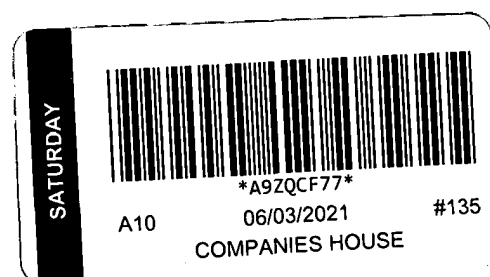


**Sadler's Wells Trust Limited
(Limited by Guarantee)**

Company Number 1488786

Registered Charity Number 279884

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



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)
Maria Albonico
Humphrey Battcock
Melissa Bethell
Sue Butcher
Sarah Evans
Farah Golant
David Lan
David Ripert
Melanie Smith
Matthew Slotover
Sharon White

Secretary

Alistair Spalding

Registered Office

Sadler's Wells Theatre
Rosebery Avenue
London
EC1R 4TN

Bankers

Coutts & Co.
440 Strand
London
WC2R 0QS

Auditors

Moore 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 2020 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 has commissioned and presented 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 193 new dance works to the stage, many of them involving its 16 Associate Artists, three Resident Companies and four Associate Companies – some of the most exciting talents working in dance today.

Sadler's Wells in-house productions newly created in 19/20 included:

- Botis Seva's Madhead created for National Youth Dance Company;
- Company of Elders' new double bill Elixir Extracts with work by Clara Andermatt and Alesandra Seutin;
- Together, not the same - a mixed bill by Sadler's Wells' Young Associates - Anthony Matsena, Wilhelmina Ojanen, Ruby Portus, and Christopher Thomas;
- Mám by Michael Keegan-Dolan with Teac Damsa;
- Digital Umbilical by Body Intelligence Collective (Salomé Bazin, Renaud Wiser, Laura Buffard & Simon Haenggi) as part of the Dansathon international initiative with Maison de la Danse in Lyon, Theatre de Liege, BNP Paribas Foundation and Sadler's Wells;
- Acosta Danza's Evolution a new mixed bill programme including new commissions by Pontus Lidberg and Raul Reinoso with Carlos Acosta featured in Christopher Bruce's Rooster;
- Neighbours by Rauf Yazit and Brigel Gjoka – a duet commissioned in collaboration with PACT Zollverein, Essen;
- a re-mount of the iconic Enter Achilles by Lloyd Newson co-produced with Rambert; and
- Message in a Bottle by Kate Prince based on the songs of Sting, a co-production with Universal Music.

We also created, although due to the interruption of the global pandemic were not able to premiere, two major productions:

- New York composer Nico Muhly's Drawn Lines which featured three new commissions from Justin Peck with New York City Ballet dancers (Rotunda), Michael-Keegan Dolan's The Only Tune with his company Teac Damsa and Slant by Julie Cunningham, planned to be accompanied by Britten Sinfonia; and
- a re-staging of Pina Bausch's Rite of Spring involving 38 specially assembled dancers from 14 African countries to be presented in double bill with a newly commissioned duet by Germaine Acogny & Malou Airaud entitled common ground[s]. This was a collaboration with the Pina Bausch Foundation and Ecole des Sables, Senegal which was due to premiere in Dakar.

In addition to new creations, existing Sadler's Wells co-productions continued to tour globally. In total 13 Sadler's Wells productions toured to 65 venues in 26 countries, presenting 183 performances to audiences of 153,608.

Sadler's Wells Trust

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Trustees' Report

International artists and companies presented on the Sadler's Wells stage in 2019-20 included Rosas, Israel Galvin, Yang Liping, TAO, San Francisco Ballet, Alvin Ailey, Dada Masilo, Giselle Vienne, Emanuel Gat, Michael Keegan Dolan, Tanztheater Wuppertal Pina Bausch, Cloudgate Dance Theatre of Taiwan, Crystal Pite, Georgia Vardarou, Darbar Festival and Flamenco Festival.

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.

During the year Sadler's Wells staged 721 performances of work and sold 645,485 tickets to its shows.

Artist Development

The New Wave Associates programme continued with Alexander Whitley, Hetain Patel, Wilkie Branson, Julie Cunningham, L'atisse Rhoden and Project O (Alexandrina Hemsley & Jamila Johnson-Small). Throughout the year all artists received in-kind studio space for rehearsal or research and we continued our support by attending rehearsals, sharing's and/or performances to engage in an ongoing strategic and artistic dialogue around the development of their work and current cultural interests. This was in addition to bespoke support requested by each artist.

