

BackstageTrust

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2022**

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<u>Legal and Administrative:</u>	Backstage Trust (Charity Number 1145887) was established under a Trust Deed dated 30 January 2012.
<u>Trustees:</u>	Dame Susie Sainsbury DBE Mr David Wood Mr Dominic Flynn
<u>Administrator:</u>	Ms Helen Cave
<u>Advisers:</u>	Baroness Genista McIntosh of Hudnall Professor Ian Ritchie CBE RA
<u>Office:</u>	North House 27 Great Peter Street London SW1P 3LN
<u>Charity Number:</u>	1145887
<u>Bankers:</u>	C Hoare & Co 37 Fleet Street London EC4P 4DQ
<u>Solicitors:</u>	Portrait Solicitors (up to 31/07/2022) 21 Whitefriars Street London EC4Y 8JJ BDB Pitmans LLP (as from 01/08/2022) One Bartholomew Close London EC1A 7BL
<u>Auditors:</u>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
<u>Investment Powers:</u>	The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within the guidelines established by the Trustees.
<u>Objects:</u>	The objects of the Trust set out in the Trust Deed are for general charitable purposes.

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022

Backstage Trust was established under a Trust Deed dated 30 January 2012 and the Trustees submit their report for the year ended 5 April 2022.

1. Objectives and Scope of Grant Making

Backstage Trust was established in 2012 and since its inception has focussed on encouraging live art - mainly the performing arts and music - to flourish, particularly in an environment where government support and understanding of the difficulties facing the sector is meagre. We know that the cultural life of the UK is vital, and experience of participating in the performing arts can have a transformative effect on individuals and communities. The Creative Industries sector contributes £105 billion to the economy each year, but increasingly is forced to rely on philanthropy to be able to survive, let alone thrive.

The cumulative effect of years of underfunding, with further cuts in prospect, added to the disastrous toll taken by the Covid pandemic, has left the industry in a perilous condition and it will take more than small trusts like Backstage to support the sector and re-establish a confident and economically vibrant performing arts world for the UK.

Backstage continues to provide funds and sometimes strategic guidance, calling on a group of highly experienced consultants, to a wide range of arts organisations and projects. The Trust aims to respond to viable applications promptly, knowing that many organisations cannot find the funds to keep running while they wait to hear if a grant application has been successful. Although major investment in capital projects is limited, we are still able to help an organisation make progress with a project by funding aspects of the work which are critical but lack conventional donor-appeal, for example: accessible toilets, leaking roofs, guidance on fund-raising, replacing worn-out but vital mandatory equipment.

The Trust has continued to promote schemes to assist the huge community of freelancers who are self-employed and mostly fall outside any government help scheme. As we approach the next decade, with looming inflation, the possible continuation of Covid, and hesitation on the part of audiences for all forms of live performance, the need for philanthropic intervention - tailored to the most basic needs of an organisation - will become increasingly important.

There have been some considerable successes with projects supported by Backstage even in the recent exceptionally difficult years: The Unicorn Children's Theatre has won a prestigious grant from Bloomberg for their digital output, which was originally funded by Backstage; despite Covid The Old Vic has managed to keep moving forward with their capital project; Trustees have been delighted by the success in Edinburgh in 2022 of the first play produced by Roots; the new air-handling plant at the Donmar Warehouse received its own great review for providing a comfortable audience experience in the height of summer. Strategic giving, and in some cases forming an on-going relationship with a grantee, is productive and satisfying, and can provide a measure of confidence in a very fragile funding environment. For example, Kiln theatre continues to go from strength to strength; Papatango's new writing competition has been partially funded by Backstage since 2013/14 and has grown substantially in scope and reputation. Their prize-winning play in 2022 – Old Bridge – won an Olivier for best new play.

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022 (continued)

APPLYING TO BACKSTAGE

Backstage can only make grants to registered charities, Community Interest Companies, or support activities which have clear charitable aims; the Trust cannot fund individuals directly. The majority of grants awarded since the Trust was established come under one of the following headings:

- Encouraging the involvement of young people in the performing arts
- Assisting live arts projects (not all in the UK) which encourage community participation, and equality, particularly in under-represented areas
- Providing help with professional development of small and medium-scale arts organisations, helping encourage diversity and remove barriers
- Providing advice on fundraising and helping to create fundraising strategy.
- Giving advice on feasibility studies for capital projects, and guidance on project management
- Funding elements (particularly the less appealing items) of capital projects
- Providing support to the arts' freelance community
- Encouraging new writing

Applicants need to demonstrate the viability of their project clearly, and show that their organisation can demonstrate good management, and supportive governance, to deliver the project. Trustees will want to see evidence of a convincing and realistic fundraising strategy. Although Backstage might award funding, the applicant needs to realise that the Trust cannot be regarded as the sole funder of a project, although it may act as a catalyst to encourage other grant-giving bodies. A critical need for most small arts organisations – in addition to enthusiasm, energy and a determination to make a difference – is professional advice. Backstage can sometimes fund the cost of appropriate consultant advice, allowing an organisation to benefit from help which would be beyond their means. All applications that meet the funding criteria are considered carefully.

