

Company Number: 1488786

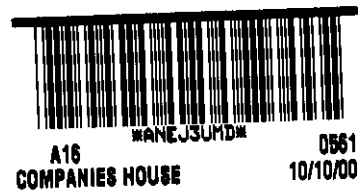
Registered Charity Number: 279884

*Register
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**SADLER'S WELLS TRUST
(LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

31st MARCH 2000



**Sadler's Wells Trust
(Limited by Guarantee)**

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**Sadler's Wells Trust
(Limited by Guarantee)**

Directors, Officers and Administrative Information

Directors

Hugh Morris (Chairman)
Ian Hay Davison
Paul Cullington
Harry MacAuslan
Lady Rowland
Lady Solti
Maggie Semple
Ian Gentle
Nica Burns
Frankie Airey

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House
London
EC4P 4BN

Solicitors

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ

Secretary and Chief Executive

Ian Bronson Albery

Bankers

National Westminster Bank plc
Holborn Corporate Business Centre
P.O. Box 959
1 Hatton Garden
London
EC1N 8AB

**Sadler's Wells Trust
(Limited by Guarantee)**

Directors' Report

The directors submit their report and the financial statements of Sadler's Wells Trust for the year ended 31st March 2000 which have been prepared in compliance with current statutory requirements and with the charity's governing document, its memorandum and articles of association.

The charity is managed by its directors who meet approximately ten times a year and who delegate the day to day operation of the theatre to the chief executive.

Objects

The company through the Sadler's Wells, Peacock and Lilian Baylis theatres aims to provide London with a balanced programme of high quality ballet, dance, opera, music theatre, children's theatre and "specialist" theatre, both from Britain and abroad. The programmes presented are intended to draw audiences from the widest possible cross-section of the community.

Review of Activities

The artistic season at the main house included:

Nederlands Dans Theatre 1
Cloud Gate Dance Theatre (Taiwan)
Meryl Tankard Australian Dance Theatre
Scottish Ballet
Mikhail Baryshnikov
Royal Opera - Paul Bunyan
Rambert Dance Company
Mark Morris Dance Group (USA)
Siobhan Davies Dance Company
Opera North - La Traviata
San Francisco Ballet - Swan Lake
Norwegian National Ballet - Romeo & Juliet
La La La Human Steps (USA)

The Peacock Theatre season included:

Deborah Colker (Brazil)
Les Ballets Trockadero de Monte Carlo
City Contemporary Dance Company (Hong Kong)
Tango por Dos (Argentina)

The Christmas shows were Dick Whittington (main house) and The Snowman (Peacock Theatre).

The Lilian Baylis Theatre and Community & Education Centre were opened on 11th October 1999.

The company continues to operate the Peacock Theatre which has developed into a popular venue in central London.

**Sadler's Wells Trust
(Limited by Guarantee)**

Directors' Report (Continued)

Accounts

The directors are pleased to report the achievement of a surplus of £104,000 for the year. This has, however, only been achieved after receipt of compensation of £1,350,000 in respect of a cancelled booking during the summer of 1999.

The company is forecasting a loss for the year ended 31st March 2001 and whilst every effort is being made to reduce overhead and increase income, there is a strong likelihood that a balance sheet deficiency will exist at this date. In the light of this forecast the directors are taking necessary steps to secure additional finance to ensure the company is able to continue as a going concern and to meet its liabilities as they fall due over the foreseeable future.

The directors are also aware that the borrowings of New Sadler's Wells Limited have increased from £600,000 at 31st March 2000 to a figure of £2,400,000 at the date these accounts have been signed. An element of the increase in borrowings relates to legal costs incurred in respect of litigation both by and against New Sadler's Wells Limited. The continuing financing of New Sadler's Wells Limited is relevant to Sadler's Wells Trust Limited because of the existence of cross-guarantees, but the directors do not believe that these guarantees, details of which are given in note 14, will be called and are confident that the ultimate financial viability of both Sadler's Wells Trust Limited and New Sadler's Wells Limited will be assured.

The directors acknowledge with gratitude the grants, donations and sponsorship received during the year. The trust remains dependent on such support to ensure the viability of future artistic programmes.

The financial position of the company is set out in the balance sheet on page 9.

