

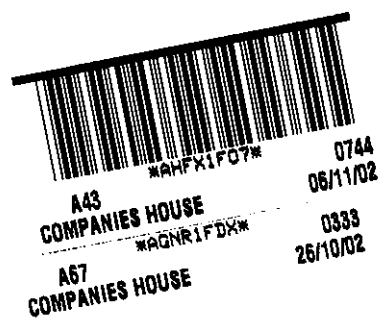
Company Number: 1488786

Registered Charity Number: 279884

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

**REPORT AND FINANCIAL STATEMENTS**

**31st MARCH 2002**



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

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

**Directors, Officers and Administrative Information**

**Directors**

Hugh Morris (Chairman)  
Frankie Airey  
Nica Burns  
Matt Cooper (Appointed 20th June 2001)  
Paul Cullington  
Ian Hay Davison (Appointed 19th June 2002)  
Ian Jentle (Re-appointed 20th February 2002)  
Harry MacAuslan (Retired 19th October 2001)  
Dr Maggie Semple OBE (Re-appointed 20th February 2002)  
Lady Solti

**Secretary and Chief Executive**

Ian Bronson Albery

**Auditors**

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

**Bankers**

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

**Solicitors**

Clifford Chance  
200 Aldersgate Street  
London EC1A 4JJ

**Registered Office**

Sadler's Wells Theatre  
Rosebery Avenue  
London  
EC1R 4TN

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

**Directors' Report**

The directors submit their report and the financial statements of Sadler's Wells Trust for the year ended 31st March 2002 which have been prepared in compliance with current statutory requirements and with the charity's governing document, its memorandum and articles of association.

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

**Objects**

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

**Review of Activities and Future Development**

Companies that were presented at Sadler's Wells this year included

Houston Ballet	(USA)
Birmingham Royal Ballet	(UK)
Dutch National Ballet	(Netherlands)
Opera North	(UK)
Chikamatsu-za Kabuki	(Japan)
Rambert Dance Company	(UK)
The English Concert	(UK)
Societas Raffaello Sanzio	(Italy)
Cirque Eloise	(Canada)
Welsh National Opera	(UK)
Mark Morris Dance Company	(USA)
Michael Clark Company	(UK)
Ballett Frankfurt	(Germany)
Royal Shakespeare Company	(UK)
Pina Bausch Tanztheater Wuppertal	(Germany)
La Cuadra de Seville	(Spain)
Random Dance Company	(UK)
Northern Ballet Theatre	(UK)

The Peacock Season included:

Tango por Dos	(Argentina)
Wadaiko Yamato Drummers	(Japan)
Les Ballet Trockadero de Monte Carlo	(USA)
Fist of Dragon	(Japan)
Doug Elkins Dance Company	(USA)
Birmingham Repertory Theatre - The Snowman	(UK)
Lindsey Kemp Company	(Italy)
Julio Bocca Ballet Argentino	(Argentina)
Russian State Cossack Song and Dance Ensemble	(Russia)

The company received seven of the eight nominations for dance in the Olivier Awards and won both categories with:

Mark Morris Dance Company	Outstanding Achievement in Dance
Sankai Juku	Best New Dance Production

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

**Directors' Report (Continued)**

The company welcomed back three major international companies for their second visit to the new Sadler's Wells:

- Mark Morris
- Ballett Frankfurt
- Pina Bausch

There were first time visits for Dutch National Ballet and Michael Clark.

The company welcomed Random Dance Company as our Resident Company and they performed their new work *Nemesis* to great audiences and critical acclaim.

Attendances

	<u>Paid attendances</u>	<u>Performances</u>
Dance	137,628	181
Opera	15,642	18
Children's theatre	159,017	177
Visual theatre	18,090	31
Showcase	6,091	31
	<hr/> 336,468 <hr/>	<hr/> 438 <hr/>

Visual Arts

Visual Art installations in the main foyer were:

Anne Katrine Dolven	Norwegian video artist
Byam Shaw School of Art	<i>Archway to Angel</i>
Dalziel & Scullion (Scotland)	<i>Meltwater</i> , (Photographic images)

As part of the Year of the Artist initiative, London Arts supplied funding for Sadler's Wells to host its first visual artist in residence, Elizabeth LeMoine. She worked at the theatre for three months and produced work for her later exhibition *That Shadow Of Yours Must Be Such a Comfort To You*.

Community & Education work

The year contained the following activity:

	<u>Sessions</u>	<u>Participants</u>
Talking Dance	13	1,291
Writing Dance	16	100
Teacher Training	34	720
Dance Workshops	145	3,195
Islington Dance Festival	41	4,700
Lilian Baylis over 60's dance	44	1,050
Lilian Baylis Arts Club	37	500
Deaf Dance School	10	520
Schools Outreach	15	425
Circus Skills workshops	2	60
	<hr/> 357 <hr/>	<hr/> 12,561 <hr/>

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

**Directors' Report (Continued)**

**Risk Management**

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

The company undertakes a continual risk assessment strategy, reviewing and updating systems and controls as necessary. The Directors believe all the major risks to which the company is exposed have been identified, in particular those relating to the operations and finances of the company and systems are in place to mitigate exposure to the major risks.

**Reserves Policy**

The company requires sufficient reserves to be able to contract a year to 18 months in advance and its policy is to build up unrestricted reserves to a level of between 5-10% of its annual turnover, through trading over a medium-term period.

The Directors only sanction budgets that forecast profitable trading in order to fulfil the Reserves Policy and this policy is reviewed on an annual basis.

**Accounts**

The directors report a surplus of £163,000 for the year.