- We provided Alexander Whitley with a production week in the LBS in October 2019 in preparation for his premiere of *Overflow* on Sadler's Wells stage that was due to be part of Digital Edition in April 2020, but was sadly postponed.
- We supported Alexander to participate in a pitching session for additional co-producing support for both *Strange Stranger* and *Overflow* as part of Surf the Wave showcase.
- Hetain Patel's next New Wave commission, a film installation entitled *Trinity*, went into rehearsal and pre-production prior to filming which was planned for July 2020.
- Wilkie Branson continued to tour *TOM* and we supported him to develop ideas for his next work including building a timeline for a period of R&D.
- We took part in a series of conversations with Julie Cunningham about building a team to support their busy calendar of commissions, including the Nico Muhly project as part of Sadler's Wells' Composer Series planned for March 2020 but sadly cancelled due to COVID-19.
- L'atisse Rhoden spent time researching and planning her first New Wave commission *L'CASA* which was due to premiere in the LBS in June 2020, but has been postponed.
- Project O presented a return of *Voodoo* in the LBS in January 2020 and with additional support through New Wave they were able to completely restage the show with a different format, duration, imagery and production elements.

Learning and Engagement

Sadler's Wells' learning and engagement activities reached 21,149 people through programmes that took dance out into the local community and invited communities into the theatre. Projects included:

- Elixir Extracts, a showcase of older adult dance groups with a focus on diversity from across the country, presented in the Lilian Baylis Studio in June 2019. Within the new groups that we worked with 51% of participants came from BAME backgrounds, 48% were new to dance and 70% had never been to Sadler's Wells before. Sadler's Wells' resident over-60s performance group Company of Elders took part in this showcase presenting a new double bill, which then toured to The Albany as part of the Lewisham Festival of Creative Ageing. The Lilian Bayliss Arts Club for over 60s continued three times a month.
- National Youth Dance Company (NYDC)'s 2018-19 cohort premiered Botis Seva's *MADHEAD* at DanceEast in Ipswich in April 2019, ahead of a national tour in June and July, with performances in Plymouth, Newcastle, Saffron Walden, Brighton, Birmingham and finishing at Sadler's Wells. 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 D/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. Further to this, NYDC delivered bespoke projects in Cornwall,

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

Walsall and Norwich to provide additional performance opportunities in collaboration with local youth dance groups as well as restaging the 2018 production of *Used To Be Blonde* for a series of special performances at Bold Tendencies

- The first cohort of the Young Associates programme completed their course in the summer of 2019, with each of the four artists premiering new large-scale works on the Sadler's Wells main stage in July. The performances featured a large cast of young dancers, supported by a young creative team.
- Four new Young Associate artists were appointed in January 2020 and Sadler's Wells will be supporting them throughout the next stage of their development as choreographers.
- We worked with 22 schools as part of our Associate Schools Programme, providing curriculum support sessions, master class workshops with professional companies, teacher CPD sessions, curtain raiser projects and tickets to see our shows.
- Family Fridays sessions ran once a month at Sadler's Wells for young children and their carers to dance together. A new session was introduced in January at a community centre in Waltham Forest for lower income families. These are attended by members of the local baby bank and some nursery children.
- We also ran as a series of participatory events for our access members, including pre and post-show talks with dance artists, dance classes, workshops and assisted performances.

Plans for 2020 – 21

On 16 March 2020 UK theatres were instructed to close by the government as part of their response to the global coronavirus pandemic. This closure had a profound impact on the organization and all plans needed to be revised quickly in order to respond to the challenging health crisis. Despite the uncertainty, the key objectives of our activity during this time are to:

- Secure Sadler's Wells' short and medium term financial future
- Deepen engagement, loyalty and support for Sadler's Wells
- Enable a confident and enthusiastic return of audiences and colleagues as soon as conditions permit
- Ensure artists and partners can survive the crisis and thrive thereafter
- Develop our digital offerings to meet the moment and prepare us for the future and
- Diversify audiences, reaching new people around the world

Major cost cutting and efficiency exercises have been implemented, and emergency funding applications made in order to safeguard the future of Sadler's Wells. A limited number of socially distanced performances took place during the autumn of 2020 and our learning and engagement programme will continue to provide opportunities for schools and families to experience dance. We launched our Digital Stage and will continue to implement our Dancing At Distance strategy to keep existing audiences engaged and extend our reach digitally, especially internationally, whilst people remain unable to attend our venues in any numbers. We will also take action towards our anti-racism commitments and reinforce inclusion and diversity priorities.

Beyond that the focus for 2021/22 will be on recovery, supporting the dance ecosystem and re-building audience, supporter and artist confidence and engagement.

Following a halt earlier in 2020 in the construction programme for our new mid-scale venue in Stratford, building works have resumed and the completion date for the theatre is now projected for the latter part of 2023, when the organization will grow in scale and will have the resources to deepen support for dance and dance artists.

Financial Review

Total income to the year ending 31st March 2020 was £30.3m, an increase of 10% over the previous year. £24.0m or 79% was generated through a combination of ticket sales, income from theatre presentations in the UK and internationally, secondary spend and event hire. £2.3m or 8% was received in voluntary donations from a range of individuals, Trusts and Foundations and corporate bodies. The operational NPO grant from the Arts Council of £2.5m accounted for 8% of total income.