Organisation

Backstage Trust is a small charity of which Dame Susie Sainsbury is the Settlor and a Trustee. She and her fellow Trustees, and the Trust advisers, work closely with the Executive Administrator to assess all grant proposals to ensure they meet the Trust's criteria, and that there are no conflicts of interest. Grant approvals are often agreed between meetings, but all grants are ratified at the regular formal Trustee meetings and all are made subject to specific conditions which are monitored throughout. The Trustees meet periodically with the advisers to discuss strategy as well as approved and potential grants, however the advisers have no decision-making powers. Trustees are appointed by existing Trustees and are provided with relevant information relating to their responsibilities in that role.

Policies

Reserves Policy

It is the Trustees' intention to continue to approve grants annually that exceed the available income. Consequently, some grants will be met from the Trust's expendable endowment for the foreseeable future and a transfer of £4,300,126 has been made from the expendable endowment to enable the Trust's commitments to be met. The Trustees regularly review cash flow projections for income and expenditure, to ensure that the level of disposable net assets is adequate and that the Trust is in a position to meet all its commitments.

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the basis that the Trust is sustainable as a going concern.

The effect of the Covid-19 pandemic has not had a significant impact on the Trust's finances. The Trust's principal source of income is from the endowment fund. The endowment assets of the Trust remain significant, and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objectives.

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022 (continued)

Investment Policy

The Trustees have held significant funds on deposit to enable the Trust to draw on capital when required and the Trustees meet regularly to discuss strategy and review performance.

Remuneration Policy

Backstage Trust has no employees and therefore no policy is in place.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the charity may be exposed. Adequate systems are in place to manage such potential risks as the Trustees have identified. They continue to keep processes under review.

The Trustees identified the potential misuse of funds by a grantee charity as a significant risk. To mitigate this risk, the Trustees normally restrict grants to charities registered with the UK Charity Commission or equivalent bodies. The awards are made following a thorough assessment and grants are routinely monitored; multi-year grants are paid only on receipt of satisfactory progress reports.

The Trustees also identified liquidity as constituting a significant risk and this is mitigated by holding sufficient funds in cash or near cash to meet expected liabilities as and when they fall. The Trustees regularly review the investment strategy and cash hold policy.

Charity and Public Benefit

The Trustees are aware of the Charity Commission guidance on public benefit, and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. This report aims to set out information covering the Trust's aims, activities and achievements. The report describes the areas of specific interest to the Trust. The benefits provided by these grants can be seen in the professional development of the recipients, and through them to the public. The charity does not raise funds from the public.

2. Review of the Year

During the year, Backstage Trust's primary source of income were donations from Dame Susie Sainsbury and the Gatsby Charitable Foundation totalling £3,031,250. The level of income reflected the potential need to continue to provide additional support through emergency Covid-19 grants, although the actual number and value of grants awarded for this purpose fell significantly this year. During the year, the trustees approved 88 grants for a total of £4,513,970; 3 grants totalling £374,950 were awarded for Covid-19 emergency support with a further 85 grants totalling £4,139,020 were awarded for core and project support and for capital programmes. Additionally, recipients of one of these grants totalling £5,000 was unable to meet the conditions of the award and the grant was cancelled during the year.

The activities for the year resulted in a net deficit of £1,268,876 and total reserves at the year-end amounted to £1,154,216, which are all part of the expendable endowment.

Grant Making

The Trustees met twice during the year to make grants and to review investments. At the year-end, outstanding commitments which were entered into during the year and not included in the accounts amounted to £707,980 (2021 £465,000) (note 10). As mentioned above, during the year, the Trustees approved 88 grants totalling £4,513,970, all of which were made to Arts Organisations, a selection of the larger grants is set out below.

