b>17,254,106</b>	<b>22,668,040</b>
<b>Change in cash due to exchange rate movements</b>	<b>(93,103)</b>	<b>(153,562)</b>
<b>Cash at the end of the reporting period</b>	<b><u>13,389,169</u></b>	<b><u>17,254,106</u></b>

### Reconciliation of net income to net cash flow used in operating activities

	2020	2019
	£	£
<b>Net income for the reporting period as per the statement of financial activities</b>	<b>1,584,027</b>	<b>4,534,200</b>
<b>Adjustments for:</b>		
Gains on investments	(2,210,242)	(3,223,780)
Interest and similar income	(512,709)	(638,372)
Decrease in creditors	(2,921,865)	(6,341,369)
<b>Net cash used in operating activities</b>	<b><u>(4,060,789)</u></b>	<b><u>(5,669,321)</u></b>

The accompanying notes 1 to 14 form an integral part of these Financial Statements

# The Sackler Trust

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## NOTES TO THE ACCOUNTS At 31 December 2020

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the accounts are as follows:

#### *Basis of accounting*

The accounts of the Trust, which is a public benefit entity under FRS 102, 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<sup>st</sup> January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2011 and the Companies Act 2006. The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts.

#### *Going concern*

No material uncertainties that cast significant doubt about the ability of the Trust to continue as a going concern have been identified by the Trustees. The activities, financial position, cash flow and liquidity position are set out in the Trustees' Report and the financial statements. The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future and they thus continue to adopt the going concern basis of accounting in preparing the financial statements.

#### *Incoming resources*

All incoming resources are included in the Statement of Financial Activities when the Trust is entitled to the income, it is probable that the income will be received 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 Trust, are recognised when the Trust becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the Trust where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included on an accruals basis when receivable. Investment income includes:
  - Dividends
  - Interest income

#### *Resources expended*

Expenditure is recognised on an accruals 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 Trust 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 Trust and include the accountancy fees and costs linked to the strategic management of the Trust.
- 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.

#### *Recognition of grant commitments payable*

Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the year-end are accrued as expenditure.

In accordance with FRS 102, the payment of a Grant in instalments over an extended period is considered to be a 'debt instrument'. The Trust records its long-term liabilities (i.e. deferred instalments) in the accounts at their discounted present value in order to attribute an economic value to the deferral of payments. As the instalments are paid, the unwinding of the discount is accounted for as a finance charge in the Statement of Financial Activities. As per FRS 102.11.12, the present values of deferred instalments are discounted at the required discount rate, being the market rate for a similar debt instrument. As there is no such market, the Trust uses notional rates to reflect the top rate of interest available at the Balance Sheet date for deposits of Trust funds.

# The Sackler Trust

## NOTES TO THE ACCOUNTS At 31 December 2020

### 1. ACCOUNTING POLICIES (continued)

#### *Investments*

In accordance with FRS 102, the Trust holds its financial assets and financial liabilities at fair value through profit or loss ("FVTPL"). Financial assets and financial liabilities are initially recognised at cost excluding transaction costs, being the fair value of the consideration given excluding transaction costs. All transaction costs relating to FVTPL instruments are recognised in the Statement of Financial Activities when incurred.

After initial recognition, the investments of the Trust are included in the Balance Sheet at net market value as at the reporting date with both realised and unrealised gains and losses recorded in the Statement of Financial Activities in the financial year in which they occur.

Net market values of investments in listed securities and listed unit trusts quoted on a recognised stock exchange are stated at the last sale price as at the close of business on reporting date. Term deposits are carried at cost, which approximates net fair value because of their short term to maturity.

Net market value is the amount which could be expected to be received from the disposal of an asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of such a disposal. Net market value approximates fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described in note 7 to the financial statements.

#### *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. Realised and unrealised exchange differences are reported in the Statement of Financial Activities and categorised in line with the underlying income or expenditure of the assets or liabilities concerned. The functional and presentational currency of the Trust is UK Pounds Sterling.

