

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

Company Number 1488786

Registered Charity Number 279884

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019**



Sadler's Wells Trust (Limited by Guarantee)

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

Trustees, Officers and Administrative Information

Trustees

Nigel Higgins (Chairman)
Humphrey Battcock
Sue Butcher
Sarah Evans
Robert Glick
Farah Golant
David Lan
Tim Marlow
David Ripert
Sanoke Viswanathan
Sharon White

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
60 Goswell Road
London
EC1M 7AD

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 consolidated financial statements of Sadler's Wells Trust for the year ended 31 March 2019 which have been prepared in compliance with current statutory requirements, The Charities SORP (FRS 102) 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

Sadler's Wells is a world-leading creative organisation dedicated to dance in all its forms. With over three centuries of theatrical heritage and a year-round programme of performances and learning activities, it is the place where artists come together to create dance, and where we welcome everyone to experience dance – to take part, learn, experiment and be inspired. Its vision is to reflect and respond to the world through dance: enabling artists of all backgrounds to create dance that moves us and opens our minds, and sharing those experiences with the widest possible audiences – to enrich their lives and deepen their understanding of what it means to be human.

Sadler's Wells commissions and presents more new dance work than any other theatre in the world, embracing the popular and the unknown. Since 2005, it has helped to bring over 170 new dance works to the stage, many of them involving its 16 Associate Artists, three Resident Companies and four Associate Companies – the most exciting talents working in dance today. Sadler's Wells' West End home, The Peacock theatre, is a major entertainment venue in the heart of London. Every few weeks, The Peacock presents a new live show featuring world-class dancers, circus acts and physical theatre performers.

In 2018-19, to mark the 20th anniversary of its current theatre building, Sadler's Wells commissioned, produced or co-produced 20 new dance works. These included Akram Khan's *XENOS*, winner of outstanding achievement in dance at the 2019 Olivier Awards, and of outstanding male modern performance at the 2019 National Dance Awards; *Formosa* by Cloud Gate Dance Theatre of Taiwan, recipient of the Stef Stefanou Award for Outstanding Company at the 2019 National Dance Awards; Jasmin Vardimon's *Medusa*, described by Broadway World as "another unforgettable, highly entertaining masterpiece" in a five-star review; *Layla and Majnun* by Mark Morris Dance Group and Silkroad Ensemble, "one of the most moving dances Morris has made" (five-star review in the Financial Times); and Sharon Eyal's *Love Chapter 2*, with choreography "characterised by extreme technical precision and subtle, stringent musicality" (five-star review in The Observer).

Sadler's Wells in-house productions included: Sharon Eyal's *Used to Be Blonde*, created for National Youth Dance Company (NYDC); Company of Elders' *Mixed Bill* of works by Adrienne Hart, Seeta Patel and Dickson Mbi; a *Mixed Bill* by Sadler's Wells' Young Associates, the first opportunity for the public to see their work; ballet star Natalia Osipova's *Pure Dance*, a mixed bill of contemporary and classical pieces; *Dystopian Dream*, a theatrical realisation of our Associate Artist Nitin Sawhney's 2015 album of the same name, co-devised with dancers and choreographers Honji Wang and Sébastien Ramirez; William Forsythe's *A Quiet Evening of Dance*, winner of the 2018 FEDORA Prize for Ballet; and *Reckonings*, a triple bill of work by Julie Cunningham, Alesandra Seutin and Botis Seva. The latter won best new dance production at the 2019 Olivier Awards with his piece *BLKDOG*.

We presented 145 performances of 11 Sadler's Wells productions – including Sidi Larbi Cherkaoui's *Sutra*, a collaboration with sculptor Antony Gormley and monks from the Shaolin Temple in China; Natalia Osipova's *Pure Dance*; Cuban show *Vamos Cuba!*; William Forsythe's *A Quiet Evening of Dance*; and Michael Keegan-Dolan's *Swan Lake/ Loch na hEala* – which toured to 53 venues in 15 countries, to audiences of 93,669

International artists and companies presented on the Sadler's Wells stage in 2018-19 included Cecilia Bengolea and François Chaignaud, Cloud Gate Dance Theatre of Taiwan, Maud Le Pladec, Yasmin Hugonnet, Semperoper Ballet, Nederlands Dans Theater 1, Carlos Pons Guerra, German Cornejo, Les Ballets Trockadero de Monte Carlo, Dimitris Papaioannou, Mark Morris Dance Group, GöteborgsOperans Danskompani, Jefta van Dinther and Sadler's Wells' International Associate Company Tanztheater Wuppertal Pina Bausch.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

During the year Sadler's Wells staged 606 performances of work and sold 459,205 tickets to its shows. This was against a budget at the beginning of the year of 533 performances, and a projected paid audience of 459,490. The principal reasons for the variances were a higher number of shows in the Lilian Baylis Studio, and lower than budgeted audiences at The Peacock theatre.

In January 2019, Artistic Director and Chief Executive Alistair Spalding received the International Citation of Merit from the International Society for the Performing Arts "for unique lifetime achievement that has enriched the international performing arts". Presenting him with the award, arts management agent Margaret Selby said: "In 2004, when Sadler's Wells placed Alistair in charge, he took over a somewhat sleepy institution that was ripe for change. Today, because of his vision and determination, Sadler's Wells is one of the most respected dance institutions in the world. Because of his unmatched reputation for risk taking, Sadler's Wells is the model for how producing and presenting houses can and should thrive."