Directors

The members of the board who served during the year under review were as follows:

Hugh Morris (Chairman)	
Ian Hay Davison	
Harry MacAuslan	
Lady Rowland	
Lady Solti	
Maggie Semple	
Ian Gentle	
Paul Cullington (Treasurer)	(Appointed 17th September 1999)
Frankie Airey	(Appointed 1st June 2000)
Nica Burns	(Appointed 21st July 2000)
Philip Jones	(Resigned 16th May 1999)
Graham Reddish	(Resigned 17th June 1999)
Lady Theresa Lloyd	(Resigned 21st January 2000)
Baroness Genista McIntosh	(Resigned 21st January 2000)
Sir John Drummond	(Appointed 16th July 1999)
	(Resigned 17th July 2000)

The directors are appointed by the Governors of the Sadlers Wells Foundation.

Hugh Morris, Ian Hay Davison, Harry MacAuslan, Lady Rowland, Lady Solti, Maggie Semple and Ian Gentle each held one share in the trust at the year end.

**Sadler's Wells Trust
(Limited by Guarantee)**

Directors' Report (Continued)

Connected Charities

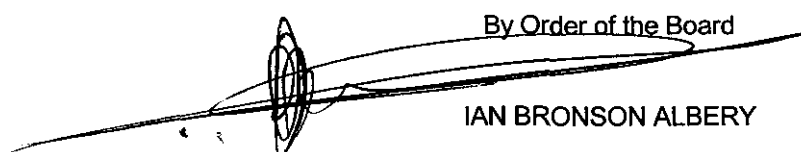
The Sadlers Wells Trust is connected to other charities, under the control of the Sadlers Wells Foundation. Details of these charities are given in note 18 to the financial statements.

Taxation Status

The company is a registered charity and as such, is entitled to exemptions from taxation under the Income and Corporation Taxes Act 1988.

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke, is written over the text "By Order of the Board" and "IAN BRONSON ALBERY".

By Order of the Board

IAN BRONSON ALBERY

Secretary

**Sadler's Wells Trust
(Limited by Guarantee)**

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Auditors to the Members of
Sadler's Wells Trust
(Limited by Guarantee)**

We have audited the financial statements on pages 8 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 11 to 12.

Respective Responsibilities of Directors and Auditors

As described on page 6 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

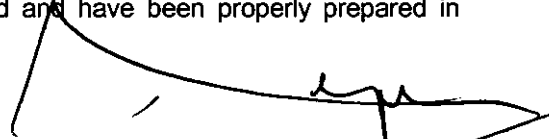
In forming our opinion, we have considered the adequacy of the disclosures in note 1 of the financial statements concerning uncertainties in respect of the generation of additional working capital and the outcome of litigation proceedings in a connected charity, New Sadler's Wells Limited. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
Warwick Lane,
London, EC4P 4BN

21st September 2000


MOORE STEPHENS
Chartered Accountants
Registered Auditor

Sadler's Wells Trust
(Limited by Guarantee)

Statement of Financial Activities
For the year ended 31st March 2000

	<u>Note</u>	<u>General Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2000</u>	<u>Total Funds 1999</u>
		£'000	£'000	£'000	£'000
Incoming Resources					
Income from presentations		7,269	-	7,269	6,309
Income from events		627	-	627	-
Grants	3a	539	31	570	558
Donations	3b	182	-	182	61
Sponsorship income	3c	83	172	255	375
Investment income- interest receivable		115	-	115	52
Other income		156	-	156	88
Compensation	4	1,350	-	1,350	-
Total Incoming Resources		<u>10,321</u>	<u>203</u>	<u>10,524</u>	<u>7,443</u>
Resources Expended					
Direct charitable expenditure					
Expenditure on presentations		7,526	172	7,698	5,695
Expenditure on events		290	-	290	-
Theatre overhead		1,873	31	1,904	808
Fundraising and publicity costs		184	-	184	74
Management and administration		344	-	344	819
Total Resources Expended	2	<u>10,217</u>	<u>203</u>	<u>10,420</u>	<u>7,396</u>
Net Incoming Resources for the Year		104	-	104	47
Balances brought forward at 31st March 1999		<u>47</u>	<u>15</u>	<u>62</u>	<u>15</u>
Balances carried forward at 31st March 2000		<u>£ 151</u>	<u>£ 15</u>	<u>£ 166</u>	<u>£ 62</u>

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the income and expenditure account.

