BackstageTrust

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2017

BackstageTrust

5 April 2017

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Legal and Administrative:	Backstage Trust (Charity Number 1145887) was established under a Trust Deed dated 30 January 2012.
Trustees:	Lady Sainsbury of Turville CBE, Hon. RAM, Hon. FRIBA, Hon D.Litt Mr David Wood Mr Dominic Flynn
Administrator:	Mrs Kathryn Thompson
Advisers:	Baroness Genista McIntosh of Hudnall Professor Ian Ritchie CBE RA
Office:	North House 27 Great Peter Street London SW1P 3LN
Charity Number:	1145887
Bankers:	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Solicitors:	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ
Auditors:	Crowe Clark Whitehill LLP St Bride's House, 10 Salisbury Square London EC4Y 8EH
Investment advisers:	Sarabaite Limited North House 27 Great Peter Street London SW1P 3LN
Investment Powers:	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.
Objects:	The objects of the Trust set out in the Trust Deed are for general charitable purposes.

BackstageTrust

5 April 2017

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2017

Backstage Trust was established under a Trust Deed dated 30 January 2012 and the Trustees submit their report for the year ended 5 April 2017.

1. Objectives and Scope of Grant Making

The need for a healthy and innovative arts sector in the UK is obvious: a vibrant culture spanning all art forms is essential for the cultural and social life of the country, and also makes a very considerable contribution to economic growth, particularly in the regions. The support of live theatre for the public benefit is the main focus for Backstage grants. Small theatres with an adventurous and exciting programme are often the starting point for exceptional new writing, and for talented young actors and directors to launch their careers. But the sector relies heavily on private philanthropy as public bodies cannot take the necessary risks to make a difference.

The primary focus of Backstage's grant programme is on projects involving the live performing arts, mainly theatre and music. Most grants are awarded proactively and provide support in diverse areas. Backstage can only offer assistance to registered charities or to 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:

- consultant advice to help with professional development of small-scale arts organisations
- assisting live arts projects involving disadvantaged children and young people
- consultant advice on fundraising, preparing a case for support and recruiting development staff
- feasibility studies for capital projects

There is clear evidence that involvement in the performing arts can help people – in particular young people – to articulate their fears, experiences and problems. They can learn to share difficult situations they are facing at home, at school, in the workplace, and find ways of expressing their emotions and learning coping strategies. Seeing plays has a beneficial effect and it is clear that participation in acting, improvisation and mime, has produced positive results. In many cases it can help young people learn to control volatile and explosive behaviour.

The need for a constant and generous element of philanthropic funding to promote the arts will remain acute. Successive governments have eroded the budget for all the arts, leaving many small organisations struggling with very limited funding. They work tirelessly to promote and energise their art. Their work makes a real difference to the lives of practitioners and audiences and delivers considerable public benefit. Their achievements are considerable and they deserve financial stability. Backstage is a small fund, and in general Trustees will hope to be considering proposals for support from organisations with a relevant, realistic and clearly expressed set of aims.

Applicants should demonstrate the potential viability of their project, and provide evidence showing that the organisation has the capacity to use charitable funding in the most effective way. Trustees will want to see evidence of fundraising plans, and to know that while Backstage might act as a catalyst to encourage other grant-giving bodies, it should not be regarded as sole funder. A critical need for most small organisations – with enthusiasm, energy and a determination to make a difference – is professional advice providing support in areas where they, understandably, are unable to access or afford professional guidance. For example fund-raising, HR law, setting up a capital project, and many other areas where paying for professional help would be beyond their means. Backstage is sometimes able to introduce and provide funding for appropriate consultants.

While performing arts will remain a primary focus for Backstage, the Trustees are open to suggestions which relate to other ways in which the arts can touch society. Backstage is proud to have been the catalyst in launching the national tour of two great installations of ceramic poppies: Weeping Window and The Wave. These wonderful artworks, created by artist Paul Cummins and installation designed by Tom Piper, are now touring the UK until 2018. Government's willingness to support the tour of these remarkable installations, working with private philanthropic trusts, allows millions of visitors to experience the impact of this emotive commemoration of the First World War.

Art, philanthropy and government working together really can make a difference.

Organisation

Backstage Trust is a small charity of which Lady Sainsbury of Turville is the Settlor and a Trustee. She and her fellow Trustees work closely with the 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 made 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.

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 £2,629,728 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. The Trustees are satisfied this is the case at the year end.

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.

