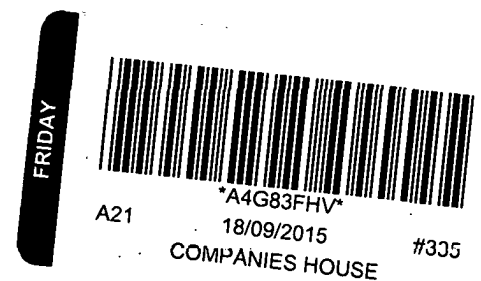


**Sadler's Wells Trust  
(Limited by Guarantee)**

**Company Number 1488786**

**Registered Charity Number 279884**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2015**



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

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

## **Trustees, Officers and Administrative Information**

### **Trustees**

Sir David Bell (Chairman)  
Jules Burns  
Sue Butcher  
Marco Compagnoni  
Robert Glick  
Carol Lake  
Tim Marlow  
Harry MacAuslan  
Robin Saunders  
Sandi Ulrich  
Sanoke Viswanathan

### **Secretary**

Alistair Spalding CBE

### **Registered Office**

Sadler's Wells Theatre  
Rosebery Avenue  
London  
EC1R 4TN

### **Bankers**

Coutts & Co.  
440 Strand  
London  
WC2R 0QS

### **Auditors**

Kingston Smith LLP  
Chartered Accountants  
141 Wardour Street  
London  
W1F 0UT

### **Solicitors**

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

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

## **Trustees' Report**

The Trustees, who are also the Directors of the company under the Companies Act 2006, submit their report and the financial statements of Sadler's Wells Trust for the year ended 31 March 2015 which have been prepared in compliance with current statutory requirements, the Statement of Recommended Practice: Accounting and Reporting by Charities, issued by the Charity Commission for England and Wales, as revised in 2005, and with the charity's governing document, its Memorandum and Articles of Association.

### **Objectives**

The object for which the charity is established is to advance education particularly by encouraging the understanding and appreciation of the dramatic arts.

### **Strategic Review**

#### *Achievements and Performance*

In fulfilling these objectives Sadler's Wells produces, commissions and presents a year-round programme of UK and international work encompassing all forms of dance and welcoming all audiences.

Sadler's Wells also provides an extensive participation programme through its creative learning team, Connect.

Sadler's Wells is a world leader in contemporary dance, committed to producing, commissioning and presenting new works and to bringing the best international and UK dance to London and worldwide audiences. The theatre's year-round programme spans dance of every kind, from contemporary to flamenco, ballet, salsa, tango, tap, Bollywood and street dance. Since 2005, it has helped to bring over 90 new dance works to the stage and its international award-winning commissions and collaborative productions regularly tour the world.

Sadler's Wells' home in the West End is The Peacock. Every few weeks, The Peacock presents a new live show featuring world-class dancers, daring circus acts and thrilling physical theatre performances.

Sadler's Wells also reaches 20,000 participants annually through an extensive Creative Learning programme. Projects include an annual community production, with up to 100 dancers of all ages from the local community taking to the main stage; the renowned Company of Elders, Sadler's Wells' resident over-60s performance group; and Apex Rising, an annual festival presenting highlights of the most innovative dance performed and created by young dancers.

Sadler's Wells continues to support 16 Associate Artists, three Resident Companies and an Associate Company – who are at the heart of the commissioning and producing programme – and nurtures the next generation of talent by hosting the National Youth Dance Company, the Wild Card initiative, New Wave Associates programme and Summer University.

## **Sadler's Wells Trust (Limited by Guarantee) Trustees' Report**

The list of Sadler's Wells' Associate Artists, Resident Companies and Associate Company represents the most exciting talent working in contemporary dance today: BalletBoyz, Matthew Bourne and his company New Adventures, Sidi Larbi Cherkaoui, Jonzi D, English National Ballet, Sylvie Guillem, Michael Hulls, Michael Keegan-Dolan, Akram Khan, Russell Maliphant, Wayne McGregor and his company Random Dance, Crystal Pite, Kate Prince and ZooNation, Nitin Sawhney, Hofesh Shechter, Jasmin Vardimon and Christopher Wheeldon. The relationship between Sadler's Wells and the Associates is both artistic, through the commissioning and presentation of their work, and educational, in that they work with Sadler's Wells to provide creative learning opportunities and encourage broader community engagement with the art form.

International companies presented on the Sadler's Wells stage in 2014-15 included les ballets C de la B, Royal Swedish Ballet, Anne Teresa de Keersmaecker's Rosas, Nederlands Dans Theater 1 and Cullberg Ballet.

