

REGISTERED COMPANY NUMBER: 07022224 (England and Wales)
REGISTERED CHARITY NUMBER: 1132097

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023
FOR
THE SACKLER TRUST**

George Hay & Company
Chartered Accountants
& Statutory Auditors
83 Cambridge Street
London
SW1V 4PS

THE SACKLER TRUST

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THE SACKLER TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2023

TRUSTEES	Dame T E Sackler Ms M T Sackler Mr M D Sackler Ms M K Mitchell Ms S D Dalrymple Mr A Collins
REGISTERED OFFICE	83 Cambridge Street Pimlico London SW1V 4PS
REGISTERED COMPANY NUMBER	07022224 (England and Wales)
REGISTERED CHARITY NUMBER	1132097
AUDITORS	George Hay & Company Chartered Accountants & Statutory Auditors 83 Cambridge Street 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
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and Significant 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.

Grantmaking

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

ACHIEVEMENT AND PERFORMANCE

As shown on page 18 the Trust committed charitable donations of £1,747,500 during the year (£5,227,500 in 2022). Commitments existing at 31 December 2022 were reduced by £60,000.

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 £20,067 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 £51,494,401 (for the year ended 31 December 2022 the net decrease of £448,619 was deducted to give a funds balance of £51,474,334). 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 18 outstanding commitments at the year-end were £7,405,000 of which £4,420,000 are payable in 2024. The remaining £2,985,000 is the total of instalments payable in accordance with gift agreements to be paid during the years 2025 to 2028.
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.

Investment policy and objectives

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 £52.4 million at the year-end (2022 - £50.8 million). Surplus uninvested funds are retained in short term cash deposits with maturity dates of less than one year.

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.

THE SACKLER TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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.

Recruitment and appointment of new trustees

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

Management and organisation

The administration of the Trust is dealt with by the Trustees and supported by their professional and investment advisers. The services carried out by the Trustees is free of charge. In addition, The Sackler Trust employ a member of staff to oversee the day to day operations.

Trustee activities

The Trustees are supported in their activities by their professional and investment advisers and attend Trustee meetings.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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.

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 2023, 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.

THE SACKLER TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Sackler Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, George Hay & Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30th October 2024 and signed on its behalf by:

S D DALRYMPLE - Trustee

REPORT OF THE INDEPENDENT AUDITORS 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 31st December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 Financial Reporting Standard 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 31st December 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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

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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SACKLER TRUST

Matters on which we are required to report by exception

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

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SACKLER TRUST

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 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 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,

Chartered Accountants & Statutory Auditors

83 Cambridge Street, London, SW1V 4PS

Date: 30th October 2024

THE SACKLER TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2023**

		2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Investment and similar income	2	<u>194,043</u>	<u>649,002</u>
EXPENDITURE ON			
Charitable activities	3		
Charitable activities		1,733,175	(1,484,710)
Costs of generating funds		<u>155,555</u>	<u>173,070</u>
Total		<u>1,888,730</u>	<u>(1,311,640)</u>
Net gains/(losses) on investments		<u>1,714,754</u>	<u>(2,409,261)</u>
NET INCOME/(EXPENDITURE)		20,067	(448,619)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>51,474,334</u>	<u>51,922,953</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>51,494,401</u></u>	<u><u>51,474,334</u></u>

The notes form part of these financial statements

THE SACKLER TRUST

BALANCE SHEET 31ST DECEMBER 2023

		2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS	Notes		
Investments	6	52,412,122	50,770,391
CURRENT ASSETS			
Cash at bank		6,285,691	7,890,386
CREDITORS			
Amounts falling due within one year	7	(4,453,880)	(2,336,815)
NET CURRENT ASSETS		<u>1,831,811</u>	<u>5,553,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		54,243,933	56,323,962
CREDITORS			
Amounts falling due after more than one year	8	(2,749,532)	(4,849,628)
NET ASSETS		<u>51,494,401</u>	<u>51,474,334</u>
FUNDS	9		
Unrestricted funds		<u>51,494,401</u>	<u>51,474,334</u>
TOTAL FUNDS		<u>51,494,401</u>	<u>51,474,334</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30th October 2024 and were signed on its behalf by:

S D DALRYMPLE - Trustee

A COLLINS - Trustee

The notes form part of these financial statements

THE SACKLER TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(1,871,761)</u>	<u>(3,051,455)</u>
Net cash used in operating activities		<u>(1,871,761)</u>	<u>(3,051,455)</u>
Cash flows from investing activities			
Sale of fixed asset investments		73,023	114,269
Interest received and similar income		<u>413,725</u>	<u>216,171</u>
Net cash provided by investing activities		<u>486,748</u>	<u>330,440</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(1,385,013)	(2,721,015)
Cash and cash equivalents at the beginning of the reporting period		7,890,386	10,178,570
Cash in cash and cash equivalents due to exchange rate movements		<u>(219,682)</u>	<u>432,831</u>
Cash and cash equivalents at the end of the reporting period		<u><u>6,285,691</u></u>	<u><u>7,890,386</u></u>

The notes form part of these financial statements

THE SACKLER TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	20,067	(448,619)
Adjustments for:		
(Gain)/losses on investments	(1,714,754)	2,409,261
Interest received and similar income	(194,043)	(649,002)
Increase/(decrease) in creditors	<u>16,969</u>	<u>(4,363,095)</u>
Net cash used in operations	<u>(1,871,761)</u>	<u>(3,051,455)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23	Cash flow	At 31.12.23
	£	£	£
Net cash			
Cash at bank	<u>7,890,386</u>	<u>(1,604,695)</u>	<u>6,285,691</u>
	<u>7,890,386</u>	<u>(1,604,695)</u>	<u>6,285,691</u>
Total	<u>7,890,386</u>	<u>(1,604,695)</u>	<u>6,285,691</u>

The notes form part of these financial statements

THE SACKLER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

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 1st 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 financial statements 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 financial statements.

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.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources:

- > 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.

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.

THE SACKLER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES - continued

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 FRS102.11.12, 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.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes 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 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. INVESTMENT AND SIMILAR INCOME

	2023	2022
	£	£
Income from fixed asset investments	282,601	208,834
Exchange differences	(219,682)	432,831
Deposit account interest	<u>131,124</u>	<u>7,337</u>
	<u>194,043</u>	<u>649,002</u>

THE SACKLER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

3. CHARITABLE ACTIVITIES COSTS

	2023 £	2022 £
Grants made - Note 12	1,747,500	5,227,500
Reduction in previous commitments	(60,000)	(6,542,067)
Net discount charged / (credited) - Note 13	<u>(10,096)</u>	<u>(200,924)</u>
Total grants to institutions	1,677,404	(1,515,491)
Audit remuneration	8,310	6,080
Bank charges	136	204
Administrative costs	22,029	24,497
Staff costs	<u>25,296</u>	<u>-</u>
	<u>1,733,175</u>	<u>(1,484,710)</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2023 nor for the year ended 31st December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2023 nor for the year ended 31st December 2022.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2023	2022
Administration	<u>1</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

THE SACKLER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

6. FIXED ASSET INVESTMENTS

	Deposits £	Investments at fair value £	Total £
Cost at 1 January 2023	1,116,057	49,977,105	51,093,162
Additions	13,418,712	13,474,954	26,893,666
Disposals	(13,474,954)	(13,491,735)	(26,966,689)
Realised gains / (losses)	(7,118)	(245,660)	(252,778)
Cost at 31 December 2023	1,052,697	49,714,664	50,767,361
Unrealised gains / (losses) on investments	-	1,644,761	1,644,761
Financial assets at fair value at 31 December 2023	<u>1,052,697</u>	<u>51,359,425</u>	<u>52,412,122</u>
Cost at 1 January 2022	1,718,876	46,299,064	48,017,940
Additions	31,063,023	31,715,495	62,778,518
Disposals	(31,715,495)	(31,177,292)	(62,892,787)
Realised gains / (losses)	49,495	3,139,838	3,189,491
Cost at 31 December 2022	1,116,057	49,977,105	51,093,162
Unrealised gains / (losses) on investments	-	(322,771)	(322,771)
Financial assets at fair value at 31 December 2022	<u>1,116,057</u>	<u>49,654,334</u>	<u>50,770,391</u>

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:

- Quoted prices for similar assets or liabilities in active markets.
- 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.
- 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).
- 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.