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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 trading costs.

The total net movement in funds for the year was £36k, made up of an unrestricted funds surplus of £188k (after accounting for theatre tax relief of £493k), a draw down on designated funds of £296k and a surplus on restricted funds of £72k. As a result, we ended the year with total reserves of £2.8m.

These results incorporate the trading of the subsidiary, Sadler's Wells Limited. This company operates the catering at the theatre, promotes commercial events hire and produces commissions from Sadler's Wells Trust Ltd. The company gifted a profit of £1.2m (2019: £1.2m) to Sadler's Wells Trust.

As a result of the closure of our venues the 16th March 2020, the presentations at Sadler's Wells, the Peacock and the Lilian Baylis Studio, plus the international touring scheduled for the last two weeks of the financial year to the 31st March were cancelled and the staff offices closed.

Whilst the financial consequence of losing 2 weeks of theatre income was not significant in the context of the previous 12 months, the impact on the long-term financial sustainability of the organization of remaining closed for 6 months and reopening in October with only a limited programme of socially distanced performances, only to close again in November, reopen briefly in December and close again for an extended period of time, has been profound.

Since the balance sheet date, £665k of £1.49m held in debtors and prepayments relating to commissioning fees paid in advance and investment in our own productions has been written down to reflect the impact of the COVID restrictions on our current ability to present the relevant shows. The remaining balance will be reviewed prior to 31st March 2021 to determine whether any further write downs should be considered in the light of events post the date of signing these accounts.

With our ability to earn income having been significantly curtailed, we are grateful to the government for the estimated £3.8m we expect to claim under Coronavirus Job Retention Scheme and to DCMS and the Arts Council for providing us with two emergency grants of £1.5m and £2.975m to secure our financial position through to the 31st March 2021. See the going concern statement for further details.

Fundraising

A key focus this year was to expand our donor base, predominantly through strategic events as well as personalised communications. We continued to secure gifts and pledges towards key activities, including major contributions to the Creative Development Fund, and ensured that multi-year commitments from individual donors were received. The majority of revenue fundraising came from individual donors however, we also secured a three-year commitment from a new corporate sponsor. Fundraising costs represented 24% of funds raised.

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.

We continue to comply with the General Data Protection Regulations at Sadler's Wells and our privacy policy is available at www.sadlerswells.com/about-us/privacy-policy

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.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

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. Based on that Risk Register (reviewed in November 2019 before the pandemic), the Trustees identified the principle risks as failure to meet ticket sales and fundraising targets, failure of Sadler's Wells' own productions to recoup costs leading to loss of profit and Sadler's Wells Foundation resources being unequal to the capital repairs programme for the Sadler's Wells theatre.

The global coronavirus pandemic was not anticipated. Since the closure of the theatre the organisation has entered a time of unprecedented risk which has been monitored closely by a newly formed Resilience Committee of the board.

In addition to implementing cost cutting and efficiency measures and making applications to the Arts Council Emergency Response Fund and to the Cultural Recovery Fund, Sadler's Wells has invested significant effort in ensuring that its main venue in Islington can be a Covid-safe environment for performers, contractors, staff and visitors to return to when government restrictions allow.

Staff have worked almost exclusively from home since the start of the pandemic, other than those in roles which require their presence on site (eg security, building services), and will continue to do so until restrictions ease.

Looking forward, Sadler's Wells continues to face a heightened level of financial risk, due to the uncertainty as to when restrictions will be fully lifted and a potential loss of audience confidence to return to live theatre. The Trustees intend to provide increased financial resilience to mitigate this risk through raising the level of unrestricted reserves (see Reserves section 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.

During the year, £1.5m was held with Ruffer LLP in the Ruffer Absolute Return Fund, generating an unrealized investment gain by year-end of £34k despite significant volatility in the last few weeks of the financial year as lockdown was imposed. As part of cashflow planning against the impact of closure, this investment was liquidated after the year end in May 2020 (with a further investment gain of £79k) and the funds retained as cash. No other funds are held on investment.

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.

Key Management Personnel

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

The charity considers its key management personnel to be the Senior Management Team comprising: the Artistic Director and Chief Executive, Executive Director, Interim Finance Director, Director of Artistic Programme, Executive Producer, Technical Director, Interim Director of Marketing and Sales, Director of Development, Director of Learning and Engagement, Director of Data and Systems, Director of Content and Audiences and Director of Visitor Experience.

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 these people, including pension contributions and employer's national insurance, was £1,356,733 (2018: £1,060,413). The number of roles included in the Senior Management Team has grown to 12 this year (from 10 last year) as a result of a change to a flatter management structure. The salaries are fair and affordable, and benchmarked against similar arts organisations. Early in the new financial year, all members of SMT took a pay cut of between 22.5% and 27.5% as part of the organisation's response to the pandemic.