In 2014-15, Sadler's Wells commissioned, co-commissioned, produced and co-produced 17 new dance works. These included *Thomas Adès: See the Music, Hear the Dance* – the second production in Sadler's Wells' Composer Series, featuring work by Wayne McGregor, Karole Armitage, Alexander Whitley and Crystal Pite. *TOROBACA* was a collaboration between Akram Khan and award-winning flamenco dancer and choreographer Israel Galván; and *Young Men*, a production by BalletBoyz explored the brutality of war and its effects on young soldiers. Following sell-out seasons around the world, Sadler's Wells' first ever production, *PUSH* (2005), by and with Russell Maliphant dancing with Sylvie Guillem, ended its 10-year tour with final performances at the Coliseum. The show reached a total audience of over 161,500.

During the year the company staged 613 performances of work and sold 444,402 tickets to its shows. This was against a budget at the beginning of the year of 542 performances, and a projected paid audience of 441,321. The principal reason for the increase in performances was an increase in the Lilian Baylis Studio, especially the Christmas show, *The Little Match Girl*.

### *Creative Learning at Sadler's Wells*

The company's creative learning team work with the artistic programme to achieve important objectives:

- Utilise Sadler's Wells' resources to provide a programme of events which supports and enables community involvement and educational insight.
- Challenge perceptions about dance and who can/should be dancing.
- Promote access to performances and projects for people with physical and sensory impairments using Sadler's Wells superb disability access.
- Access and connect with individuals/groups traditionally disenfranchised from the arts.
- Create and sustain relationships with the local community, schools and North London boroughs.

Sadler's Wells also intends to continue extending its creative learning projects to encourage new attendees, particularly from diverse backgrounds.

# **Sadler's Wells Trust**

## **(Limited by Guarantee)**

### **Trustees' Report**

#### *Plans for Future Periods*

In 2015, Sadler's Wells presents the first dance production by acclaimed artist and fashion designer Hussein Chalayan. Designed and directed by Chalayan and choreographed by Damien Jalet, *Gravity Fatigue* receives its world premiere at Sadler's Wells on 28 October. In his first theatrical work, Chalayan explores issues around identity and displacement and the disconnection experienced in the neutrality of public spaces that involve moments of transition in one's life. These concepts are conveyed through images and narratives steeped in Chalayan's distinctive aesthetic vision.

Co-productions include *barbarians*, a new trilogy by Hofesh Shechter; *Chotto Desh*, a children's version of Akram Khan's renowned work *DESH* (created in 2011); and *Conceal / Reveal*, a programme marking the 20<sup>th</sup> anniversary of the collaboration between choreographer Russell Maliphant and lighting designer Michael Hulls, featuring new work and a revival of *Broken Fall*.

Extensive international touring of Sylvie Guillem's last programme *Life in Progress* is planned until the end of the year and, thanks to funding by ACE's Strategic Touring Programme, the international festival of hip hop theatre Breakin' Convention will make its second visit to the Apollo Theater in Harlem, New York, and tour to Blumenthal Performing Arts in Charlotte, North Carolina, in the autumn.

In 2014-15, Sadler's Wells announced its plans to develop a new mid-scale space for contemporary dance as part of the planned Culture and Education Quarter in the Queen Elizabeth Olympic Park in Stratford, where it will occupy the Stratford Waterfront site alongside the Victoria and Albert Museum, University of the Arts London and a fourth partner (possibly the Smithsonian Institution). As part of the wider 'Olympicopolis' project, University College London will build a new campus in the park and Wayne McGregor's Random Dance will also have a new home nearby, in the Here East complex. The development will be at the core of the fastest growing neighbourhoods in London and Sadler's Wells will be part of the ambitious regeneration programme planned for Stratford by the Mayor of London and the London Legacy Development Corporation. In December 2014, the government confirmed its commitment of £141m in support of the project. In May 2015, a team led by architecture and urban planning practice Allies and Morrison was announced by LLDC as the winner of the competition to design the Culture and Education Quarter.

In 2015, Sadler's Wells plans to work with the design team, LLDC and its partners to finalise a detailed masterplan for the Stratford Waterfront development, and to continue the ongoing discussion with Olympicopolis partners and community, cultural and education organisations in East London on potential collaborations.

The budget for 2015/16 is for a projected paid audience of 488,225 across 558 performances.

The company intends to continue its policy of commissioning new artistic work for performance at Sadler's Wells and has set aside a budget of £400,000 for this purpose.