#### *Cash and cash equivalents*

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### 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.

### 3. INVESTMENT AND SIMILAR INCOME

	2020	2019
	£	£
Investment income	587,245	675,452
UK bank deposit interest	2,067	—
Overseas bank deposit interest	16,500	116,482
Exchange differences	(93,103)	(153,562)
	<u>512,709</u>	<u>638,372</u>

# The Sackler Trust

## NOTES TO THE ACCOUNTS At 31 December 2020

4. CHARITABLE ACTIVITIES	2020 £	2019 £
Grants made – Note 11	3,565,220	280,000
Reduction in previous commitments	(2,920,315)	(1,248,370)
Net discount charged / (credited) - Note 12	221,288	71,948
Governance costs - Audit fee	6,089	6,000
- Bank charges	538	496
	<u>6,627</u>	<u>6,496</u>
Exchange differences	—	(34,478)
	<u>872,820</u>	<u>(924,404)</u>

The Trust had no employees during the year (2019: nil).

None of the Trustees received remuneration or reimbursed expenses during the year (2019: nil).

The auditor did not receive any remuneration in respect of non-audit services during the year (2019: nil).

5. COST OF GENERATING FUNDS	2020 £	2019 £
Investment Management and Custody Fees	<u>266,104</u>	<u>252,356</u>

6. NET GAINS ON INVESTMENTS	2020 £	2019 £
Realised gains on disposals	614,597	411,960
Unrealised gains / (losses) on restatement at fair value	1,595,645	2,811,820
	<u>2,210,242</u>	<u>3,223,780</u>

## 7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

	Deposits £	Investments at fair value £	Total £
Cost at 1 January 2019	1,890,839	43,546,806	45,437,645
Additions	11,866,505	10,575,438	22,441,943
Disposals	(10,564,037)	(11,494,921)	(22,058,958)
Realised Gains / (losses)	(36,417)	448,377	411,960
Cost at 31 December 2019	3,156,890	43,075,700	46,232,590
Unrealised gains on investments	-	1,841,778	1,841,778
Financial assets at fair value through profit and loss at 31 December 2019	<u>3,156,890</u>	<u>44,917,478</u>	<u>48,074,368</u>
Cost at 1 January 2020	3,156,890	43,075,700	46,232,590
Additions	24,161,637	24,724,311	48,885,948
Disposals	(24,724,311)	(23,844,780)	(48,569,091)
Realised Gains / (losses)	(32,524)	647,121	614,597
Cost at 31 December 2020	2,561,692	44,602,352	47,164,044
Unrealised gains on investments	-	3,437,423	3,437,423
Financial assets at fair value through profit and loss at 31 December 2020	<u>2,561,692</u>	<u>48,039,775</u>	<u>50,601,467</u>

# The Sackler Trust

## NOTES TO THE ACCOUNTS At 31 December 2020

### 7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS (continued)

Investments in securities held at fair value consist of equities and equity funds, bonds and bond funds, fixed income, Open Ended Investment Companies (OEICs) / Unit Trusts, and Exchange-Traded Funds (ETFs).

The Trust's investments recorded at fair value have been categorised based upon a fair value hierarchy in accordance with FRS 102.

Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies.

Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- c) Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Trust's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Trust and might include the Trust's own data.

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

The following fair value hierarchy table presents information about the Trust's investments measured at fair value on a recurring basis as of 31 December 2020. No financial assets were transferred between levels during 2019 or 2020:

	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Financial assets at fair value through profit or loss</b>				
Investments at fair value	2,561,692	48,039,775	-	50,601,467

The following fair value hierarchy table presents information about the Trust's investments measured at fair value on a recurring basis as of 31 December 2019:

	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Financial assets at fair value through profit or loss</b>				
Investments at fair value	3,156,890	44,917,478	-	48,074,368

# The Sackler Trust

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## NOTES TO THE ACCOUNTS

At 31 December 2020

### 8. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Grants payable	5,906,332	7,743,114
Accruals	93,577	52,754
	<u>5,999,909</u>	<u>7,795,868</u>

### 9. CREDITORS: amounts falling due beyond one year

	2020	2019
	£	£
Grants payable - Note 12	<u>8,601,380</u>	<u>9,727,286</u>

### 10. TAXATION

The Trust is exempt from tax on income and gains arising in pursuit of its charitable objects.