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022 (continued)

Selection of larger grants Approved

Arts:

Belarus Free Theatre £100,000
Emergency accommodation for displaced actors who have effectively been made homeless

Donmar Warehouse £100,000
Continued support of capital works to the building (phase 3 - improve toilet facilities)

Reading Rep Theatre £100,000
Support of the ENGAGE community programme

Talawa Theatre Company £105,000
Funding for 'Talawa Firsts' showcasing new writing and theatre-making by black British artists and creatives

Coventry City of Culture £125,000
Support for a 2 day production called "Faith" (£100k plus £25k challenge grant)

Pitlochry Festival Theatre £125,000
£75,000 towards their capital funding campaign plus an additional £50,000 challenge grant

Geese Theatre Company £146,000
Support to run the Staging Recovery Community Ensemble project

English Stage Company at the Royal Court £150,000
3 year support for 'Participation', a young people engagement programme

Hall for Cornwall £150,000
Support towards the capital development fund

Headlong £160,000
Funding for the "Headlong Origins" project

Garsington Opera £240,000
Capital Campaign to create an Arts Hub

Rose Theatre £250,000
Capital grant to redevelop the front of house lobby and auditorium

Leeds Playhouse £250,000
Challenge grant to incentivise matched funding for their capital programme

Jermyn Street Theatre £300,000
Core costs to cover critical staff salaries for 3 years

Emergency Covid-19 Grants:
Good Chance Theatre £105,000
Cost of additional puppeteers due to Covid-19 limitations

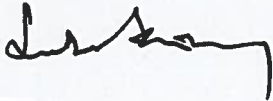
Theatre Development Trust £250,000
Additional grant to Theatre Artists Fund for emergency support for theatre workers

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022 (continued)

Future plans

The Trust will continue to support the activities set out on pages 4 to 5 by award of grants.

Approved by the Trustees on 12 January 2023 signed on their behalf by:

A handwritten signature in black ink, appearing to be 'J. King', written over a horizontal line.

TRUSTEE

5 April 2022

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	Unrestricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021 *
		£	£	£	£
Income and Endowments from:					
Donations and gifts		96,838	3,031,250	3,128,088	4,467,552
Investments		559	-	559	4,205
Total Income		<u>97,397</u>	<u>3,031,250</u>	<u>3,128,647</u>	<u>4,471,757</u>
Expenditure:					
Charitable activities					
Grant-making	2	4,265,990	-	4,265,990	4,010,527
Grant related support costs	3	131,533	-	131,533	126,459
Total Expenditure		<u>4,397,523</u>	<u>-</u>	<u>4,397,523</u>	<u>4,136,986</u>
Net (Expenditure)/Income		<u>(4,300,126)</u>	<u>3,031,250</u>	<u>(1,268,876)</u>	<u>334,771</u>
Transfers between funds	8	4,300,126	(4,300,126)	-	-
Net movement in funds		<u>-</u>	<u>(1,268,876)</u>	<u>(1,268,876)</u>	<u>334,771</u>
Total funds brought forward		-	2,423,092	2,423,092	2,088,321
Total funds carried forward		<u>-</u>	<u>1,154,216</u>	<u>1,154,216</u>	<u>2,423,092</u>

* See note 4.

The notes on pages 10 to 15 form part of these accounts.

BackstageTrust

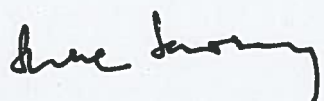
5 April 2022

BALANCE SHEET AS AT 5 APRIL 2022

	Notes	2022 £	2022 £	2021 £
CURRENT ASSETS				
Short term investments	5	1,322,966		497,497
Debtors	6	-		475,000
Cash at bank and in hand		637,126		2,105,944
		<u>1,960,092</u>		<u>3,078,441</u>
LIABILITIES				
Creditors - amounts falling due within 1 year	7	<u>805,876</u>		<u>655,349</u>
NET CURRENT ASSETS			1,154,216	2,423,092
NET ASSETS			<u>1,154,216</u>	<u>2,423,092</u>
THE FUNDS OF THE CHARITY:				
Endowment funds	8		1,154,216	2,423,092
			<u>1,154,216</u>	<u>2,423,092</u>

Approved by the Trustees on 12 January 2023 and signed on their behalf by:

TRUSTEE



The notes on pages 10 to 15 form part of these accounts.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2022**