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

## **Trustees' Report**

### *Financial Review*

The Trustees report a surplus on unrestricted funds of £306,000 for the year (2014: £849,000). There was a cumulative net surplus on restricted funds of £1,334,000 (2014: £1,404,000). A transfer of £306,000 was made to designated funds (2014: £699,000).

Overall the net decrease in funds for the Trust was £603,00 (2014 increase: £325,000).

The principal source of funding for the charity is the income generated from ticket sales and other show related income, such as Front of House drinks and merchandise. This is underpinned by annual funding from Arts Council England ("ACE"). The other major sources of income are voluntary donations from individuals, Trusts & Foundations, and Corporate bodies together with trading income derived from hiring out the spaces in the theatre complex.

The fundraising objective for the period was to sustain the income stream in a challenging fundraising environment. An unrestricted target of £1,420,000 was set at the start of the year. This target was not fully achieved, but the overall out-turn of £1,322,000 did not materially disadvantage the charity. The aim is for unrestricted income to be increased steadily, with emphasis on broadening the support base from individuals, together with multi-year commitments from Trusts & Foundations. The unrestricted target for the year 2015/16 is increased to £1,585,000. Overall, for the period under review, of the total unrestricted income of the charity 90% was earned by its own activities, the remaining 10% a grant from ACE.

Expenditure in the period was mostly on the charity's main charitable objective, with 91% of unrestricted expenditure on productions and the running of the theatre. The remaining 9% was spent on fundraising activities and the costs of generating trading income.

These results incorporate the trading of the subsidiary, Sadler's Wells Limited. This company operates the catering at the theatre and promotes commercial events hire. The company had a successful period with a profit of £1,008,000 (2014: £1,153,000) gifted to Sadler's Wells Trust. The profit was lower than the prior year due a six week summer closure for refurbishment.

### *Principal Risks and Uncertainties*

The company trades in the high-risk environment of theatre management and in order to pursue its objectives continually enters into relatively high-risk theatre presentations.

The company's risk assessment strategy is to review and update systems and controls as necessary. A Risk Register is in place and is approved and monitored by the Trustees. The Trustees have identified failure to reach ticket sales and fundraising targets, together with the costs of producing our own shows as the company's major risks. The Trustees believe all the major risks to which the company is exposed have been identified, in particular those relating to the operations and finances of the company, and that systems are in place to mitigate exposure to the major risks.

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

## **Trustees' Report**

### *Investment Powers and Policy*

Under the Memorandum and Articles of Association, the charity has the power to invest funds not immediately required for its purposes in such investments as may be considered appropriate by the Trustees. Monies are only invested in funds that are regulated by the FCA.

The Trustees reviewed and agreed an investment policy in line with the Charities Commission Guidance CC14. The key objective will is to achieve a total return of 3% p.a. above the RPI over a rolling 3 year time horizon by investing in a diversified portfolio of low to medium risk assets. The charity holds funds with Ruffer LLP in the Ruffer Absolute Return Fund. The Fund achieved a return of 12.6% in the period to 31<sup>st</sup> March 2015.

### **Public Benefit**

Sadler's Wells recognizes and welcomes the need to carry out its charitable activities for the benefit of the general public. Having regard to the guidance of the Charity Commission, the Trustees consider that the following activities in particular demonstrate the way in which Sadler's Wells achieves this aim:

- Providing the most wide ranging programme of dance.
- Encouraging access through the availability of £12 tickets for most shows at Sadler's Wells main stage together with other low-cost tickets available during the year including Breakin' Convention, Sadler's Sampled Festival and all Lilian Baylis Studio shows.
- Engagement with the community through a wide range of creative learning and community projects.
- Providing exemplary access to disabled patrons through both pricing and facilities.

### **Reserves Policy**

The aim is to build undesignated, unrestricted reserves to a level of around £1,000,000 to protect the charity against any failure of a show at the box office, or against fluctuations in fundraising revenue. This aim was achieved in the year.

The reserves policies are reviewed on an annual basis.



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

## **Trustees' Report**

### **Trustees**

The Trustees who served during the period under review were as follows:

Sir David Bell	Chairman
Rab Bennetts OBE	Term of Office Ended 22 <sup>nd</sup> February 2015
Jules Burns	Appointed 29 <sup>th</sup> October 2014
Sue Butcher	
Marco Compagnoni	
Robert Glick	
Tim Marlow	Appointed 4 <sup>th</sup> June 2014
Carol Lake	
Harry MacAuslan	
Robin Saunders	
Sandi Ulrich	
Sanoke Viswanathan	Appointed 29 <sup>th</sup> October 2014

The Trustees are appointed by the members who are the Trustees of Sadler's Wells Trust. A skills audit of the Trustees is conducted annually in order to better inform decisions regarding the appointment of new Trustees.