Going Concern

The Trustees consider the charity remains a going concern, despite the very challenging trading conditions that Sadler's Wells has experienced since its venues were first instructed to close by the Government on the 16th March 2020, based on the charity's performance to date in the 2020/21 financial year and consideration of financial forecasts through to February 2022.

During 2020 the charity was successful in securing funding from the Arts Council's Emergency Response Fund and the Department of Culture, Media and Sport's Cultural Recovery Fund, with grants of £1.5m and £2.975m respectively being received. This funding, together with amounts claimed under the Coronavirus Job Retention Scheme and support from individual and corporate donors and trusts and foundations, is expected to ensure that the charity will be in a breakeven position for the 2021/22 financial year, with reserves at least maintained at the March 2020 level.

Given the ongoing impact of the pandemic, Sadler's Wells took the opportunity offered in January 2021 to apply for a loan from the Cultural Recovery Fund in support of its artistic and engagement activities for the 2021/22 financial year. The charity expects to hear whether the loan application has been successful by the end of March 2021.

The Trustees have considered a number of scenarios for the 2021/22 financial year in light of the continued uncertainty as to when Sadler's Wells theatres may fully reopen. Should the Cultural Recovery Fund loan application be unsuccessful, the charity has an alternative financial plan in place, based on a reduced artistic programme, a greater focus on commercial income and further cost saving measures that show the organisation meeting its liabilities as they fall due.

Taking into account the expected level of unrestricted reserves at year end 2020/21, the potential for loan financing and the existence of an alternative financial plan for 2021/22 if further Government support is not forthcoming, the Trustees believe that Sadler's Wells will be able to meet its liabilities for the 12 month period from the date of these accounts and have consequently prepared the accounts on a going concern basis.

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 £15 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 for disabled people through both pricing and facilities.

Sadler's Wells Trust (Limited by Guarantee)

Trustees' Report

Reserves Policy

The aim of the charity's general reserves 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. General reserves as at the 31st March 2020 were £450k (2019: £263k).

By 2023, Sadler's Wells will begin operating another theatre in Stratford and will need to build higher general reserves as it increases its level of activity. The Trustee's aim prior to the pandemic was to increase the level of the reserve to £1.8m by 2026, through the application of unrestricted surpluses generated in future years.

However, as a result of the continued uncertainty arising from the pandemic, the Trustees have concluded that a target of £1.8m and the associated timescales to 2026 for building up general reserves to the proposed level are inadequate to meet the current and future financial risk management needs of the organization.

In order to build up the general reserve in the light of the pandemic, the Trustees decided in July 2020 to undesignate the Creative Development Fund and transferred £0.8m to general reserves. The grant awarded to Sadler's Wells by the Arts Council from the DCMS Cultural Recovery Fund is expected to support an increment in general reserves of £600k and the Trustees are actively considering converting the building at 369 St John's Street (estimated market value £1m) from a staff office into an investment property occupied by third parties at commercial rent which would increase general funds by £0.9m.

Trustees

The Trustees who served from 1st April 2019 to the date of signing the accounts were:

Nigel Higgins (Chairman)
Maria Albonico (joined 30th June 2020)
Humphrey Battcock
James Bethell (joined 30th April 2019, resigned 30th June 2020)
Melissa Bethell (joined 21st September 2020)
Sue Butcher
Sarah Evans
Robert Glick (resigned 30th September 2019)
Farah Golant
David Lan
Tim Marlow (resigned 30th June 2020)
David Ripert
Matthew Slotover (joined 21st September 2020)
Melanie Smith (joined 26th February 2020)
Sanoke Viswanathan (resigned 21st September 2020)
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 personal. The Board also approves the annual budget, but delegates responsibility for the selection of artistic

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

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, inclusion, 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.

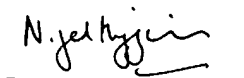
Connected Charities

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

Auditors

The auditors, Moore 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 February 2021 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 2020 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 2020 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.

Emphasis of matter

We draw attention to the disclosures in note 1b which explain the impact of the Covid-19 pandemic on the charitable group, and the measures taken to mitigate the financial impact. Our opinion is not modified in this regard.

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 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.