Artist Development

Sadler's Wells identified the need for more support to be given to those at the outset of their dance-making career, who have just left higher education and desire to establish their choreographic voices early on. In February 2018, it launched the Young Associates programme, supporting talented 18 to 24-year-olds for two years, providing them with a crucial first step into their choreographic career. The four inaugural Young Associates are: Anthony Matsena, Wilhelmina Ojanen, Ruby Portus and Christopher Thomas. The artists received a tailored programme of professional development and support, including the opportunity to present work as part of our artistic programme. They presented their first evening of work in the Lilian Baylis Studio in October 2018.

Sadler's Wells also appointed three New Wave Associates: Julie Cunningham, Project O (Alexandrina Hemsley and Jamila Johnson-Small) and L'Atisse Rhoden.

Learning and Engagement

Sadler's Wells' learning and engagement activities reached 29,251 through programmes that took dance out into the local community and invited communities into the theatre. Projects included a new mixed bill programme by the renowned Company of Elders, Sadler's Wells' resident over-60s performance group, presented in the Lilian Baylis Studio in July 2018, and a series of participatory events including pre and post-show talks with dance artists, dance classes, workshops and assisted performances.

National Youth Dance Company (NYDC)'s 2017-18 cohort premiered Sharon Eyal's *Used to Be Blonde* at Sadler's Wells in April 2018, ahead of a national tour in June and July, with performances in Leeds, Newcastle, Leicester, Ipswich, Suffolk (at Latitude festival), Falmouth and Brighton. As part of its national tour, the company also delivered experience workshops across the country engaging hundreds of young people aged 15-19, and up to the age of 24 for deaf or disabled dancers. The workshops were an opportunity for participants to find out more about NYDC as they took part in a company class, learned repertoire from NYDC productions and participated in creative tasks. They also got a chance to meet current company members, ask questions and receive advice on dance training and careers.

Sadler's Wells launched Family Fridays, a new monthly workshop that encourages young children aged 2-4 and their carers to dance together. 25% of families attending the sessions come from local low-income families.

Plans for 2019-20

In 2018, Sadler's Wells developed a new Digital Strategy with support pro bono from McKinsey. This drew input from staff across the organisation and from trustees. It was endorsed at the board in September and Sadler's Wells is currently implementing its first phase, leading with the development of a new website.

Sadler's Wells' productions touring internationally include Natalia Osipova's *Pure Dance*, William Forsythe's *A Quiet Evening of Dance*, NYDC's *MADHEAD* by Botis Seva; Yang Liping's *Rite of Spring*, and Sadler's Wells' International Associate Company Acosta Danza's new programme, *Evolution*.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

Ahead of opening the doors of its new mid-scale venue in Stratford in 2022, Sadler's Wells is taking advantage of a number of opportunities to work with partners and collaborators to engage the local communities in dance, and will present dance at two events in the area in spring and summer 2019.

On 28 May, it will join forces with its long-term collaborators and future east London neighbours East London Dance and Company Wayne McGregor to present dance as part of Your Stratford Stage – a month-long programme of live music, dance and theatre taking place at International Quarter London's Endeavour Square. Sadler's Wells will be presenting Candoco Dance Company's *You and I Know*, a duet choreographed by Arlene Phillips.

For the fifth consecutive year, Sadler's Wells will bring dance to Queen Elizabeth Olympic Park in June. Alongside its East Bank partners BBC, UAL's London College of Fashion, UCL and the V&A in partnership with the Smithsonian Institution, it will take part in The Great Get Together on 23 June.

The budget for 2019-20 is for a projected paid audience of 516,963 across 543 performances.

Sadler's Wells 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.

Financial Review

The Trustees report a surplus on unrestricted funds of £54,000 for the year (2018: £632,000). There was a surplus on restricted funds of £7,000 (2018 deficit: £316,000). A transfer of £653,000 was made to designated funds (2018: £426,000).

Overall the net decrease in funds for the Trust was £33,000 (2018: £120,000).

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.

Overall, for the period under review, of the total unrestricted income of the charity 91% was earned by its own activities, the remaining 9% a grant from ACE.

Expenditure in the period was predominantly on the charity's main charitable objective, with 90% of unrestricted expenditure on productions and the running of the theatre. The remaining 10% 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, and produces commissions from Sadler's Wells Trust Ltd. The company had a successful period with a profit of £1,163,998 (2017: £974,037) gifted to Sadler's Wells Trust. The profit was higher than the prior year due to increased catering and event sales.

The Trust sets a balanced budget each year, and seeks to exceed this in order to invest in the artistic programme in future years.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

Fundraising

A key focus for our fundraising this year was to secure gifts and pledges towards strategic programmes, including contributions to the Creative Development Fund, and an increased number of multi-year commitments from individual donors. Alongside this remained our objective to sustain the annual revenue stream in a challenging fundraising environment. The majority of our revenue fundraising comes from individual donors: this income stream exceeded projections and indicated a growing support base in this area. Fundraising costs represent 19% of fundraising income.