The company provides an induction for newly appointed Trustees which informs them of their duties and responsibilities as directors of the company, and familiarises them with the operation of the theatre.

The Trustees delegate the day to day running of the theatre to the Chief Executive and Artistic Director, Alistair Spalding. The Board retains ultimate control of the overall strategic direction of the theatre in that they appoint the Chief Executive, and are involved in recruitment of senior members of staff. They also approve the annual budget, though delegate responsibility for the selection of artistic programme to the Chief Executive and Artistic Director, together with day to day management of the operating budgets. Board approval is only then sought for any major changes to the artistic programme.

The Board met eight times during the year. At these meetings it received reports from senior members of staff covering artistic matters, operations, fundraising, marketing and finance. The Board spends one day each year debating and reviewing long term strategy with senior members of staff.

### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of Sadler's Wells Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

# **Sadler's Wells Trust**

## **(Limited by Guarantee)**

### **Trustees' Report**

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

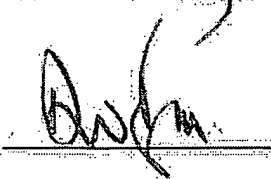
#### **Connected Charities**

Sadler's Wells Trust is connected to other charities, details of these charities are given in note 18 to the financial statements.

#### **Auditors**

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the members of the board on 24<sup>th</sup> June 2015 and signed on their behalf by:



Sir David Bell  
Chairman

Charity registration number 279884

Company registration number 1488786

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

We have audited the financial statements of Sadler's Wells Trust for the year ended 31 March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members 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 Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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, 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. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. 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 group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming/outgoing resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

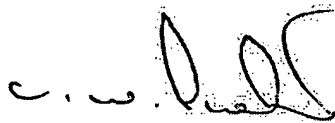
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures or trustees' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Cliff Ireton, Senior Statutory Auditor  
for and on behalf of Kingston Smith LLP, Statutory Auditors  
25th June 2014

141 Wardour Street  
London  
W1F 0UT

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Consolidated Statement of Financial Activities  
For the year ended 31 March 2015

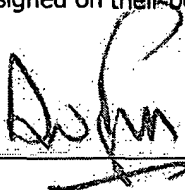
		<b>Unrestricted Funds Year ended 31 March 2015 £'000</b>	<b>Designated Funds Year ended 31 March 2015 £'000</b>	<b>Restricted Funds Year ended 31 March 2015 £'000</b>	<b>Total Funds Year ended 31 March 2015 £'000</b>	<b>Total Funds Year ended 31 March 2014 £'000</b>
	<b>Note</b>					
<b>Incoming Resources</b>						
Incoming resources from charitable activities						
Theatre presentations		15,765	-	-	15,765	19,425
Incoming resources from generated funds						
Voluntary Income						
Sponsorship and donations		1,322	-	119	1,441	1,452
ACE operational grant		2,332	-	600	2,932	2,921
Other operational grants		26	-	-	26	55
Activities for generating funds						
Trading income		2,437	-	-	2,437	2,664
Investment income		261	-	-	261	17
Other incoming resources		792	-	-	792	302
<b>Total Incoming Resources</b>		<b>22,935</b>	<b>-</b>	<b>719</b>	<b>23,654</b>	<b>26,836</b>
<b>Resources Expended</b>						
Charitable activity: Theatre presentations						
Expenditure on presentations	3	16,233	616	747	17,596	19,779
Theatre overhead	3	4,471	223	42	4,736	4,711
Cost of Generating Funds						
Costs of generating voluntary income						
Fundraising costs	3	296	-	-	296	315
Fundraising trading: cost of goods sold and other costs	3	1,603	-	-	1,603	1,671
Governance costs	4	26	-	-	26	26
<b>Total Resources Expended</b>		<b>22,629</b>	<b>839</b>	<b>789</b>	<b>24,257</b>	<b>26,502</b>
<b>Net incoming/(outgoing) resources before investment revaluations and transfers</b>		<b>306</b>	<b>(839)</b>	<b>(70)</b>	<b>(603)</b>	<b>334</b>
<b>(loss)/Gain on revaluation of investment</b>						<b>(9)</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>306</b>	<b>(839)</b>	<b>(70)</b>	<b>(603)</b>	<b>325</b>
<b>Gross Transfer Between Funds</b>		<b>(306)</b>	<b>306</b>			
<b>Net funds at 1 April 2014</b>		<b>1,000</b>	<b>957</b>	<b>1,404</b>	<b>3,361</b>	<b>3,036</b>
<b>Net Funds at 31 March 2015</b>		<b>1,000</b>	<b>424</b>	<b>1,334</b>	<b>2,758</b>	<b>3,361</b>

None of the company's activities were acquired or discontinued during the above two financial periods.  
The company has no recognised gains and losses other than those dealt with in the above Statement of Financial Activities.  
Restricted funds have been applied only for the purposes for which the income was received.