	2022 £	2021 £
Net Movement in Funds per Statement of Financial Activities	(1,268,876)	334,771
Decrease/(Increase) in debtors	475,000	(250,000)
Increase/(Decrease) in creditors	150,527	(720,438)
Income from Investments	(559)	(4,205)
Net cash used in operating activities	<u>(643,908)</u>	<u>(639,872)</u>
Cash flows from Investing Activities		
Income from Investments	559	4,205
Net cash received in Investing Activities	<u>559</u>	<u>4,205</u>
Net decrease in cash and cash equivalents	<u>(643,349)</u>	<u>(635,667)</u>

Analysis of the balance of cash as shown in the balance sheet

	2022 £	2021 £	Change in year £
Cash at bank and in hand	637,126	2,105,944	(1,468,818)
Short term investments	1,322,966	497,497	825,469
Cash and cash equivalents at the end of the year	<u>1,960,092</u>	<u>2,603,441</u>	<u>(643,349)</u>

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS102.

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the basis that the charity is sustainable as a going concern.

The Covid-19 pandemic has not had a significant impact on the Trust's finances. The Trust's principal source of income is from the endowment fund. The endowment assets of the Trust remain significant, and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

The principal accounting policies adopted are as follows:

a) Income

- (i) Income is shown gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
- (ii) Interest is recorded on an accruals basis.

b) Grants payable

Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities. Payments that are due within one year of the year-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

c) Support costs

Most of these costs support the grant-making activity of the Trust and are so allocated.

d) Charitable activity

The Trustees consider that grant-making is the Trust's sole charitable activity.

e) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit and legal fees where relevant.

f) Gift of Staff Time

Individuals employed by Dame Susie Sainsbury provide various services towards the running of the Trust. The cost of their time is recognised as a gift as well as shown as an expense based on an estimate of time incurred by the staff involved.

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

g) Funds

Funds represent cash or cash equivalents held with UK banks

h) Financial Instruments

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Financial assets held at fair value consist of shares, and financial assets held at amortised costs comprise cash at bank and in hand, accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

At the balance sheet date, the charity held no financial assets at fair value (2020: £Nil), financial assets at amortised cost of £1,960,092 (2021: £2,603,441) and financial liabilities at amortised cost of £805,876 (2021: £655,349).

i) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimated uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

j) Cash and Cash Equivalents

Cash and cash equivalents include cash at bank, cash held for reinvestment and on call deposits.

2. GRANT EXPENDITURE

	2022 £	2021 £
Reconciliation of grants payable:		
Commitments at 6 April	643,100	1,361,140
Grants approved in the year	4,513,970	4,065,770
Grants approved in prior year	465,000	639,500
Grants cancelled in the year	(5,000)	(235,000)
Adjustment relating to USD grant	-	5,257
Grants not accrued at 5 April	(707,980)	(465,000)
	<u>4,265,990</u>	<u>4,010,527</u>
Grants payable for the year	4,909,090	5,371,667
Grants paid during the year	(4,118,482)	(4,728,567)
Commitments at 5 April due within one year (note 7)	<u>790,608</u>	<u>643,100</u>

NOTES TO THE ACCOUNTS (continued)

2. GRANT EXPENDITURE (continued)

	£
National Theatre	50,500
Birmingham Repertory Theatre	60,000
CAPA College	60,000
Thickskin Theatre	60,000
Talawa Theatre Company	70,000
Royal Academy of Music	75,000
Watershed	75,000
Papatango Theatre Company	85,000
Geese Theatre Company	98,000
Belarus Free Theatre	100,000
Cardboard Citizens	100,000
English Stage Co at the Royal Court	100,000
Reading Rep Theatre	100,000
Good Chance Theatre	105,000
Coventry City of Culture	125,000
Hall For Cornwall	150,000
Headlong	160,000
Garsington Opera	170,000
Donmar Warehouse	175,000
Jermyn Street Theatre	200,000
Pitlochry Festival Theatre	200,000
Leeds Playhouse	250,000
Rose Theatre	250,000
Theatre Development Trust	250,000
The Old Vic	300,000
Grants up to £50,000 were also made	1,540,590
Total Grants Payable per Statement of Financial Activities	4,909,090

3. ALLOCATION OF SUPPORT COSTS

	Charitable Activity	Governance	2022 Total	2021 Total
	£	£	£	£
Bank and Custody fees	826	-	826	832
Gift of Staff Time	96,838	-	96,838	92,552
Legal fees	11,562	1,285	12,847	12,681
Taxation Fees	-	1,212	1,212	600
Professional fees	-	8,829	8,829	9,750
Office support costs	5,007	-	5,007	4,254
Auditors' remuneration	-	5,974	5,974	5,790
	114,233	17,300	131,533	126,459

Included above is £12,847 payable for legal services to Portrait Solicitors (2021: £12,681), a firm in which Mr Dominic Flynn is a partner, and £96,838 being the estimated cost of services provided by employees of Dame Susie Sainsbury (2021: £92,552). No Trustees received remuneration or were reimbursed expenses during the year (note 9).