Sadler's Wells operates an internal fundraising team and does not engage commercial fundraising participators to carry out fundraising activity. Sadler's Wells is a member of the Fundraising Regulator and our fundraising approach takes account of its Code of Fundraising Practice. Sadler's Wells has at all times complied with the standards of the Regulator.

As part of our compliance with the General Data Protection Regulations Sadler's Wells has reviewed and updated its privacy policy. The policy is available at www.sadlerswells.com/about-us/privacy-policy. The policy clearly states what personal data we will hold in relation to supporters and how this information will be used. Sadler's Wells has received no complaints about its fundraising activities either during the financial year or subsequently.

Principal Risks and Uncertainties

The charity 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 trading subsidiary Sadler's Wells Limited relies principally on less volatile catering and events income, together with guaranteed commissions to produce shows for Sadler's Wells Trust Ltd.

The charity'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 charity's major risks. The Trustees believe the major risks to which the charity is exposed have been identified, in particular those relating to the operations and finances of the charity, and that the charity intends to raise the level of reserves over time to mitigate against these (see Reserves Policy below).

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 have agreed an investment policy in line with the Charities Commission Guidance CC14. The key objective 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 had a net loss of -1% in the year to 31st March 2019. Over the last three years the Fund achieved an overall return of 9.1%. RPI over that three year period has been 9.2%.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

Equality and Employment

Sadler's Wells does not discriminate on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. In addition, Sadler's Wells will not discriminate because of working patterns, trade union membership (or non-membership), family or caring responsibilities, socio-economic barriers or spent convictions.

Sadler's Wells is committed to building a culturally diverse workforce and actively encourages applicants from different backgrounds. Sadler's Wells is committed to developing and training all staff, not only to enable them to do their own jobs, but also to assist them in their careers. Staff are also encouraged to consider what they could do for their own career development, and to use every opportunity to discuss feedback with their line manager.

As users of the Disability Confident scheme, Sadler's Wells guarantees to interview all disabled applicants who meet the minimum criteria for our vacancies.

Sadler's Wells conducts an annual staff survey in order that the views of employees can be taken into account in making decisions which are likely to affect their interests. Several times each year Sadler's Wells holds 'all-staff' meetings led by the Artistic Director and Chief Executive, to provide employees with information on artistic, financial and operational matters.

Key Management Personnel

The charity considers its key management personnel to be the Senior Management Team; comprising the Artistic Director and Chief Executive, Chief Operating Officer, Executive Director, Finance Director, Director of Artistic Programme, Executive Producer, Director of Technical and Production, Director of Marketing, Director of Fundraising, Director of Learning and Engagement. The remuneration of the Artistic Director and Chief Executive is decided by the Board, the Artistic Director and Chief Executive decides the remuneration of other members of the Senior Management Team. Total remuneration of this group, including pension contributions and employer's national insurance, was £1,060,413 (2018: £1,081,027). The salaries are fair and affordable, and benchmarked against similar arts organisations.

Going Concern

The Trustees consider that, given the current financial position of the charity and forecast sales, the charity remains a going concern. This involves consideration of business planning beyond twelve months from the date of the audit report.

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, including the Charity Commission's guidance on public benefit ('public benefit: running a charity' (PB2)), 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, including touring outside of our theatres in London.
- Encouraging access through the availability of £12 tickets for most shows on Sadler's Wells main stage together with other low-cost tickets available during the year for shows such as 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.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

Reserves Policy

The aim of the charity's undesignated, unrestricted reserve is to protect it against significant reductions in income as a result of external factors. The targeted reserve is based upon a review of the level of overhead that the charity is committed to, together with an analysis of the level reserves needed to trade through an external shock to the charity's income.

The current level of this general reserve is £263,000. By 2022, Sadler's Wells will begin operating another theatre in Stratford and will need to build a higher general reserve as it increases its level of activity. The Trustee's aim is to increase the level of the general reserve to £1,800,000 by 2026, through the application of unrestricted surpluses generated in future years.

The free reserves of the charity (being those unrestricted and undesignated reserves that are not held in fixed assets) are currently £148,000. The target is to maintain at least three quarters of the general reserve as free reserves.

The reserves policies are reviewed on an annual basis.

Trustees

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

Nigel Higgins (Chairman)
Humphrey Battcock
Sue Butcher
Sarah Evans
Robert Glick
Farah Golant
Tim Marlow
David Ripert
Sanoke Viswanathan
Sharon White

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 charity 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 theatres.

The Trustees delegate the day to day running of the theatre to the Artistic Director and Chief Executive, Alistair Spalding. The Board retains ultimate control of the overall strategic direction of the theatre in that they appoint the Artistic Director and Chief Executive, and are involved in recruitment of senior members of staff. The Board sets the remuneration of the Artistic Director and Chief Executive, who in turn sets the remuneration of key management personnel. See note 5. The Board also approves the annual budget, but delegates responsibility for the selection of artistic programme to the Artistic Director and Chief Executive, 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 five times during the year. At these meetings it receives reports from the Finance, Audit and Risk Committee of the Board, the Development Council, and senior members of staff covering artistic matters, operations, fundraising, learning and development, marketing and finance. The Board spends half a day each year debating and reviewing long term strategy with senior members of staff.