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Balance Sheets at 31 March 2015

		2015 Consolidated	2015 Charity	2014 Consolidated	2014 Charity
	Note	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible assets	6	875	206	930	235
Investment Property	7(b)	200	200	200	200
Investments	7(c)	1	1	1	1
		<u>1,076</u>	<u>407</u>	<u>1,131</u>	<u>436</u>
<b>Current Assets</b>					
Stock for resale		31	-	30	-
Debtors	8	2,359	2,814	1,456	2,934
Cash at bank and in hand		<u>4,098</u>	<u>3,996</u>	<u>4,546</u>	<u>3,366</u>
		<u>6,488</u>	<u>6,810</u>	<u>6,032</u>	<u>6,300</u>
<b>Creditors: Amounts Falling Due Within One Year</b>	9	<u>(4,806)</u>	<u>(4,459)</u>	<u>(3,802)</u>	<u>(3,375)</u>
<b>Net Current Assets</b>		1,682	2,351	2,230	2,925
<b>Total Assets Less Current Liabilities</b>		<u>2,758</u>	<u>2,758</u>	<u>3,361</u>	<u>3,361</u>
<b>Funds</b>					
Restricted	16	1,334	1,334	1,404	1,404
Designated	16	424	424	957	957
Unrestricted	16	1,000	1,000	1,000	1,000
		<u>2,758</u>	<u>2,758</u>	<u>3,361</u>	<u>3,361</u>

Approved for issue by the members of the board on: 24 June 2015.  
and signed on their behalf by:



Sir David Bell  
Chairman

Company number 1488786

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Consolidated Cash Flow Statement  
For the year ended 31 March 2015

	Note	Year ended 31 March 2015		Year ended 31 March 2014	
		£'000	£'000	£'000	£'000
<b>Net cash inflow / (outflow) from operating activities</b>	10		(709)		184
Returns on investments and servicing of finance	11(a)		261		17
Capital expenditure	11(b)		-		(62)
<b>Net increase in cash in the period</b>			<u>(448)</u>		<u>139</u>
<b>Reconciliation of Net Cash Flow to Movement in Net Cash</b>					
(Decrease)/Increase in cash in the period			<u>(448)</u>		<u>139</u>
Movement in net cash in the period			(448)		139
<b>Net cash at 1 April 2014</b>			4,546		4,407
<b>Net cash at 31 March 2015</b>	12		<u>4,098</u>		<u>4,546</u>

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Notes to the Financial Statements  
For the year ended 31 March 2015

**1 Accounting Policies**

**(a) Basis of accounting**

These financial statements have been prepared under the historical cost convention and in accordance with all applicable Accounting Standards, current legislation and the Statement of Recommended Practice: Accounting and Reporting by Charities issued by the Charity Commission for England and Wales, as revised in 2005. The policies remain unchanged from the previous period.

**(b) 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. Donations and sponsorship for specific productions are credited to presentation income as the performances take place.

**(c) Grants, donations and sponsorship**

- (i) Revenue grants 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) Donations and Corporate sponsorship are treated on a cash receipts basis even though the benefits to the sponsor may cover the next accounting period.
- (iii) Donations of assets are recognized when they become the irrevocable property of the Trust, and are brought in at Trustees' valuation.
- (iv) Legacies are recognized when probate on the legacy has been completed.

**(d) Pension costs**

The company payments in respect of employees' private pension schemes are charged to the Statement of Financial Activities as incurred.

**(e) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. There is a capitalisation threshold policy of £10,000 in existence. 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. Purchased assets have been depreciated at the following straight line rate:

Fixtures & fittings	33.3%
Freehold Land and Buildings	2%
Investment Property	0%
Leasehold Land and Buildings	2%
Leasehold Improvements	5%
Computer Equipment	20%

The investment property is held at a valuation that the Directors consider to be reasonable.

**(f) Foreign currencies**

Foreign currency balances at 31 March 2015 have been translated into sterling at the rate ruling at that date. Transactions during the course of the period have been translated into sterling at the rate ruling at the transaction date.