2. Review of the Year

During the year, Backstage Trust's primary source of income were donations from Lady Sainsbury of Turville and the Gatsby Charitable Foundation totalling £3.5m. During the year the trustees approved 38 grants which totalled £2.4m. The activities for the year resulted in a net surplus of £0.8m and total reserves at the year end amounted to £1,829,948, 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 2015/16 and not included in the accounts amounted to £458,831 and those which were entered into during 2016/17 and not included in the accounts amounted to £297,332 (note 10). The grants approved during the year may be analysed by number and by value in the categories set out below:

	Grants Approved	Value £
Arts	37	2,400,206
General	1	5,097
	38	2,405,303

Main Grants Approved

Arts

Royal Academy of Music £500,000
Funding to support capital project to transform the Royal Academy Theatre

Mountview Academy £500,000
Project to move the drama school to new premises

Donmar Warehouse £500,000
Support of three projects: Privacy New York, Trilogy, and Capital Campaign

Papatango £210,000
Grant to allow forward planning for new initiatives: The New Writing Prize, A Resident Playwright, and GoWrite

Young Vic £120,000
Support of the Young Vic "Digital Evolution" project which aims to improve and update the current infrastructure to meet the needs of their growing team

Chester Performs £100,000
A project to revitalise the cultural life of Chester, by supporting the purchase of its own building to stage Shakespearean plays and other cultural productions

Clean Break £75,000
To support Clean Break's new writing commissions programme, supporting new work from some of the UK's most exciting female playwrights

Citizens Theatre £50,000
Support for the full restoration of one of Scotland's oldest and most iconic working theatres

Hightide Theatre Festival £50,000
Core funding for "The Mix", the latest equipment for staging, lighting and sound which can be built into a specific configuration for each production

Chisenhale Dance Space £46,000
Continued support for core funding over 4 years, and board match funding over the same period

Approved by the Trustees on 13 December 2017 signed on their behalf by:

.... TRUSTEE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE 12 MONTHS ENDED 5 APRIL 2017

	Notes	Unrestricted Funds	Endowment Funds	Total Funds 2017	Total Funds 2016 *
		£	£	£	£
Income:					
Donations and gifts		27,418	3,456,000	3,483,418	1,651,169
Investments		14,143	-	14,143	46,000
Total Income		41,561	3,456,000	3,497,561	1,697,169
Expenditure:					
Charitable activities					
Grant-making	*2*	2,629,619	-	2,629,619	7,111,793
Grant related support costs	*3*	41,670	-	41,670	42,300
Cost of charitable activities		2,671,289	-	2,671,289	7,154,093
Total Expenditure		2,671,289	-	2,671,289	7,154,093
Net (Expenditure)/Income		(2,629,728)	3,456,000	826,272	(5,456,924)
Transfers between funds		2,629,728	(2,629,728)	-	-
Net movement in funds		-	826,272	826,272	(5,456,924)
Total funds brought forward		-	1,003,676	1,003,676	6,460,600
Total funds carried forward		-	1,829,948	1,829,948	1,003,676

* See note 4.

The notes on pages 9 to 13 form part of these accounts.

BALANCE SHEET
AS AT 5 APRIL 2017

	Notes	2017	2017	2016
		£	£	£
CURRENT ASSETS				
Short term investments	5	2,235,322		3,878,238
Debtors	6	362,500		606
Cash at bank and in hand		958,200		915,925
		3,556,022		4,794,769
LIABILITIES				
Creditors - amounts falling due within 1 year	7	1,726,074		3,791,093
NET CURRENT ASSETS			1,829,948	1,003,676
NET ASSETS			1,829,948	1,003,676
THE FUNDS OF THE CHARITY:				
Endowment funds	8		1,829,948	1,003,676
			1,829,948	1,003,676

Approved by the Trustees on 13 December 2017 and signed on their behalf by:

.... TRUSTEE

The notes on pages 9 to 13 form part of these accounts.

CASH FLOW STATEMENT
FOR YEAR ENDING 5 APRIL 2017

	2017	2016
	£	£
Net Movement in Funds per Statement of Financial Activities	826,272	(5,456,924)
Decrease/(increase) in debtors	(362,500)	475,000
Increase in creditors	(2,065,019)	1,116,822
Income received in shares	(643,500)	-
Income from Investments	(14,143)	(46,000)
Net cash (used in)/provided by operating activities	(2,258,890)	(3,911,102)
Cash flows from Investing Activities		
Income from Investments	14,749	47,217
Net (decrease)/increase in cash and cash equivalents	(2,244,141)	(3,863,885)

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

	2017	2016	Change in year
	£	£	£
Cash at bank and in hand	958,200	915,925	42,275
Short term investments	1,591,822	3,878,238	(2,286,416)
Cash and cash equivalents at the end of the year	2,550,022	4,794,163	(2,244,141)

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) issued on 16 July 2014 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.

In the view of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity

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.
   (iii) Donated shares have been recognised at market value at the date of transfer.

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. Grants approved subject to conditions that have not been met at the year-end are noted as a commitment but not accrued as expenditure.

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, legal fees where relevant.

f) Gift of Staff Time
Individuals employed by Lady 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.

g) Funds
Funds represent cash or cash equivalents held with UK banks

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

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 financial assets at fair value of £643,500 (2016: £nil), financial assets at amortised cost of £2,550,022 (2016: £4,794,769) and financial liabilities at amortised cost of £1,726,074 (2016: £3,791,093).