Sadler's Wells Trust

(Limited by Guarantee)

Trustees' Report

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.)

Company law requires 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 charitable 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity'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.

Sadler's Wells Trust


(Limited by Guarantee)

Trustees' Report

Auditors

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

The Strategic Report, which forms part of the Trustees' Report, is approved by the Trustees in their capacity as directors of the company. The Trustees' Report was approved by the members of the Board on 25th June 2019 and signed on their behalf by:



Nigel Higgins
Chairman

Charity registration number 279884

Company registration number 1488786

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SADLER'S WELLS TRUST
(LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Sadler's Wells Trust Limited for the year ended 31 March 2019 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SADLER'S WELLS TRUST
(LIMITED BY GUARANTEE)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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 and sufficient 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 of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SADLER'S WELLS TRUST
(LIMITED BY GUARANTEE)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SADLER'S WELLS TRUST
(LIMITED BY GUARANTEE)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 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.

Kingston Smith LLP

James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: *25 July 2019*

Devonshire House
60 Goswell Road
London
EC1M 7AD

Sadler's Wells Trust
(Limited by Guarantee)
Consolidated Statement of Financial Activities
For the year ended 31 March 2019

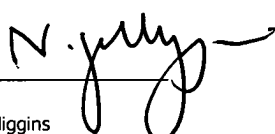
		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
		Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2018
	Note	£'000	£'000	£'000	£'000	£'000
Income						
Charitable activities						
Theatre presentations		19,083	-	-	19,083	18,658
Income from generated funds						
Donation analysis						
Sponsorship and donations		2,122	-	126	2,248	2,632
ACE operational grant		2,456	-	450	2,906	2,961
Other operational grants		-	-	-	-	-
Activities for generating funds						
Trading income		3,052	-	-	3,052	2,832
Other income		69	-	35	104	131
Total Income		<u>26,782</u>	<u>-</u>	<u>611</u>	<u>27,393</u>	<u>27,214</u>
Expenditure						
Charitable activity: theatre presentations						
Expenditure on presentations	3	18,841	269	479	19,589	19,744
Theatre overheads	3	5,307	55	125	5,487	5,248
Raising Funds						
Fundraising costs	3	465	-	-	465	563
Fundraising trading: cost of goods sold and other costs	3	<u>2,108</u>	<u>-</u>	<u>-</u>	<u>2,108</u>	<u>2,008</u>
Total Expenditure		<u>26,721</u>	<u>324</u>	<u>604</u>	<u>27,649</u>	<u>27,562</u>
Net Income / (Expenditure) before Investment (Loss) / Gain		61	(324)	7	(256)	(348)
Net Investment (Loss)		<u>(7)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(51)</u>
Net Income / (Expenditure)		54	(324)	7	(263)	(399)
Other Recognised Gains: Theatre Tax Relief		230	-	-	230	279
Gross Transfer Between Funds		<u>(653)</u>	<u>653</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		<u>(369)</u>	<u>329</u>	<u>7</u>	<u>(33)</u>	<u>(120)</u>
Net funds at 1 April 2018		632	1,431	784	2,847	2,967
Net Funds at 31 March 2019		<u>263</u>	<u>1,760</u>	<u>791</u>	<u>2,814</u>	<u>2,847</u>

None of the charitable group's activities were acquired or discontinued during the above two financial periods.
The charitable group 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 2019

		2019 Consolidated	2019 Charity	2018 Consolidated	2018 Charity
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	6	737	152	781	161
Investment Property	7(b)	200	200	200	200
Investments	7(c)	1	1	1	1
		<u>938</u>	<u>353</u>	<u>982</u>	<u>362</u>
Current Assets					
Stock for resale		74	26	39	-
Debtors	8	3,098	3,293	3,034	3,511
Cash at bank and in hand		<u>5,251</u>	<u>5,220</u>	<u>4,539</u>	<u>4,284</u>
		8,423	8,539	7,612	7,795
Creditors: Amounts Falling Due Within One Year	9	<u>(6,547)</u>	<u>(6,078)</u>	<u>(5,747)</u>	<u>(5,310)</u>
Net Current Assets		1,876	2,461	1,865	2,485
Total Assets Less Current Liabilities		<u>2,814</u>	<u>2,814</u>	<u>2,847</u>	<u>2,847</u>
Funds					
Restricted	16	791	791	784	784
Designated	16	1,760	1,760	1,431	1,431
Unrestricted	16	263	263	632	632
		<u>2,814</u>	<u>2,814</u>	<u>2,847</u>	<u>2,847</u>

Approved for issue by the members of the board on 25th June 2019
and signed on their behalf by:


Nigel Higgins
Chairman

Company number 1488786

Sadler's Wells Trust
(Limited by Guarantee)
Consolidated Statement of Cash Flows
For the year ended 31 March 2019

		Year ended 31 March 2019	Year ended 31 March 2018
	Note	£'000	£'000
Net cash flows from operating activities	10	719	(190)
Cash flows from investing and financing activities	11	(7)	(80)
Net change in cash and cash equivalents in the period		<u>712</u>	<u>(270)</u>
Reconciliation of net cash flow to movement in net cash			
Increase / (Decrease) in cash in the period		<u>712</u>	<u>(270)</u>
Movement in net cash in the period		712	(270)
Net cash and cash equivalents at 1 April 2018		4,539	4,809
Net cash and cash equivalents at 31 March 2019	12	<u>5,251</u>	<u>4,539</u>

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019

1 Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, subject to the revaluation of certain investments, and in accordance with the accounting policies set out in the notes to the accounts. The accounts comply with the charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a Public Benefit Entity as defined by FRS102.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

(b) Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(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. Advance box office income is deferred until the presentation opens. Donations and sponsorship for specific productions are credited to presentation income as the performances take place.