Mobra Kingston Smith LLP

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

Date: 2 March 2021

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 2020

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
		Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019
	Note	£'000	£'000	£'000	£'000	£'000
Income						
Theatre presentations		20,832	-	-	20,832	19,083
Income generated from other activities						
Sponsorship and donations		1,748	165	386	2,299	2,248
Arts Council Funding		2,456	-	950	3,406	2,906
Trading income		3,200	-	-	3,200	3,052
Other income		444	-	74	518	104
Total Income		28,680	165	1,410	30,255	27,393
Expenditure						
Charitable activity: theatre presentations						
Expenditure on presentations	3	21,204	485	696	22,386	19,589
Theatre overheads	3	5,057	378	117	5,552	5,487
Raising Funds						
Fundraising costs	3	542	-	-	542	465
Trading costs	3	2,216	-	-	2,216	2,108
Total Expenditure		29,019	863	813	30,695	27,649
Net Income / (Expenditure) before Investment (Loss) / Gain		(339)	(698)	597	(440)	(256)
Net Investment (Loss) / Gain		34	-	-	34	(7)
Net Income / (Expenditure)		(305)	(698)	597	(406)	(263)
Other Recognised Gains and Losses		493	(124)	-	369	230
Gross Transfer Between Funds		-	526	(526)	-	-
Net Movement in Funds		188	(296)	72	(36)	(33)
Net funds at 1 April 2019		263	1,760	791	2,814	2,847
Net Funds at 31 March 2020		451	1,464	863	2,778	2,814

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

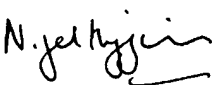
The charitable group has no recognised gains and losses other than those dealt with in the above Statement of Financial Activities.

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 2020

		2020 Consolidated	2020 Charity	2019 Consolidated	2019 Charity
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	6	145	145	737	152
Investment Property	7(b)	650	200	200	200
Investments	7(c)	-	-	1	1
		<u>795</u>	<u>345</u>	<u>938</u>	<u>353</u>
Current Assets					
Stock for resale		64	26	74	26
Debtors	8	3,850	4,018	3,098	3,293
Cash at bank and in hand		<u>4,553</u>	<u>4,540</u>	<u>5,251</u>	<u>5,220</u>
		8,467	8,584	8,423	8,539
Creditors: Amounts Falling Due Within One Year	9	<u>(6,484)</u>	<u>(6,152)</u>	<u>(6,547)</u>	<u>- (6,078)</u>
Net Current Assets		1,983	2,432	1,876	2,461
Total Assets Less Current Liabilities		<u>2,778</u>	<u>2,777</u>	<u>2,814</u>	<u>2,814</u>
Funds					
Restricted	16	863	863	791	791
Unrestricted - Designated	16	1,464	1,464	1,760	1,760
Unrestricted	16	451	451	263	263
		<u>2,778</u>	<u>2,778</u>	<u>2,814</u>	<u>2,814</u>

Approved for issue by the members of the board on 25th February 2021
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 2020

	Note	Year ended 31 March 2020		Year ended 31 March 2019	
		£'000	£'000	£'000	£'000
Net cash flows from operating activities	10		(733)		719
Cash flows from investing and financing activities	11		34		(7)
Net change in cash and cash equivalents in the period			<u>(699)</u>		<u>712</u>
Reconciliation of net cash flow to movement in net cash					
Increase / (Decrease) in cash in the period		<u>(699)</u>		<u>712</u>	
Movement in net cash in the period			(699)		712
Net cash and cash equivalents at 1 April 2019			5,251		4,539
Net cash and cash equivalents at 31 March 2020	12		<u>4,553</u>		<u>5,251</u>

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2020

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 financial statements are prepared on a going concern basis which assumes that the charitable group will continue in operational existence for the foreseeable future. The impact of the COVID-19 pandemic, which required all theatres to close from 16 March 2020, has been significant. During 2020 the charity was successful in securing funding from the Arts Council's Emergency Response Fund and the Department of Culture, Media and Sport's Cultural Recovery Fund, with grants of £1.5m and £2.975m respectively being received. This funding, together with amounts claimed under the Coronavirus Job Retention Scheme and support from individual and corporate donors and trusts and foundations, is expected to ensure that the charity will be in a breakeven position for the 2021/22 financial year, with reserves at least maintained at the March 2020 level.

Given the ongoing impact of the pandemic, Sadler's Wells took the opportunity offered in January 2021 to apply for a loan from the Cultural Recovery Fund in support of its artistic and engagement activities for the 2021/22 financial year. The charity expects to hear whether the loan application has been successful by the end of March 2021.

The Trustees have considered a number of scenarios for the 2021/22 financial year in light of the continued uncertainty as to when Sadler's Wells theatres may fully reopen. Should the Cultural Recovery Fund loan application be unsuccessful, the charity has an alternative financial plan in place, based on a reduced artistic programme, a greater focus on commercial income and further cost saving measures that show the organisation meeting its liabilities as they fall due.

Taking into account the expected level of unrestricted reserves at year end 2020/21, the potential for loan financing and the existence of an alternative financial plan for 2021/22 if further Government support is not forthcoming, the Trustees believe that Sadler's Wells will be able to meet its liabilities for the 12 month period from the date of these accounts and have consequently prepared the accounts on a going concern basis.