**(g) Consolidation**

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the charity and its trading subsidiary. The results for the trading subsidiary are consolidated on a line by line basis.



**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Notes to the Financial Statements  
For the year ended 31 March 2015 (cont)

**1 Accounting Policies (cont)**

**(h) Operating Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**(i) Cost allocation**

Costs relating to the mounting of productions and running of the theatre are classed as charitable activities. Those costs relating to generating voluntary income, and to trading activities to raise funds for the charity, are classified as costs of generating funds. Governance costs comprise those costs that allow Sadler's Wells Trust to operate as a charity and to generate the information required for public accountability.

**(j) Stock**

Stock represents goods for resale, and is stated at the lower of cost and net realisable value.

**2. Taxation**

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

**3. Support Costs**

	<b>Presentations</b>	<b>Theatre</b>	<b>Fundraising</b>	<b>Trading</b>	<b>Year ended 31 March 2015 Total £'000</b>	<b>Year ended 31 March 2014 Total £'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
Management	342	28	15	61	446	433
Administration	350	29	16	62	457	380
Finance	196	16	9	35	256	244
Human Resources	91	7	4	16	118	109
	<u>979</u>	<u>80</u>	<u>44</u>	<u>174</u>	<u>1,277</u>	<u>1,166</u>
Resources expended before support costs	15,254	4,391	252	1,429		
Resources expended	<u>16,233</u>	<u>4,471</u>	<u>296</u>	<u>1,603</u>		

Support costs have been allocated on the basis of staff numbers in each area.

**4. Governance Costs**

	<b>Year ended 31 March 2015 Total £'000</b>	<b>Year ended 31 March 2014 Total £'000</b>
Governance costs include the following payments to auditors:		
Audit	25	25
Tax	1	1
	<u>26</u>	<u>26</u>

# Sadler's Wells Trust (Limited by Guarantee)

## Notes to the Financial Statements For the year ended 31 March 2015 (cont)

### 5. Staff Costs

#### Consolidated and charity

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Wages and salaries	6,161	6,049
Social security costs	566	544
Pension costs (note 15)	<u>287</u>	<u>149</u>
	7,014	6,742
Less: Staff costs charged to: Sadler's Wells Limited	<u>(656)</u>	<u>(689)</u>
	<u>6,358</u>	<u>6,053</u>

Employee remuneration for employees earning more than £60,000 fell in the following bands:

	Number	Number
£160,001 - £170,000	1	1
£80,001 - £90,000	2	2
£70,001 - £80,000	1	1
£60,001 - £70,000	<u>2</u>	<u>2</u>

During the year the company paid pension contributions of £29,356 on behalf of these staff.

Average number of persons employed (including part-time staff):

	Number	Number
Theatre and Front of House	84	83
Box office	13	13
Marketing	18	17
Technical	43	41
Administration	13	13
Development	6	7
Events	4	4
Catering	<u>22</u>	<u>28</u>
	<u>203</u>	<u>206</u>

The Trustees received no remuneration for the services they provided to the company. No expenses were reimbursed.

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Notes to the Financial Statements  
For the year ended 31 March 2015 (cont)

**6. Tangible Fixed Assets**  
**Consolidated**

	Freehold Land & Buildings £'000	Leasehold Imp'ments £'000	Leasehold Land & Buildings £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>					
As at 1st April 2014	128	110	717	317	1,272
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st March 2015	128	110	717	317	1,272
<b>Depreciation</b>					
At 1st April 2014	18	27	72	225	342
Disposals	-	-	-	-	-
Charge for the period	3	5	14	33	55
At 31st March 2015	21	32	86	258	397
<b>Net book value</b>					
At 31st March 2015	107	78	631	59	875
At 31st March 2014	110	83	645	92	930

**Charity**

	Freehold Land & Buildings £'000	Leasehold Imp'ments £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
At 1st April 2014	128	110	255	493
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st March 2015	128	110	255	493
<b>Depreciation</b>				
At 1st April 2014	18	27	213	258
Disposals	-	-	-	-
Charge for the period	3	5	21	29
At 31st March 2015	21	32	234	287
<b>Net book value</b>				
At 31st March 2015	107	78	21	206
At 31st March 2014	110	83	42	235

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Notes to the Financial Statements  
For the year ended 31 March 2015 (cont)