(d) 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) Legacies are recognized when probate on the legacy has been completed, and it is probable that income will be received and is quantifiable.
- (iv) Other income is recognised when the entitlement can be demonstrated, it is probable that it will be received, and it can be reliably measured.

(e) Pension costs

The charity operates an auto enrolment pension scheme. Payments into this scheme, and in respect of employees' private pension schemes, are charged to the Statement of Financial Activities as incurred.

(f) Employee benefits

The costs of short term employee benefits are registered as a liability and expense. Termination benefits are recognised immediately as an expense when the company is committed to provide termination benefits. Costs not paid at the year end are recognised as a liability.

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

1 Accounting Policies (cont)

(g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. There is a capitalisation threshold policy of £10,000. Depreciation is provided on all tangible fixed assets, excluding land and buildings, 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%
Leasehold Land and Buildings	2%
Leasehold Improvements	5%
Computer Equipment	20%

The Trustees review the tangible fixed assets annually for any evidence of impairment. Where there is objective evidence of impairment the charity recognises the loss in the Statement of Financial Activities immediately.

Investment property is reviewed annually and held at fair value, based on the market value for the property which the Trustees consider to be reasonable. The investment property is revalued by a professional valuer every five years. Changes in fair value and any gains or losses arising on disposal are credited to or charged to the income and expenditure section of the Statement of Financial Activities as 'gain or loss on investments

(h) Foreign currencies

Foreign currency balances at 31 March 2019 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.

(i) 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.

(j) Operating Leases

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

(k) 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, and are part of support costs. Support costs have been allocated on the basis of staff numbers in each area.

(l) Stock

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

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

1 Accounting Policies (cont)

(m) Financial Instruments

The charity has elected to apply the provisions of section II "Basic Financial Instruments" of FRS 102 to all its financial investments. They are recognised in the charity's financial statement position when the charity becomes party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less, and investments capable of immediate cash realisation.

Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Financial Investments

Financial investments are initially recognised at their transaction value and subsequently measured at fair value based on the closing quoted market price as at the balance sheet date. Changes in fair value and any gains or losses arising on disposal are credited to or charged to the income and expenditure section of the Statement of Financial Activities as 'gain or loss on investments'

The financial statements include the following in respect of items held at fair value:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Financial assets measured at fair value through profit or loss	201	201
Financial liabilities measured at fair value through profit or loss	-	-
Financial assets measured at amortised cost	2,493	1,471
Financial liabilities measured at amortised cost	2,195	2,044

(n) Government Grants

Where the charity is awarded government grants, it recognises these as income only where there is reasonable assurance that the charity will comply with the conditions attaching to them, and the funds will be received. This includes grants received from Arts Council England as they are an executive non-departmental public body.

(o) Accounting for Reserves

There are both restricted and unrestricted funds. Unrestricted funds are divided into general and designated funds.

General funds are available for use at the discretion of Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of Trustees.

Restricted funds are grants or donations with conditions attached by the donor. They may specify that the funds are used in a specific way or for a specific purpose.

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

(p) Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements:

- Measurement of the fair value of the investment property as undertaken by the Trustees.
- Depreciation rates on assets held and estimation of any impairment.
- Estimation of likely future recoupment of production costs carried forward in the balance sheet at each period end.

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

		Theatre			Year ended	Year ended
	Presentations	Overhead	Fundraising	Trading	31 March	31 March
	£'000	£'000	£'000	£'000	2019	2018
					Total	Total
					£'000	£'000
Management	430	39	23	84	576	493
Administration	323	30	18	63	434	454
Finance	249	23	14	49	335	345
Governance	22	2	1	4	30	31
Human Resources	92	8	6	19	124	137
	<u>1,116</u>	<u>103</u>	<u>62</u>	<u>219</u>	<u>1,499</u>	<u>1,460</u>
Unrestricted resources expended before support costs	17,614	5,204	403	1,889		
Unrestricted resources expended	<u>18,730</u>	<u>5,307</u>	<u>465</u>	<u>2,108</u>		

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

4. Governance Costs

	Year ended	Year ended
	31 March	31 March
	2019	2018
	Total	Total
	£'000	£'000
Governance costs include the following payments to auditors:		
Audit	30	30
Tax	1	1
Other: non statutory audit	-	8
	<u>31</u>	<u>39</u>

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

5. Staff Costs

Consolidated and charity

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Wages and salaries	7,138	7,097
Social security costs	647	648
Pension costs (note 15)	273	273
	<u>8,058</u>	<u>8,018</u>
Less: Staff costs charged to: Sadler's Wells Limited	<u>(836)</u>	<u>(810)</u>
	<u><u>7,222</u></u>	<u><u>7,208</u></u>

Redundancy costs included in the above totalled £8,314 (2018: £nil)

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

	Number	Number
£190,001 - £200,000	1	1
£110,001 - £120,000	2	2
£90,001 - £100,000	1	1
£80,001 - £90,000	1	-
£70,001 - £80,000	1	3
£60,001 - £70,000	<u>2</u>	<u>1</u>

During the year the company paid pension contributions of £51,352 (2018: £61,996) on behalf of these staff.