(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 2020 (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 properties are reviewed annually and held at fair value, based on the market value for the property which the Trustees consider to be reasonable. The investment properties are 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 2020 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 2020 (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 2020 £'000	Year ended 31 March 2019 £'000
Financial assets measured at fair value through profit or loss	650	201
Financial liabilities measured at fair value through profit or loss	-	-
Financial assets measured at amortised cost	2,381	2,493
Financial liabilities measured at amortised cost	2,350	2,195

(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 2020 (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 properties as undertaken by the Trustees.
- Depreciation rates on assets held and estimation of any impairment.
- Estimation of likely future recoupment of production costs and commissioning fees 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 on its charitable activities under the Corporation Tax Act 2010.

3. Support Costs

	Presentations	Theatre	Fundraising	Trading	Year ended 31 March 2020 Total £'000	Year ended 31 March 2019 Total £'000
	£'000	Overhead £'000	£'000	£'000		
Management	454	36	21	61	572	576
Administration	391	31	18	53	493	434
Finance	468	37	21	63	589	335
Governance	30	2	1	4	38	30
Human Resources	120	9	6	17	151	124
	<u>1,463</u>	<u>116</u>	<u>67</u>	<u>198</u>	<u>1,843</u>	<u>1,499</u>
Unrestricted resources expended before support costs	19,741	4,941	475	2,018		
Unrestricted resources expended	<u>21,204</u>	<u>5,057</u>	<u>542</u>	<u>2,216</u>		

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

4. Governance Costs

	Year ended 31 March 2020 Total £'000	Year ended 31 March 2019 Total £'000
Governance costs include the following payments to auditors:		
Audit	38	30
Tax	0	1
Other: non statutory audit	4	0
	<u>42</u>	<u>31</u>

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2020 (cont)

5. Staff Costs

Consolidated and charity

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Wages and salaries	7,961	7,138
Social security costs	702	647
Pension costs (note 15)	285	273
	<u>8,947</u>	<u>8,058</u>
Less: Staff costs charged to:		
Sadler's Wells Limited	(868)	(836)
	<u>8,079</u>	<u>7,222</u>

Staff costs increased in the year as a result of additional use of casual staff and additional staff supporting the production and touring activity. Termination payment costs included in the above totalled £99,388 (2019: £8,314).

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

	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
£190,001 - £200,000	1	1
£130,001 - £140,000	1	-
£110,001 - £120,000	-	2
£90,001 - £100,000	2	1
£80,001 - £90,000	1	1
£70,001 - £80,000	1	1
£60,001 - £70,000	3	2

During the year the company paid pension contributions of £54,848 (2019: £51,352) on behalf of these staff.

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

	Year ended 31 March 2020 Number	Year ended 31 March 2019 Number
Theatre and Front of House	77	93
Box office	15	21
Marketing	17	19
Technical	64	41
Administration	14	14
Development	8	9
Events	4	5
Catering	24	29
	<u>223</u>	<u>231</u>

The Trustees received no remuneration for the services they provided to the company. No expenses were reimbursed (2019: £nil). The Trustees donated £305,755 (2019: £738,275) 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, Executive Director, interim Finance Director, Director of Artistic Programme, Executive Producer, Technical Director, interim Marketing & Sales Director, Director of Development, Director of Learning and Engagement, Director of Data & Systems, Director of Content & Audience, Director of Visitor Experience. 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 restructuring cost, was £1,356,733 (2019: £ 1,060,413).

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2020 (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 2019	128	717	110	317	154	1,426
Additions	-	-	-	-	-	-
Transfer to investment property	-	(717)	-	-	-	(717)
At 31st March 2020	128	-	110	317	154	709
Depreciation						
At 1st April 2019	32	142	54	317	144	689
Charge for the period	2	-	5	-	10	17
Transfer to investment property	-	(142)	-	-	-	(142)
At 31st March 2020	34	-	59	317	154	564
Net book value						
At 31st March 2020	94	-	51	-	-	145
At 31st March 2019	96	575	56	-	10	737

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	128	-	110	255	46	539
Depreciation						
At 1st April 2018	32	-	54	255	46	387
Charge for the period	2	-	5	-	-	7
At 31st March 2019	34	-	59	255	46	394
Net book value						
At 31st March 2020	94	-	51	-	-	145
At 31st March 2019	96	-	56	-	-	152

Freehold Land and Buildings represents 369 St John Street

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2020 (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 2020 £'000	Year ended 31 March 2019 £'000
Profit and Loss Account		
Turnover	7,953	5,634
Cost of sales	(1,029)	(903)
Production expenses	(5,246)	(2,812)
Gross Profit	1,678	1,919
Administration expenses	(988)	(985)
Interest received	-	-
Taxation	493	230
Result for the financial year	1,183	1,164
Retained earnings brought forward	-	-
Charitable distribution to parent charity	(1,183)	(1,164)
Retained earnings carried forward	-	-
	31 March 2020 £'000	31 March 2019 £'000
The assets and liabilities of the subsidiary were:		
Fixed assets	450	583
Current assets	824	938
Creditors: amounts falling due within one year	(1,274)	(1,521)
Total net assets	0	0
Aggregate share capital and reserves	2	2