**Sadler's Wells Trust
(Limited by Guarantee)**

Balance Sheet - 31st March 2000

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
Fixed Assets			
Tangible assets	7	<u>63</u>	<u>46</u>
Current Assets			
Stocks	8	9	-
Debtors	9	896	336
Cash at bank and in hand		<u>1,060</u>	<u>1,545</u>
		1,965	1,881
Creditors, amounts falling due within one year	10	<u>(1,862)</u>	<u>(1,865)</u>
Net Current Assets		<u>103</u>	<u>16</u>
Total Assets Less Current Liabilities		£ <u>166</u>	£ <u>62</u>
Funds			
Restricted	17	15	15
General	17	<u>151</u>	<u>47</u>
Total Funds		£ <u>166</u>	£ <u>62</u>

These financial statements were approved by the Board on *21st September 2000*

HUGH MORRIS Chairman



Sadler's Wells Trust
(Limited by Guarantee)

Cash Flow Statement
For the year ended 31st March 2000

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
Net cash outflow from trading activities	11	(420)	662
Returns on investments and servicing of finance	12a	115	25
Capital expenditure	12b	(34)	(34)
Decrease in cash in the year		£ <u>(339)</u>	£ <u>653</u>

Reconciliation of Net Cash Flow to Movement in Net Cash

Decrease in cash in the year		(485)	609
Cash inflow from decrease in debt		<u>146</u>	<u>44</u>
Movement in net cash in the year		(339)	653
Net cash at 1st April 1999		<u>1,209</u>	<u>556</u>
Net cash at 31st March 2000	13	£ <u>870</u>	£ <u>1,209</u>

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000**

1. Accounting Policies

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention, in accordance with all applicable Accounting Standards and follow the provisions of the Statement of Recommended Practice: Accounting by Charities issued in October 1995.

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the company's ability to raise additional finance to meet its working capital requirements and on the satisfactory outcome to litigation being undertaken by and against New Sadler's Wells Limited. The financial statements do not include any adjustments that would result if the matters referred to immediately above are not successful. The directors believe it is appropriate for the financial statements to be prepared on a going concern basis and are confident of the success of their overall financial strategy.

(c) Income from presentations

Income from presentations, which is matched to relevant performances, represents amounts receivable, excluding Value Added Tax, for goods and services provided in the ordinary course of business. All income is generated in the United Kingdom.

(d) Grants, donations and sponsorship

(i) Revenue grants and donations are credited to the Statement of Financial Activities in the period in which they fall due unless they relate to specified future or prior periods, in which case they are deferred or accrued respectively.

(ii) Corporate sponsorship is treated on a cash receipts basis even though the benefits to the sponsor may cover the next accounting period.

(iii) Restricted funds are used for the specified purpose laid down by the donor.

(e) Expenditure allocation

Expenditure is allocated to departments on an actual basis. These costs are then aggregated and disclosed under the headings stated in note 2.

(f) Tangible fixed assets

Fixed assets are stated at cost or valuation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life. Assets acquired in the current year have been depreciated at the rate of $33\frac{1}{3}\%$ per annum on a straight line basis whereas assets acquired in earlier periods have continued to be depreciated at a rate of 20% per annum on a straight line basis. All fixed assets are used for direct charitable purposes.

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)**

1. Accounting Policies (Continued)

(g) Stocks

Stocks of goods for resale, consist of merchandise and confectionery are stated at the lower of cost and net realisable value on a first in first out basis.

(h) Foreign currencies

Foreign currency balances at 31st March 2000 have been translated into sterling at the rate ruling at that date.

Transactions during the course of the year have been translated into sterling at the rate ruling at the transaction date.

2. Total Resources Expended

	Presentation Expenses £'000	Theatre Overhead £'000	Fundraising and Publicity £'000	Management and Administration £'000	Events £'000	2000 Total £'000	1999 Total £'000
Staff costs	1,327	561	108	272	69	2,337	1,510
Premises costs	-	278	-	-	-	278	275
Depreciation	6	5	-	6	-	17	11
Audit	-	-	-	19	-	19	19
Irrecoverable expenditure on behalf of New Sadlers Wells Limited	-	-	-	(151)	-	(151)	293
Other costs	6,365	1,060	76	198	221	7,920	5,288
	<u>£ 7,698</u>	<u>£ 1,904</u>	<u>£ 184</u>	<u>£ 344</u>	<u>£ 290</u>	<u>£ 10,420</u>	<u>£ 7,396</u>

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)**

3. Grants, Sponsorship, Donations

Included in the figures for grants, and donations are the following amounts:

(a) Grants

	<u>1999/00</u>	<u>1998/99</u>	<u>Purpose</u>
London Borough Grants Unit	£68,720	£71,152	Contribution towards the running cost of Sadler's Wells Trust
London Arts Board	£220,000	£220,000	Contribution towards the running costs of Sadler's Wells Trust
London Borough of Islington	£30,994	£38,024	The salaries of the Community and Education manager and the Community and Education officer (part-time)
Sadler's Wells Foundation	£250,000	£125,000	Contribution towards running costs of Sadlers Wells Trust Limited