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

	Number	Number
Theatre and Front of House	93	88
Box office	21	21
Marketing	19	18
Technical	41	40
Administration	14	15
Development	9	9
Events	5	4
Catering	29	32
	<u>231</u>	<u>227</u>

The Trustees received no remuneration for the services they provided to the company. No expenses were reimbursed (2018: £nil). The Trustees donated £738,275 (2018: £145,765) to the charity during the year.

The charity considers its key management personnel to be the Senior Management Team comprising: the Artistic Director and Chief Executive, Chief Operating Officer, Executive Director, Finance Director, Director of Artistic Programme, Executive Producer, Director of Technical and Production, Director of Marketing, Director of Fundraising, Director of Learning and Engagement. The remuneration of the Artistic Director and Chief Executive is decided by the Board, the Artistic Director and Chief Executive decides the remuneration of other members of the Senior Management Team. Total remuneration of this group, including pension contributions, was £1,060,413 (2018: £1,081,027).

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

6. Tangible Fixed Assets
Consolidated

	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Leasehold Imp'ments £'000	Computer Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost						
As at 1st April 2018	128	717	110	317	154	1,426
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2019	<u>128</u>	<u>717</u>	<u>110</u>	<u>317</u>	<u>154</u>	<u>1,426</u>
Depreciation						
At 1st April 2018	29	128	48	317	123	645
Charge for the period	3	14	6	-	21	44
At 31st March 2019	<u>32</u>	<u>142</u>	<u>54</u>	<u>317</u>	<u>144</u>	<u>689</u>
Net book value						
At 31st March 2019	<u>96</u>	<u>575</u>	<u>56</u>	<u>-</u>	<u>10</u>	<u>737</u>
At 31st March 2018	<u>99</u>	<u>589</u>	<u>62</u>	<u>-</u>	<u>31</u>	<u>781</u>

Charity

	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Leasehold Imp'ments £'000	Computer Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost						
At 1st April 2018	128	-	110	255	46	539
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2019	<u>128</u>	<u>-</u>	<u>110</u>	<u>255</u>	<u>46</u>	<u>539</u>
Depreciation						
At 1st April 2018	29	-	48	255	46	378
Charge for the period	3	-	6	-	-	9
At 31st March 2019	<u>32</u>	<u>-</u>	<u>54</u>	<u>255</u>	<u>46</u>	<u>387</u>
Net book value						
At 31st March 2019	<u>96</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>152</u>
At 31st March 2018	<u>99</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>161</u>

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

7 (a). Investment in trading subsidiary

The wholly owned trading subsidiary Sadler's Wells Limited (company number 02907116), which is incorporated in England and Wales, is consolidated within these financial statements. The company distributes 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, and produces productions commissioned by Sadler's Wells Trust Ltd. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

Sadler's Wells and its trading subsidiary have entered into a deed of covenant which is a legally binding agreement to pay up all profits a subsidiary can legally distribute.

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Profit and Loss Account		
Turnover	5,634	5,838
Cost of sales	(903)	(858)
Production expenses	(2,812)	(3,286)
Gross Profit	1,919	1,693,811
Administration expenses	(985)	(999)
Interest received	-	-
Taxation	230	279
Result for the financial year	1,164	974
Retained earnings brought forward	-	1,096
Charitable distribution to parent charity	(1,164)	(2,070)
Retained earnings carried forward	-	-
	31 March 2019 £	31 March 2018 £
The assets and liabilities of the subsidiary were:		
Fixed assets	583,375	619,836
Current assets	937,593	818,319
Creditors: amounts falling due within one year	(1,520,966)	(1,438,153)
Total net assets	2	2
Aggregate share capital and reserves	2	2

7 (b). Investment property

The investment property comprises a house donated by the Dame Hilda Bracket Trust. It is valued by the Trustees at £200,000. The asset was originally recognised at fair value when acquired, based on an independent valuation. An updated independent valuation was carried out by Robert Cooney, Chartered Surveyors, in April 2018, and a fair value of £200,000 is still considered appropriate. The property has a tenant with a life interest in the property.

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

7 (c). Listed Investments

	31 March 2019	31 March 2018
Market Value	General Fund £'000	General Fund £'000
At 1st April 2018	1	1
Unrealised loss	-	-
As at 31st March 2019	<u>1</u>	<u>1</u>

The listed investment comprises shares in a public company donated to Sadler's Wells.