7 (b). Investment property

The investment property held by the charity is a house which was donated by the Dame Hilda Bracket Trust and 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. The investment property held by the trading subsidiary comprises the leasehold interest of the Shakespeare's Head Public House on Arlington Way, London. The fair value of the investment property of £450,000 has been arrived at on the basis of a valuation carried out as at 31 March 2020 by Fleurets Limited Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	31 March 2020 £'000	31 March 2019 £'000
Fair value		
At 1st April 2019	200	200
Transfers from tangible fixed assets	574	-
Net gains or losses through fair value adjustments	(124)	-
As at 31st March 2020	650	200

Sadler's Wells Trust
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2020 (cont)

7 (c). Listed Investments

Market Value	31 March 2020 £'000	31 March 2019 £'000
At 1st April 2019	-	1
Unrealised loss	-	-
As at 31st March 2020	<u>-</u>	<u>1</u>

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

8. Debtors

	31 March 2020		31 March 2019	
	Consolidated £'000	Charity £'000	Consolidated £'000	Charity £'000
Trade debtors	501	238	706	406
Amounts owed by related undertakings	2	939	-	1,053
Other debtors and prepayments	1,841	1,830	1,602	1,554
Corporation Tax Receivable	493	-	509	-
Accrued income	<u>1,012</u>	<u>1,012</u>	<u>281</u>	<u>281</u>
	<u>3,850</u>	<u>4,018</u>	<u>3,098</u>	<u>3,293</u>

9. Creditors: Amounts due within one year

	31 March 2020		31 March 2019	
	Consolidated £'000	Charity £'000	Consolidated £'000	Charity £'000
Trade creditors	489	472	473	407
Social security and other taxes	723	713	648	500
Accruals and deferred income	<u>5,273</u>	<u>4,968</u>	<u>5,425</u>	<u>5,173</u>
	<u>6,484</u>	<u>6,153</u>	<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 2020 £'000	Year ended 31 March 2019 £'000
Consolidated		
Net income / (expenditure) for the reporting period	(70)	(26)
Depreciation	17	44
Net gains or losses	124	-
(Increase) in stock	10	(35)
(Increase) / Decrease in debtors	(751)	(64)
(Decrease) / Increase in creditors	<u>(63)</u>	<u>800</u>
Net cash inflow / (outflow) from operating activities	<u>(733)</u>	<u>719</u>

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

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
(a) Cash flows from investing and financing activities		
Purchase of property, plant and equipment	-	-
Investment gain on liquid investments	34	(7)
	<u>34</u>	<u>(7)</u>

Sadler's Wells Trust
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For the year ended 31 March 2020 (cont)

12. Analysis of Net Cash

	Cash Flow £'000	1 April 2019 £'000	31 March 2020 £'000
Cash at bank and in hand and in immediately realisable investments	(699)	5,251	4,553

13. Liability of Members

The company is limited by guarantee and the liability of members is limited to £10 each. At 31 March 2020 there were 11 members (2019: 11 members).

14. Operating Lease Commitments

The charity has an annual rent commitment of £282,848 (2019: £276,000) in respect of the lease of Sadler's Wells Theatre, from Sadler's Wells Foundation, expiring between 2 - 5 years. Sadler's Wells Foundation granted a rental holiday to Sadler's Wells Trust from January 2020 to March 2021. The total payable to the end of the lease is £282,848 (2019: £850,356). The charity also has an annual rent commitment of £175,000 in respect of the Peacock Theatre from the London School of Economics, expiring 20 years from starting in 2019. The total payable to the end of the lease is £3,500,000.

15. Pension Commitments

Sadler's Wells Trust makes contributions to employees' private pension plans, the costs of which amounted to £284,536 during the year to 31 March 2020 (2019: £273,034). The pension creditor at the year end was £46,331 (2019: £38,062).