(b) Donations

Bovis Ltd	£15,000
Criterion Ices Ltd	£2,000
Daiwa Anglo Japanese Foundation	£3,500
Daiwa Securities Trust and Banking (Europe) plc	£5,000
Invensys plc	£100,000
Philip Morris Companies Inc	£12,316
The Elephant Trust	£2,000
The Goldsmiths' Company	£2,000
Unilever	£2,500
Urenco Ltd	£2,000
Whitbread Charitable Trust	£5,000
Anonymours donor	£25,000
Sadler's Wells Appeal Fund Ltd	£50,870

(c) Sponsorship

Arts & Businss - B.M.W. Rover	£10,314
Arts & Business - S.G. Hambros	£6,250
British Council	£5,500
Mackintosh Foundation	£5,000
Natwest Bank plc	£5,000

Sadler's Wells Trust
(Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

3. Grants, Sponsorship, Donations (Continued)

(d) **Other**

Dance Umbrella
Edinburgh Festival Theatre
London Dance Network

4. Compensation

During the year the theatre received £1.35m in respect of compensation for a cancelled booking during the summer of 1999.

5. Staff and Directors

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Wages and salaries	2,324	1,657
Social security costs	192	157
Pension costs (note 16)	52	2
	<hr/> 2,568	<hr/> 1,816
Less: Staff costs charged to:		
New Sadler's Wells Limited	<hr/> (231)	<hr/> (306)
	<hr/> £ 2,337	<hr/> £ 1,510

Employee remuneration fell in the following bands:

	<u>Number</u>	<u>Number</u>
£40,000 - £49,999	1	-
£50,000 - £59,999	1	-

The responsibility for the redevelopment of the Sadler's Wells theatre site was transferred from Sadler's Wells Foundation to New Sadler's Wells Limited on 1st November 1996. From this date the staff costs relating to the redevelopment of the site and fundraising were transferred from Sadler's Wells Trust to New Sadler's Wells Limited.

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)**

5. Staff and Directors (Continued)

Average Number of Persons Employed

	<u>2000</u> Number	<u>1999</u> Number
Theatre and Front of House	41	42
Box office	12	18
Marketing	8	10
Technical	15	17
Administration	14	9
Development	5	6
Events	3	-
	<u>98</u>	<u>102</u>

At the year end there were 10 non-executive directors. None of the directors received any remuneration (1999 - £Nil) nor were any payments made to any organisation associated with any director save on an arms length commercial basis.

Reimbursement of directors' travelling expenses amounting to £Nil (1999: £905) was made during the year.

6. Taxation

The company is a registered charity and as such, is entitled to exemption from taxation under the Income and Corporation Taxes Act 1988.

7. Tangible Fixed Assets

	<u>Computers</u> £'000	<u>Fixtures, Fittings and Equipment</u> £'000	<u>Total</u> £'000
Cost			
At 1st April 1999	172	204	376
Additions	-	34	34
	<u>172</u>	<u>238</u>	<u>410</u>
At 31st March 2000	172	238	410
Depreciation			
At 1st April 1999	137	193	330
Charge for the year	8	9	17
	<u>145</u>	<u>202</u>	<u>347</u>
At 31st March 2000	145	202	347
Net book value			
At 31st March 2000	27	36	63
At 31st March 1999	£ 35	£ 11	£ 46

Sadler's Wells Trust
(Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

8. Stocks

	<u>2000</u> £'000	<u>1999</u> £'000
Goods for resale	£ 9	£ -

9. Debtors

	<u>2000</u> £'000	<u>1999</u> £'000
Trade debtors	616	298
Amounts owed by related undertakings	251	23
Other debtors	12	-
Prepayments and accrued income	17	15
	£ 896	£ 336

10. Creditors, amounts falling due within one year

	<u>2000</u> £'000	<u>1999</u> £'000
Bank overdraft	190	336
Trade creditors	427	355
Amounts owed to related undertakings	250	-
Box office advances	158	425
VAT, PAYE and National Insurance contributions	191	361
Other creditors and accrued costs	646	388
	£ 1,862	£ 1,865

11. Reconciliation of Net Incoming Resources from Trading Activities to Net Cash

	<u>2000</u> £'000	<u>1999</u> £'000
Net incoming resources from trading activities	(11)	22
Depreciation	17	11
Increase in stocks	(9)	2
Increase in debtors	(560)	(48)
Increase in creditors	143	675
Net cash outflow from trading activities	£ (420)	£ 662