8. Debtors

	31 March 2019	31 March 2018
	Consolidated £'000	Charity £'000
Trade debtors	706	406
Amounts owed by related undertakings	-	1,053
Other debtors and prepayments	1,602	1,554
Corporation Tax Receivable	509	-
Accrued income	281	281
	<u>3,098</u>	<u>3,293</u>

9. Creditors: Amounts due within one year

	31 March 2019	31 March 2018
	Consolidated £'000	Charity £'000
Trade creditors	473	407
Social security and other taxes	648	500
Accruals and deferred income	5,425	5,173
	<u>6,547</u>	<u>6,079</u>

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

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Consolidated		
Net income / (expenditure) for the reporting period	(26)	(69)
Depreciation	44	87
(Increase) in stock	(35)	(1)
(Increase) / Decrease in debtors	(64)	56
(Decrease) / Increase in creditors	800	(263)
Net cash inflow / (outflow) from operating activities	<u>719</u>	<u>(190)</u>

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

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
(a) Cash flows from investing and financing activities		
Purchase of property, plant and equipment	-	(29)
Investment losses on liquid investments	(7)	(51)
	<u>(7)</u>	<u>(80)</u>

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

12. Analysis of Net Cash

	Cash Flow £'000	1 April 2018 £'000	31 March 2019 £'000
Cash at bank and in hand and in immediately realisable investments	712	4,539	5,251

13. Liability of Members

The company is limited by guarantee and the liability of members is limited to £10 each. At 31 March 2019 there were 11 members (2018: 11 members).

14. Operating Lease Commitments

The company has an annual rent commitment of £276,000 (2018: £271,002) in respect of the lease of Sadler's Wells Theatre, from Sadler's Wells Foundation, expiring between 2 - 5 years. The total payable to the end of the lease is £850,356 (2018: £1,084,008).

15. Pension Commitments

Sadler's Wells Trust makes contributions to employees' private pension plans, the costs of which amounted to £273,034 during the year to 31 March 2019 (2018: £273,039). The pension creditor at the year end was £38,062 (2018: £36,803).

16. Net Movement in Funds

	At 1 April 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers/ Gains £'000	At 31 March 2019 £'000
Restricted Funds:					
The Shakespeare's Head Fund	541	-	(15)	-	526
National Youth Dance Fund	8	485	(452)	-	41
Dame Hilda Bracket Fund	210	-	(27)	-	183
What Next? Fund	25	126	(110)	-	41
	<u>784</u>	<u>611</u>	<u>(604)</u>	<u>-</u>	<u>791</u>
Unrestricted Funds:					
Designated Funds					
Development Fund	1,000	-	-	103	1,103
369 St John Street Fund	101	-	(4)	-	97
Artistic Projects Fund	269	-	(269)	-	-
Peacock Theatre Fund	50	-	-	-	50
Provision for Depreciation Fund	11	-	(11)	-	-
Organisational Development Fund	-	-	(20)	250	230
Creative Learning Fund	-	-	(20)	300	280
	<u>1,431</u>	<u>-</u>	<u>(324)</u>	<u>653</u>	<u>1,760</u>
General Fund	632	26,782	(26,721)	(430)	263
	<u>2,847</u>	<u>27,393</u>	<u>(27,649)</u>	<u>223</u>	<u>2,814</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 *National Youth Dance Fund* represents funds received and expended on the National Youth Dance Company. The *Dame Hilda Bracket Fund* is a donation to support music, in particular grand and light opera. The *What Next? Fund* represents a donation for the What Next? campaign, hosted by Sadler's Wells.

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

16. Net Movement in Funds (cont)

The Trustees have also designated a number of unrestricted funds. The *Development Fund* is to invest in major commissions by Sadler's Wells. The *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 *Peacock Theatre Fund* is to provide for future payments on the Peacock Theatre. The *Provision for Depreciation Fund* is to provide for depreciation on fixtures and fittings. The *Strategic Development Fund* for long term planning was utilised in year. The *Organisational Development Fund* is to build management capacity within the charity. The *Creative Learning Fund* is to expand Sadler's Wells Creative Learning programme.

It is intended that the *369 St John Street Fund* will be released over the lifetime of the asset. The *Development Fund* is intended to support commissions over the next five years, with fundraising undertaken to replenish the Fund. The *Peacock Fund* is expected to be released in the next one to two years.

17. Analysis of Net Assets between Funds

	Fixed Assets £'000	Cash £'000	Other Net Liabilities £'000	Net Total Assets £'000
Unrestricted Funds				
Development Fund	-	1,102	-	1,103
369 St John Street Fund	97	-	-	97
Peacock Theatre Fund	-	50	-	50
Organisational Development Fund	-	230	-	230
Creative Learning Fund	-	280	-	280
General Fund	115	3,507	(3,358)	263
	<u>212</u>	<u>5,169</u>	<u>(3,358)</u>	<u>2,023</u>
Restricted Funds				
The Shakespeare's Head Fund	526	-	-	526
National Youth Dance Fund	-	41	-	41
Dame Hilda Bracket Fund	200	-	(17)	183
What Next? Fund	-	41	-	41
	<u>726</u>	<u>82</u>	<u>(17)</u>	<u>791</u>
Total Funds	<u>938</u>	<u>5,251</u>	<u>(3,375)</u>	<u>2,814</u>

18. Connected Charities and related Party Transactions

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 Ltd incurred a rent charge of £276,000 (2018: £271,002) from Sadler's Wells Foundation Ltd.

Sadler's Wells Foundation Ltd is a member of Sadler's Wells Trust Ltd.