THE SACKLER TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

6. FIXED ASSET INVESTMENTS - continued

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 2023. No financial assets were transferred between levels during 2023 or 2022:

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Investments at fair value	<u>1,052,697</u>	<u>51,359,425</u>	<u>-</u>	<u>52,412,122</u>

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 2022:

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Investments at fair value	<u>1,116,057</u>	<u>49,654,335</u>	<u>-</u>	<u>50,770,392</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Grants payable	4,420,000	2,290,000
Accrued expenses	<u>33,880</u>	<u>46,815</u>
	<u>4,453,880</u>	<u>2,336,815</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Grants payable	<u>2,749,532</u>	<u>4,849,628</u>

9. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	51,474,334	20,067	51,494,401
TOTAL FUNDS	<u>51,474,334</u>	<u>20,067</u>	<u>51,494,401</u>

THE SACKLER TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

9. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	194,043	(1,888,730)	1,714,754	20,067
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>194,043</u>	<u>(1,888,730)</u>	<u>1,714,754</u>	<u>20,067</u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	51,922,953	(448,619)	51,474,334
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>51,922,953</u>	<u>(448,619)</u>	<u>51,474,334</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	649,002	1,311,640	(2,409,261)	(448,619)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>649,002</u>	<u>1,311,640</u>	<u>(2,409,261)</u>	<u>(448,619)</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2023.

11. TAXATION

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

THE SACKLER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

12. GRANTS MADE

	2023 £	2022 £
Institutional grants made in the year categorised by activity		
Social Good Helping people and communities, particularly those most vulnerable and in need of support, is an important part of what we do.	1,042,000	699,000
Education Supporting a range of projects in the area of education, notably those focussed on helping improve access to education for the disadvantaged.	384,000	282,500
Arts Partnerships with organisations to help widen access to the visual and performing arts.	126,500	543,000
Science Supporting advancements in medical science by creating the infrastructure necessary for long-term medical research and innovation.	120,000	2,843,000
Environment The Trust supports a diverse range of organisations that work to protect the environment; from migratory sharks in our oceans to the spectacular diversity of plants and fungi that populate our planet.	70,000	800,000
Heritage Supporting projects that preserve heritage sites and important cultural icons now and for future generations to enjoy and learn from.	5,000	60,000
New commitments	1,747,500	5,227,500
Reduction in previous commitments	(60,000)	(6,542,067)
Increase / (decrease) in commitments	<u>1,687,500</u>	<u>(1,314,567)</u>
 A total of 69 (2022: 66) institutional grants were made comprising:	 2023 £	 2022 £
Thunderbird Project	100,000	
Farms for City Children	75,000	
Bench Outreach	60,000	
Corn Exchange, Newbury Trust	60,000	
Happy Day Ministries	50,000	
Prior's Court	50,000	
Others below £50,000	592,500	
Grants exempted from disclosure	760,000	3,900,000
Others below £250,000		<u>1,327,500</u>
	<u>1,747,500</u>	<u>5,227,500</u>

A total of 12 material institutional grants were made in the year (5 in 2022). Pursuant to the Charities Statement of Recommended Practice (FRS 102) October 2019 part 16.21, the serious prejudice exemption has been applied to named disclosure of 6 of these grants.

THE SACKLER TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023**

12. GRANTS MADE - continued

	2023 £	2022 £
Reconciliation of grants payable:		
Commitments at 1 January	7,365,000	11,516,067
Increase/(Decrease) in commitments	1,687,500	(1,314,567)
Grants paid	<u>(1,647,500)</u>	<u>(2,836,500)</u>
Commitments at 31 December	<u><u>7,405,000</u></u>	<u><u>7,365,000</u></u>
 Payable within one year	 4,420,000	 2,290,000
Payable beyond one year	<u>2,985,000</u>	<u>5,075,000</u>
	<u><u>7,405,000</u></u>	<u><u>7,365,000</u></u>

All amounts above are actual commitments. As set out in notes 13, the amounts payable beyond one year are subject to discounts for inclusion in the Balance Sheet.

13. 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 2.40% per annum, compounded, as at 31 December 2022 and 4.00% per annum, compounded, as at 31 December 2023.

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

	2023 £	2022 £
Reconciliation of grants payable beyond one year:		
Commitments payable beyond one year at 1 January	5,075,000	7,095,000
Discount to commitments at 1 January	<u>(225,372)</u>	<u>(24,448)</u>
Carrying value of discounted commitments at 1 January	4,849,628	7,070,552
Commitments increased / (decreased) during the year	415,000	(555,000)
Finance charge attributed to:		
Discount decreased / (increased) on commitments at 1 January	14,388	(45,315)
Discount applied to new commitments made during the year	<u>(24,484)</u>	<u>(155,609)</u>
	(10,096)	(200,924)
Commitments becoming due within one year	<u>(2,505,000)</u>	<u>(1,465,000)</u>
Commitments at 31 December at carrying values	<u><u>2,749,532</u></u>	<u><u>4,849,628</u></u>

THE SACKLER TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2023

14. 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.