16. Net Movement in Funds

	At 1 April 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers/ Gains £'000	At 31 March 2020 £'000
Restricted Funds:					
The Shakespeare's Head Fund	526	-	-	(526)	-
National Youth Dance Fund	41	524	(482)	-	83
Dame Hilda Bracket Fund	183	-	(52)	-	131
What Next? Fund	41	116	(117)	-	41
Stratford Mobilisation	-	200	(108)	-	92
Breaking Out	-	300	(54)	-	246
Blavatnik Fund	-	270	-	-	270
	<u>792</u>	<u>1,410</u>	<u>(813)</u>	<u>(526)</u>	<u>863</u>
Unrestricted Funds:					
Designated Funds					
Creative Development Fund	1,102	165	(485)	-	782
369 St John Street Fund	98	-	(3)	-	95
Peacock Theatre Fund	50	-	-	-	50
Organisational Development Fund	230	-	(230)	-	-
Creative Learning Fund	280	-	(145)	-	135
The Shakespeare's Head Fund	-	-	(124)	526	402
	<u>1,760</u>	<u>165</u>	<u>(987)</u>	<u>526</u>	<u>1,464</u>
General Fund	263	28,680	(29,019)	527	451
	<u>2,815</u>	<u>30,255</u>	<u>(30,818)</u>	<u>527</u>	<u>2,778</u>

The restriction associated with the donation to the *Shakespeare's Head Fund* has been extinguished with the reclassification of the asset as an investment property and the balance transferred to designated funds. 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. The *Stratford Mobilisation* restricted fund is an Arts Council grant provided to fund preparation costs associated with the new venue in Stratford. The *Breakin' Out* restricted fund is an Arts Council grant provided for Breakin' Convention dance and engagement activity. The *Blavatnik fund* was reclassified at the balance sheet date as a restricted fund to reflect the donor wish that the donation be spent on a future performance by the New York ballet company.

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Notes to the Financial Statements
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16. Net Movement in Funds (cont)

The Trustees have designated a number of funds. The *Shakespeare's Head Fund* will provide for any future impairment on the leasehold of the Shakespeare's Head public house, held by Sadler's Wells Limited. The *Creative Development Fund* is to invest in future major commissions by Sadler's Wells - it was released back to general funds in July 2020 in response to the financial impact of the pandemic. The *369 St John Street Fund* is to cover future depreciation on that property and will be released over the lifetime of the asset. The *Peacock Theatre Fund* is to provide for future payments on the Peacock Theatre and is expected to be fully utilised once the venue is open again. The *Organisational Development Fund* is to build management capacity within the charity and was fully utilised in year. The *Creative Learning Fund* is to expand Sadler's Wells Creative Learning programme.

17. Analysis of Net Assets between Funds

	Fixed Assets £'000	Cash £'000	Other Net Liabilities £'000	Net Total Assets £'000
Unrestricted Funds				
Creative Development Fund	-	782	-	782
369 St John Street Fund	95	-	-	95
Peacock Theatre Fund	-	50	-	50
Creative Learning Fund	-	135	-	135
The Shakespeare's Head Fund	402	-	-	402
General Fund	98	2,989	(2,635)	451
	<u>595</u>	<u>3,956</u>	<u>(2,635)</u>	<u>1,915</u>
Restricted Funds				
National Youth Dance Fund	-	84	-	84
Dame Hilda Bracket Fund	200	-	(69)	131
What Next? Fund	-	41	-	41
Stratford Mobilisation	-	92	-	92
Breaking Out	-	246	-	246
Blavatnik fund	-	270	-	270
	<u>200</u>	<u>732</u>	<u>(69)</u>	<u>863</u>
Total Funds	<u>795</u>	<u>4,688</u>	<u>(2,704)</u>	<u>2,778</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 £212,136 (2019: £276,000) from Sadler's Wells Foundation Ltd.

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

A gift of £1,182,746 (2019: £1,163,998) was receivable from Sadler's Wells Limited, for the year, and £552,063 was due from (2019: £1,052,933) that company at the year end. During the year Sadler's Wells Trust charged Sadler's Wells Limited £867,973 (2019: £835,580) in respect of the services of 28 (2019: 34) employees of the company during the year.

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Notes to the Financial Statements
For the year ended 31 March 2020 (cont)

19. Capital Commitments

At 31 March 2020 Sadler's Wells Trust had no capital commitments committed but not yet contracted for (2019: None).

20. Comparative 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?	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	50	-	-	-	50
Provision for Depreciation	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>

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	-	1,102	-	1,102
369 St John Street Fund	98	-	-	98
Peacock Theatre Fund	-	50	-	50
Organisational Development Fund	-	230	-	230
Creative Learning Fund	-	280	-	280
General Fund	115	3,507	(3,358)	263
	<u>213</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>939</u>	<u>5,251</u>	<u>(3,375)</u>	<u>2,814</u>

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For the year ended 31 March 2020 (cont)

22. Comparative Fund and SOFA Balances

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

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Notes to the Financial Statements
For the year ended 31 March 2020 (cont)

23. Comparative Support Costs

	Presentations	Theatre	Fundraising	Trading	Year ended
	£'000	Overhead	£'000	£'000	31 March
		£'000			2019
					Total
					£'000
Management	430	39	23	84	576
Administration	323	30	18	63	434
Finance	249	23	14	49	335
Governance	22	2	1	4	30
Human Resources	92	8	6	19	124
	<u>1,116</u>	<u>103</u>	<u>62</u>	<u>219</u>	<u>1,499</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>	