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)**

**12. Analysis of Cash Flows for Headings
Netted in Cash Flow Statement**

(a) Return on Investment and Servicing of Finance

	<u>2000</u> £'000	<u>1999</u> £'000
Interest received	115	52
Interest paid	-	(27)
	<u>£ 115</u>	<u>£ 25</u>

(b) Capital Expenditure

Purchase of tangible fixed assets	(34)	(34)
Net cash outflow from capital expenditure and financial investments	<u>£ (34)</u>	<u>£ (34)</u>

13. Analysis of Net Cash

	<u>1st April</u> <u>1999</u> £'000	<u>Cash</u> <u>Flow</u> £'000	<u>31st March</u> <u>2000</u> £'000
Cash at bank and in hand	1,545	(485)	1,060
Debts due within one year	(336)	146	(190)
	<u>£ 1,209</u>	<u>£ (339)</u>	<u>£ 870</u>

14. Contingent Liability

The assets of the company are subject to cross guarantees in respect of loans and grants to New Sadler's Wells Limited. At 31st March 2000 the liabilities in respect of these balances in the accounts of New Sadler's Wells Limited amounted to £42,373,000, comprising £600,000 of loans and £41,773,000 of grants.

15. Liability of Members

The company is limited by guarantee and the liability of members is limited to £10 each. At 31st March 2000 there were 24 members. No dividend rights attach to the shares of the company.

16. Operating Lease Commitment

The company has an annual commitment of £250,000 in respect of the lease of the Sadler's Wells Theatre, from New Sadler's Wells Limited, expiring after more than five years.

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)**

17. Net Movement in Funds

	At 1st April 1999 £'000	Incoming Resources £'000	Resources Expended £'000	At 31st March 2000 £'000
Restricted Funds:				
Telecommunications equipment	15	-	-	15
Sponsorship of productions	-	172	(172)	-
Grants	-	31	(31)	-
	<u>15</u>	<u>203</u>	<u>(203)</u>	<u>15</u>
Unrestricted Funds:				
General fund	47	10,321	(10,217)	151
	<u>£ 62</u>	<u>£ 10,524</u>	<u>£ (10,420)</u>	<u>£ 166</u>

The theatre has sufficient cash resources to enable the restricted funds to be applied in accordance with the restrictions imposed.

18. Connected Charities

All entities within the Sadler's Wells group of connected charities are based at the registered office shown on page 2 and are limited by guarantee other than Sadler's Wells Limited with a share capital of £2 and Sadler's Wells Foundation, a charitable trust, which is not covered by the Companies Act requirements.

The controlling entity is the Sadler's Wells Foundation which provides a majority of the guaranteeing members for New Sadler's Wells, Sadler's Wells Theatre Appeal Fund, and Sadler's Wells Trust and therefore has ultimate responsibility for the appointment of directors of the three companies.

Sadler's Wells Foundation owns freehold and leasehold properties. Sadler's Wells Theatre Appeal Fund is responsible for the raising and administration of appeal funds in support of the Sadler's Wells group theatre development managed by New Sadlers Wells Limited. Sadler's Wells Trust is a company whose principal activity is to encourage the understanding and appreciation of the performing arts, and Sadler's Wells Limited is a wholly owned subsidiary of Sadler's Wells Trust which commenced trading on 1st April 2000.

During the year Sadler's Wells Trust Limited incurred a rent charge of £250,000 from New Sadler's Wells Limited. The company received a donation of £50,978 from Sadler's Wells Appeal Fund Limited, a grant of £250,000 from Sadler's Wells Foundation, and received repayment of £151,000 of costs previously written off in connection with the refurbishment of the Sadler's Wells Theatre, owned by New Sadler's Wells Limited.

**Sadler's Wells Trust
(Limited by Guarantee)**

**Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)**

19. Pension Commitments

Until 31st March 1999 the company operated a defined benefits pension scheme whose assets are held in independent trustee administered funds. Contributions were determined by a qualified independent to actuary on the basis of triennial valuations using the projected unit method, the most recent valuation being at 6th April 1998. The assumptions which have the most significant effect on the results of the valuation are the rate at which current salaries and pensions will increase and the return the scheme will earn on its assets.

It was assumed for this valuation that salaries would increase by 6.5% per annum and the investment returns would be 8% per annum, and the present and future pensions would increase at the rate of 5% per annum. The actuarial valuation of the scheme's assets was £659,000, actuarially estimated to represent 147% of the benefits that have accrued to members of the scheme after allowing for expected future increase in earnings.

With effect from 31st March 1999 the trustees have commenced the winding up of the defined benefit pension scheme.

This has been replaced with individual contributions to employees private pension plans the costs of which amounted to £52,097 during the year ended 31st March 2000 (1999 - Nil).