# The Sackler Trust

## NOTES TO THE ACCOUNTS At 31 December 2020

### 11. GRANTS MADE

	2020 £	2019 £
<b>Institutional grants made / (reduced):</b>		
The Watermill Theatre	500,000	—
Oxford Philharmonic Orchestra Trust	280,000	—
Edmonton Academy Trust	250,000	—
Kings College London	250,000	—
St Marylebone Parish Church	250,000	—
The Amber Foundation	200,000	—
National Museum of Anthropology, Mexico – USD 250,000	187,100	—
Galapagos Conservation Trust	150,000	—
Genesis Trust	150,000	—
Veterans Aid	150,000	—
Professional Teaching Institute	—	90,000
Save The Children	—	50,000
Miscellaneous Donations under £150,000 (2020: 45 grants, 2019: 6 grants under £50,000)	1,198,120	140,000
	<hr/>	<hr/>
New commitments	3,565,220	280,000
Reduction in previous commitments	(2,920,315)	(1,248,370)
Exchange differences	—	(34,478)
	<hr/>	<hr/>
Increase / (decrease) in commitments	644,905	(1,002,848)
	<hr/>	<hr/>
	2020 £	2019 £
<b>Reconciliation of grants payable:</b>		
Commitments at 1 January	17,727,375	24,145,222
Increase / (decrease) in commitments	644,905	(1,002,848)
Grants paid	(3,828,881)	(5,414,999)
Commitments at 31 December	<u>14,543,399</u>	<u>17,727,375</u>
	<hr/>	<hr/>
Payable within one year	5,906,332	7,743,114
Payable beyond one year	<u>8,637,067</u>	<u>9,984,261</u>
	<u>14,543,399</u>	<u>17,727,375</u>

All amounts above are actual commitments. As set out in Note 12 the amounts payable beyond one year are subject to discounts for inclusion in the Balance Sheet.

## NOTES TO THE ACCOUNTS At 31 December 2020

### 12. COMMITMENTS PAYABLE BEYOND ONE YEAR

In compliance with the SORP 2019, the carrying values of grant commitments payable beyond one year are discounted to net present value using notional interest rates.

The rates adopted in preparing these accounts are 1.33% per annum, compounded, as at 31 December 2019 and 0.21% per annum, compounded, as at 31 December 2020.

The application and reversal of the discount is deemed a 'Finance charge' by the SORP 2019 and is charged to Charitable Activities.

	2020 £	2019 £
Commitments payable beyond one year at 1 January	9,984,261	11,966,489
Discount to commitments at 1 January	(256,975)	(328,923)
Carrying value of discounted commitments at 1 January	9,727,286	11,637,566
Commitments increased / (decreased) during the year	265,138	(168,370)
Finance charge attributed to:		
Discount decreased / (increased) on commitments at 1 January	223,221	72,342
Discount applied to new commitments made during the year	(1,933)	(394)
	221,288	71,948
Commitments becoming due within one year	(1,612,332)	(1,813,858)
Commitments at 31 December at carrying values	8,601,380	9,727,286

### 13. RELATED PARTY TRANSACTIONS

No related party transactions have been identified in the period.

### 14. IMPACT OF CORONAVIRUS (COVID-19)

In light of the emergence of the coronavirus (COVID-19), the charity has assessed, on an ongoing basis, the impact on its operations and closely monitored its finances, which have not been materially affected as a result of the global pandemic.

The potential for a fall in global equity markets is an event that would negatively impact on the value of the charitable company's investments but it is too early to predict whether there will be any long term impact on our investment portfolio in the current financial year or beyond as a result of COVID-19.