**7 (a). Investment in trading subsidiary**

The wholly owned trading subsidiary Sadler's Wells Limited, which is incorporated in England and Wales, is consolidated within these financial statements. The company donates all its profits to the charity under Gift Aid. Sadler's Wells Limited promotes commercial non theatre hires and provides catering at the Sadler's Wells and Peacock theatres. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
<b>Profit and Loss Account</b>		
Turnover	2,437	2,664
Cost of sales	<u>(719)</u>	<u>(778)</u>
Gross Profit	1,718	1,886
Administration expenses	(711)	(735)
Interest received	1	2
Taxation		
Donation	<u>(1,008)</u>	<u>(1,153)</u>
Retained in the subsidiary		
	<b>31 March 2015 £</b>	<b>31 March 2014 £</b>
The assets and liabilities of the subsidiary were:		
Current assets	1,159,979	2,175,258
Creditors: amounts falling due within one year	<u>(1,159,977)</u>	<u>(2,175,256)</u>
Total net assets	<u>2</u>	<u>2</u>
Aggregate share capital and reserves	<u>2</u>	<u>2</u>

**7 (b). Investment property**

The investment property is a house donated by the Dame Hilda Bracket Trust. It is valued by the Trustees at £200,000. The Trustees consider the valuation to be reasonable.

**7 (c). Investments**

Market Value	General Fund £'000
At 1st April 2014	1
Unrealised loss	<u>1</u>
As at 31st March 2015	<u>1</u>

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Notes to the Financial Statements  
For the year ended 31 March 2015 (cont)

**8. Debtors**

	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>Consolidated</b>	<b>Charity</b>	<b>Consolidated</b>	<b>Charity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	462	185	361	98
Amounts owed by related undertakings	-	814	1	1,749
Other debtors and prepayments	1,188	1,107	856	849
Accrued income	708	708	238	238
	<u>2,359</u>	<u>2,814</u>	<u>1,456</u>	<u>2,934</u>

**9. Creditors: Amounts due within one year**

	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>Consolidated</b>	<b>Charity</b>	<b>Consolidated</b>	<b>Charity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	351	296	457	415
Amounts owed by related undertakings	52	52	83	83
Social security and other taxes	361	275	428	331
Accruals and deferred income	4,041	3,837	2,834	2,546
	<u>4,806</u>	<u>4,459</u>	<u>3,802</u>	<u>3,375</u>

**10. Reconciliation of Net Incoming/(Outgoing)  
Resources from Operating Activities to Net Cash**

	<b>Year ended 31 March 2015 £'000</b>	<b>Year ended 31 March 2014 £'000</b>
<b>Consolidated</b>		
Net incoming resources from operating activities	(864)	317
Depreciation	55	86
Loss on disposal of fixed assets	-	242
Decrease/(Increase) in stock	(1)	4
Decrease/(Increase) in debtors	(903)	463
(Decrease)/Increase in creditors	1,004	(928)
Net cash (outflow)/ inflow from operating activities	<u>(709)</u>	<u>184</u>

**11. Analysis of Cash Flows for Headings in Cash Flow Statement**

	<b>Year ended 31 March 2015 £'000</b>	<b>Year ended 31 March 2014 £'000</b>
<b>(a) Returns on Investment and Servicing of Finance</b>		
Interest received	<u>261</u>	<u>17</u>
<b>(b) Capital Expenditure</b>		
Purchase of tangible fixed assets	<u>-</u>	<u>(62)</u>

**Sadler's Wells Trust**  
**(Limited by Guarantee)**  
Notes to the Financial Statements  
For the year ended 31 March 2015 (cont)

**12. Analysis of Net Cash**

	<b>Cash Flow £'000</b>	<b>1 April 2014 £'000</b>	<b>31 March 2015 £'000</b>
Cash at bank and in hand	<u>(448)</u>	<u>4,546</u>	<u>4,098</u>

**13. Liability of Members**

The company is limited by guarantee and the liability of members is limited to £10 each. At 31 March 2015 there were 12 members (2014: 10 members).

**14. Operating Lease Commitments**

The company has an annual minimum rent commitment of £42,765 (2014: £41,818 ) in respect of the lease of the Peacock Theatre, from LSE Lets Limited, expiring between 1 and 2 years.

The company has an annual rent commitment of £257,000 (2014: £257,000 ) in respect of the lease of Sadler's Wells Theatre, from Sadler's Wells Foundation, expiring between 5 and 10 years.

**15. Pension Commitments**

Sadler's Wells Trust makes contributions to employees' private pension plans, the costs of which amounted to £287,436 during the year to 31 March 2015 (2014: £148,636). The pension creditor at the year end was £nil (2014: £nil).