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

	2017	2016
	£	£
Reconciliation of grants payable:		
Commitments at 6 April 2016	3,779,943	2,660,840
Grants approved in the year	2,395,303	7,128,932
Grants approved in prior year	990,479	973,340
Grants not accrued at 5 April 2017	(756,163)	(990,479)
	2,629,619	7,111,793
Grants payable for the year	**6,409,562**	**9,772,633**
Grants paid during the year	(4,693,080)	(5,992,690)
Commitments at 5 April 2017 due within one year (note 8)	**1,716,482**	**3,779,943**

NOTES TO THE ACCOUNTS (continued)

2. GRANT EXPENDITURE (continued)

	2017
	£
Royal Academy of Music	2,840,000
Donmar Warehouse	500,000
StreetInvest	490,103
Mountview Academy	350,000
Shoreditch Town Hall	343,000
Tricycle Theatre Company	304,250
Brighton Dome and Festival	300,000
14-18NOW	200,000
Papatango Theatre Company	170,000
Hightide Theatre Festival	130,000
Chester Performs Charity	100,000
EGO Performance	100,000
Young Vic	90,000
Academy of Ancient Music	60,000
Citizens Theatre	50,000
Clean Break	50,000
Chisenhale Dance Space	27,000
Headlong	25,000
Soho Theatre	20,000
The Bike Shed Theatre	18,000
Grants up to £15,000 were also made	242,208
Total Grants Payable per Statement of Financial Activities	**6,409,561**

3. ALLOCATION OF SUPPORT COSTS

	Charitable Activity	Governance	2017 Total	2016 Total
	£	£	£	£
Bank fees	507	-	507	735
Gift of Staff Time	27,418	-	27,418	26,169
Other direct costs	-	-	-	324
Legal and professional fees	6,178	2,298	8,476	9,312
Auditors' remuneration	-	5,269	5,269	5,760
	34,103	7,567	41,670	42,300

Included above is £6,858 payable for legal services to Portrait Solicitors, a firm in which Mr Dominic Flynn is a partner and £27,418 being the estimated cost of services provided by employees of Lady Sainsbury. No Trustees received remuneration or were reimbursed expenses during the year.

NOTES TO THE ACCOUNTS (continued)

4. STATEMENT OF FINANCIAL ACTIVITIES FOR THE 12 MONTHS ENDED 5 APRIL 2016

	Notes	Unrestricted Funds	Endowment Funds	Total Funds 2016
		£	£	£
Income:				
Donations and gifts		26,169	1,625,000	1,651,169
Investments		46,000	-	46,000
Total Income		72,169	1,625,000	1,697,169
Expenditure:				
Charitable activities				
Grant-making	2	7,111,793	-	7,111,793
Grant related support costs	3	42,300	-	42,300
Cost of charitable activities		7,154,093	-	7,154,093
Total Expenditure		7,154,093	-	7,154,093
Net (Expenditure)/Income		(7,081,924)	1,625,000	(5,456,924)
Transfers between funds		7,081,924	(7,081,924)	-
Net movement in funds		-	(5,456,924)	(5,456,924)
Total funds brought forward		-	6,460,600	6,460,600
Total funds carried forward			1,003,676	1,003,676

5. SHORT TERM INVESTMENTS

	2017	2016
	£	£
J Sainsbury plc	643,500	-
Instant access call accounts with UK banks	1,591,822	3,878,238
	2,235,322	3,878,238

6. DEBTORS

	2017	2016
	£	£
Gift aid tax repayment	362,500	-
Accrued interest receivable	-	606
	362,500	606

NOTES TO THE ACCOUNTS (continued)

7. CREDITORS

	2017	2016
	£	£
Grants payable (note 2)	1,716,482	3,779,943
Legal fees	4,432	6,109
Audit fees	5,160	5,041
	1,726,074	3,791,093

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2017
	£	£	£
Fund balances at 5 April 2017 are represented by :			
Current assets	1,726,074	1,829,948	3,556,022
Current liabilities	(1,726,074)	-	(1,726,074)
Total net assets	-	1,829,948	1,829,948

9. RELATED PARTY TRANSACTIONS

Donations from the Trustees totalling £1,450,000 (2016 £500,000) 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 Lady Sainsbury.

A share donation from the Trustees of 250,000 J Sainsbury plc was received during the year.

10. CONTINGENT LIABILITIES

At 5 April 2017, grants approved amounting to £756,163 (2016 £990,479) 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.

5 April 2017

Independent Auditor's Report to the Trustees of Backstage Trust

We have audited the financial statements of Backstage Trust for the year ended 5 April 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and FRS102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2017 and of its outgoing resources and application of resources for the year then ended;
- have been properly prepared in accordance with FRS102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Independent Auditor's Report to the Trustees of Backstage Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

19.12.17.

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.