NOTES TO THE ACCOUNTS (continued)

4. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2022

	Notes	Unrestricted Funds	Endowment Funds	Total Funds 2021
Income and Endowments from:				
Donations and gifts		92,552	4,375,000	4,467,552
Investments		4,205	-	4,205
Total Income		<u>96,757</u>	<u>4,375,000</u>	<u>4,471,757</u>
Expenditure:				
Charitable activities				
Grant-making	2	4,010,527	-	4,010,527
Grant related support costs	3	126,459	-	126,459
Total Expenditure		<u>4,136,986</u>	<u>-</u>	<u>4,136,986</u>
Net (Expenditure)/Income		<u>(4,040,229)</u>	<u>4,375,000</u>	<u>334,771</u>
Transfers between funds		4,040,229	(4,040,229)	-
Net movement in funds		<u>-</u>	<u>334,771</u>	<u>334,771</u>
Total funds brought forward		-	2,088,321	2,088,321
Total funds carried forward		<u>-</u>	<u>2,423,092</u>	<u>2,423,092</u>

5. SHORT TERM INVESTMENTS

	2022	2021
	£	£
Instant access call accounts with UK banks	1,322,966	497,497
	<u>1,322,966</u>	<u>497,497</u>

6. DEBTORS

	2022	2021
	£	£
Gift aid tax repayment	-	475,000
	<u>-</u>	<u>475,000</u>

7. CREDITORS

	2022	2021
	£	£
Grants payable (note 2)	790,608	643,100
Legal fees	8,056	5,749
Audit fees	6,000	5,900
Taxation fees	1,212	600
	<u>805,876</u>	<u>655,349</u>

NOTES TO THE ACCOUNTS (continued)

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2022
	£	£	£
Fund balances at 5 April 2022 are represented by :			
Current assets	805,876	1,154,216	1,960,092
Current liabilities	(805,876)	-	(805,876)
Total net assets	-	1,154,216	1,154,216

	Unrestricted Funds	Expendable Endowment	Totals 2021
	£	£	£
Fund balances at 5 April 2021 are represented by :			
Current assets	655,349	2,423,092	3,078,441
Current liabilities	(655,349)	-	(655,349)
Total net assets	-	2,423,092	2,423,092

	Unrestricted Funds	Expendable Endowment	Totals 2022
	£	£	£
Movement in the year			
Opening balance as at 6 April 2021	-	2,423,092	2,423,092
Total income and endowments	97,397	3,031,250	3,128,647
Charitable activities	(4,397,523)	-	(4,397,523)
Transfers between funds	4,300,126	(4,300,126)	-
Closing balance as at 5 April 2022	-	1,154,216	1,154,216

	Unrestricted Funds	Expendable Endowment	Totals 2021
	£	£	£
Movement in the year			
Opening balance as at 6 April 2020	-	2,088,321	2,088,321
Total income and endowments	96,757	4,375,000	4,471,757
Charitable activities	(4,136,986)	-	(4,136,986)
Transfers between funds	4,040,229	(4,040,229)	-
Closing balance as at 5 April 2021	-	2,423,092	2,423,092

*During the year there was a deficit of income over expenditure on the unrestricted funds of £4,300,126 (2021: £4,040,229). This has been funded by a transfer from Expendable Endowment.

9. RELATED PARTY TRANSACTIONS

Donations which are subject to Gift Aid from the Trustees totalling £825,000 (2021: £1,900,000) were received during the year plus as more fully explained in note 3, the other related party transactions were the payment for legal services by Portrait Solicitors, of whom Dominic Flynn is a partner and services provided by employees of Dame Susie Sainsbury.

NOTES TO THE ACCOUNTS (continued)

10. CONTINGENT LIABILITIES

At 5 April 2022, grants approved amounting to £707,980 (2021: £465,000) which fall due to be paid more than 12 months after the balance sheet date have not been accounted for as they are subject to conditions that have not been met at the year-end.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Trustees of Backstage Trust

Opinion

We have audited the financial statements of Backstage Trust ('the charity') for the year ended 5 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2022 and of 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

17 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.