**16. Net Movement in Funds**

	<b>At 1 April 2014 £'000</b>	<b>Incoming Resources £'000</b>	<b>Resources Expended £'000</b>	<b>Transfers/ Gains £'000</b>	<b>At 31 March 2015 £'000</b>
<b>Restricted Funds:</b>					
The Shakespeare's Head Fund	597	-	14	-	583
Arts Council England Fund	-	200	183	-	17
National Youth Dance Fund	413	400	394	-	419
Jerwood Fund	37	73	110	-	-
Theatron Fund	38	-	32	-	6
Dame Hilda Bracket Fund	319	-	28	-	291
What Next?	-	46	28	-	18
	<u>1,404</u>	<u>719</u>	<u>789</u>	<u>-</u>	<u>1,334</u>
<b>Unrestricted Funds:</b>					
New Media Fund	218	-	218	-	-
369 St John Street Fund	110	-	2	-	108
Sadler's Wells Sampled Fund	200	-	200	-	-
Artistic Projects Fund	416	-	416	306	306
Strategic Development Fund	13	-	3	-	10
	<u>957</u>	<u>-</u>	<u>839</u>	<u>306</u>	<u>424</u>
General Fund	1,000	22,935	22,629	(306)	1,000
	<u>3,361</u>	<u>23,654</u>	<u>24,257</u>	<u>-</u>	<u>2,758</u>

The Shakespeare's Head Fund represents a provision for future depreciation on the Shakespeare's Head public house, held by Sadler's Wells Limited. The Arts Council England Fund represents funds received for Breakin' Convention. The National Youth Dance Fund represents funds received and expended on the National Youth Dance Company. The Jerwood Fund is a donation from the Jerwood Foundation to promote the creation of new dance work. The Dame Hilda Bracket Fund is a donation to support music, in particular grand and light opera. The Theatron Fund is a grant from the European Union for the Theatron Project.

The Trustees have also designated a number of unrestricted funds. The New Media Fund is an amount for the promotion of dance through new media. 369 St John Street Fund is to cover future depreciation on that property. The Artistic Projects Fund is to support work not normally achievable within the constraints of a single budget year. The Strategic Development Fund is to support work on long term planning.

# Sadler's Wells Trust (Limited by Guarantee)

## Notes to the Financial Statements For the year ended 31 March 2015 (cont)

### 17. Analysis of Net Assets between Funds

	Fixed Assets £'000	Cash £'000	Other Net Assets £'000	Net Total Assets £'000
<b>Unrestricted Funds</b>				
369 St John Street Fund	108			108
Strategic Development		10		10
Artistic Projects Fund		306		306
General Fund	185	3,231	(2,416)	1,000
	<u>293</u>	<u>3,547</u>	<u>(2,416)</u>	<u>1,424</u>
<b>Restricted Funds</b>				
The Shakespeare's Head Fund	583			583
Arts Council England		17		17
National Youth Dance Fund		419		419
Theatron Fund		6		6
Dame Hilda Bracket Fund	200	91		291
What Next?		18		18
	<u>783</u>	<u>551</u>		<u>1,334</u>
<b>Total Funds</b>	<u>1,076</u>	<u>4,098</u>	<u>(2,416)</u>	<u>2,758</u>

### 18. Connected Charities

Sadler's Wells Limited is a wholly owned subsidiary which trades on behalf of the charity.

Sadler's Wells Trust is a corporate trustee of the Dame Hilda Bracket Trust, along with Sadler's Wells Development Trust. The fund is held in a restricted fund by Sadler's Wells Trust.

During the year Sadler's Wells Trust incurred a rent charge of £257,000 (2014: £250,000) from Sadler's Wells Foundation.

A gift of £1,007,722 (2014: £1,153,439) was received from Sadler's Wells Limited, during the year, £814,122 net (2014: £1,748,856) being due from that company at the year end. During the year Sadler's Wells Trust charged Sadler's Wells Limited £656,206 (2014: £688,8061) in respect of the services of 22 (2014: 28) employees of the company during the year.

During the year a payment of £300,000 (2014: £nil) was received from Sadler's Wells Foundation.

### 19. Capital Commitments

At 31 March 2015 Sadler's Wells Trust had no capital commitments committed but not yet contracted for (2014 : None).

### 20. Related Party Transactions

During the year Sadler's Wells Trust paid Hofesh Shechter Ltd £60,913.27 in relation to performances at Sadler's Wells. These payments were on the normal commercial terms for a company of this standing. Jules Burns is a Trustee of both organizations.