A gift of £1,163,998 (2018: £2,039,891) was receivable from Sadler's Wells Limited, for the year, and £1,052,933 was due from (2018: £1,000,633) that company at the year end. During the year Sadler's Wells Trust charged Sadler's Wells Limited £835,580 (2018: £809,422) in respect of the services of 34 (2018: 36) employees of the company during the year.

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2019 (cont)

19. Capital Commitments

At 31 March 2019 Sadler's Wells Trust had no capital commitments committed but not yet contracted for (2018: None).

20. Comparative Net Movement in Funds

	At 1 April 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers/ Gains £'000	At 31 March 2018 £'000
Restricted Funds:					
The Shakespeare's Head Fund	555	-	(14)	-	541
Arts Council England Fund	245	55	(300)	-	-
National Youth Dance Fund	53	450	(495)	-	8
Dame Hilda Bracket Fund	237	-	(27)	-	210
What Next?	10	103	(88)	-	25
	<u>1,100</u>	<u>608</u>	<u>(924)</u>	<u>-</u>	<u>784</u>
Unrestricted Funds:					
Designated Funds					
Development Fund	-	-	-	1,000	1,000
369 St John Street Fund	103	-	(2)	-	101
Artistic Projects Fund	630	-	(361)	-	269
Peacock Theatre	50	-	-	-	50
Provision for Depreciation	75	-	(64)	-	11
Strategic Development Fund	9	-	(9)	-	-
	<u>867</u>	<u>-</u>	<u>(436)</u>	<u>1,000</u>	<u>1,431</u>
General Fund	1,000	26,606	(26,202)	(772)	632
	<u>2,967</u>	<u>27,214</u>	<u>(27,562)</u>	<u>228</u>	<u>2,847</u>

21. Comparative Analysis of Net Assets between Funds

	Fixed Assets £'000	Cash £'000	Other Net Liabilities £'000	Net Total Assets £'000
Unrestricted Funds				
Development Fund	-	1,000	-	1,000
369 St John Street Fund	101	-	-	101
Strategic Development Fund	-	-	-	-
Artistic Projects Fund	-	269	-	269
Peacock Theatre Fund	-	50	-	50
Provision for Depreciation Fund	11	-	-	11
General Fund	<u>129</u>	<u>3,177</u>	<u>(2,674)</u>	<u>632</u>
	<u>241</u>	<u>4,496</u>	<u>(2,674)</u>	<u>2,063</u>
Restricted Funds				
The Shakespeare's Head Fund	541	-	-	541
National Youth Dance Fund	-	8	-	8
Dame Hilda Bracket Fund	200	10	-	210
What Next? Fund	-	25	-	25
	<u>741</u>	<u>43</u>	<u>-</u>	<u>784</u>
Total Funds	<u>982</u>	<u>4,539</u>	<u>(2,674)</u>	<u>2,847</u>

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22. Comparative Fund and SOFA Balances

		Unrestricted Funds Year ended 31 March 2018 £'000	Designated Funds Year ended 31 March 2018 £'000	Restricted Funds Year ended 31 March 2018 £'000	Total Funds Year ended 31 March 2018 £'000
	Note				
Income					
Charitable activities					
Theatre presentations		18,767	-	-	18,767
Income from generated funds					
Donation analysis					
Sponsorship and donations		2,529	-	103	2,632
ACE operational grant		2,456	-	505	2,961
Other operational grants		-	-	-	-
Activities for generating funds					
Trading income		2,832	-	-	2,832
Other income		131	-	-	131
Total Income		<u>26,715</u>	<u>-</u>	<u>608</u>	<u>27,323</u>
Expenditure					
Charitable activity: theatre presentations					
Expenditure on presentations	3	18,391	361	822	19,574
Theatre overheads	3	5,071	75	102	5,248
Raising Funds					
Fundraising costs	3	563	-	-	563
Fundraising trading: cost of goods sold and other costs	3	2,008	-	-	2,008
Total Expenditure		<u>26,032</u>	<u>436</u>	<u>924</u>	<u>27,392</u>
Net Income / (Expenditure) before Investment (Loss) / Gain		683	(436)	(316)	(69)
Net Investment (Loss) / Gain		(51)	-	-	(51)
Net Income / (Expenditure)		632	(436)	(316)	(120)
Gross Transfer Between Funds		(1,000)	1,000	-	-
Net Movement in Funds		(368)	564	(316)	(120)
Net funds at 1 April 2018		1,000	867	1,100	2,967
Net Funds at 31 March 2019		<u>632</u>	<u>1,431</u>	<u>784</u>	<u>2,847</u>

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23. Comparative Support Costs

	Presentations	Theatre	Fundraising	Trading	Year ended
	£'000	Overhead	£'000	£'000	31 March
		£'000			2018
					Total
					£'000
Management	367	34	20	72	493
Administration	338	31	19	66	454
Finance	257	24	14	50	345
Governance	23	2	1	4	31
Human Resources	101	9	7	21	137
	<u>1,086</u>	<u>101</u>	<u>61</u>	<u>213</u>	<u>1,460</u>
Unrestricted resources expended before support costs	17,305	4,970	502	1,795	
Unrestricted resources expended	<u>18,391</u>	<u>5,071</u>	<u>563</u>	<u>2,008</u>	