Gifts and sponsorship from a wide range of organisations made a significant contribution to the theatre and these are listed in note 3 to the financial statements. The theatre wishes to thank all those who have made such a major and generous contribution to the success of the theatre this year.

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

**Directors**

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

Hugh Morris (Chairman)	
Frankie Airey	
Nica Burns	
Matt Cooper	(Appointed 19th June 2001)
Paul Cullington (Treasurer)	
Ian Hay Davison	(Retired 19th May 2001)
Ian Jentle	(Re-appointed February 2002)
Harry MacAuslan	(Retired 19th October 2001)
Dr Maggie Semple OBE	(Re-appointed February 2002)
Lady Solti	

The directors are appointed by the Governors of the Sadler's Wells Foundation.

Hugh Morris, Lady Solti, Maggie Semple and Ian Jentle each held one share in the Trust at the year end.

**Connected Charities**

The 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)**

**Directors' Report (Continued)**

**Taxation Status**

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

**Auditors**

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

A handwritten signature in dark ink, appearing to read 'Hugh Morris', is written over a large, faint circular watermark or stamp.

By Order of the Board

HUGH MORRIS

Chairman

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

**Statement of Directors' Responsibilities**

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

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

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



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

We have audited the financial statements of Sadler's Wells Trust for the year ended 31st March 2002 which comprise as the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out there in.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the charitable company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company and other members of the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

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

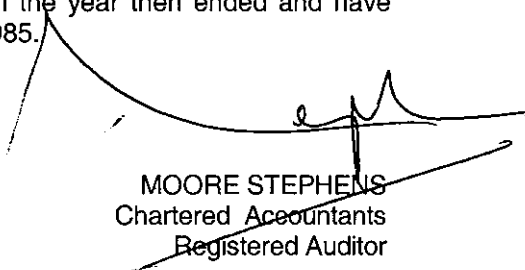
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs and of the group as at 31st March 2002 and the group's incoming resources and application of resources including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

*24. October 2002*

  
MOORE STEPHENS  
Chartered Accountants  
Registered Auditor

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

**Consolidated Statement of Financial Activities**  
**For the year ended 31st March 2002**

	<u>Note</u>	<u>General Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2002</u>	<u>Total Funds 2001</u>
		£'000	£'000	£'000	£'000
<b>Incoming Resources</b>					
Trading income		838	-	838	863
Income from presentations		8,610	-	8,610	7,101
ACE Grant	1(c)	-	3,917	3,917	-
Other grants	3	969	31	1,000	1,130
Donations	3	534	-	534	165
Sponsorship income	3	-	198	198	225
Investment income - receivable		89	-	89	72
Other income		262	-	262	101
<b>Total Incoming Resources</b>		<u>11,302</u>	<u>4,146</u>	<u>15,448</u>	<u>9,657</u>
<b>Resources Expended</b>					
Trading expenditure		568	-	568	508
Donations	1(c)	-	3,816	3,816	-
Direct charitable expenditure	2				
Expenditure on presentations		8,151	198	8,349	7,159
Theatre overhead		2,064	51	2,115	1,685
Fundraising and publicity costs		235	-	235	182
Management and administration		202	-	202	203
<b>Total Resources Expended</b>		<u>11,220</u>	<u>4,065</u>	<u>15,285</u>	<u>9,737</u>
<b>Net Incoming Resources for the Year</b>		82	81	163	(80)
Balances brought forward at 31st March 2001		<u>71</u>	<u>15</u>	<u>86</u>	<u>166</u>
<b>Balances carried forward at 31st March 2002</b>	£	<u>153</u>	£ <u>96</u>	£ <u>249</u>	£ <u>86</u>

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

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

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

**Statement of Financial Activities**  
**For the year ended 31st March 2002**

	<u>Note</u>	<u>General Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2002</u>	<u>Total Funds 2001</u>
		£'000	£'000	£'000	£'000
<b>Incoming Resources</b>					
Income from presentations		8,610	-	8,610	7,101
Gifted income		270	-	270	355
Grants	3	969	31	1,000	1,130
ACE Grant	1(c)	-	3,917	3,917	-
Donations	3	534	-	534	165
Sponsorship income	3	-	198	198	225
Investment income - receivable		89	-	89	72
Other income		262	-	262	101
<b>Total Incoming Resources</b>		<u>10,734</u>	<u>4,146</u>	<u>14,880</u>	<u>9,149</u>
<b>Resources Expended</b>					
Donations	1(c)	-	3,816	3,816	-
Direct charitable expenditure	2				
Expenditure on presentations		8,151	198	8,349	7,159
Theatre overhead		2,064	51	2,115	1,685
Fundraising and publicity costs		235	-	235	182
Management and administration		202	-	202	203
<b>Total Resources Expended</b>		<u>10,652</u>	<u>4,065</u>	<u>14,717</u>	<u>9,229</u>
<b>Net Incoming Resources for the Year</b>		82	81	163	(80)
Balances brought forward at 31st March 2001		<u>71</u>	<u>15</u>	<u>86</u>	<u>166</u>
<b>Balances carried forward at 31st March 2002</b>		<u>£ 153</u>	<u>£ 96</u>	<u>£ 249</u>	<u>£ 86</u>

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

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

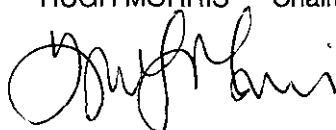
**Sadler's Wells Trust**  
(Limited by Guarantee)

**Balance Sheet - 31st March 2002**

	Note	2002		As Restated 2001	
		Consolidated	Charity	Consolidated	Charity
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Investment	7	-	-		
Tangible assets	6	193	193	359	359
		<u>193</u>	<u>193</u>	<u>359</u>	<u>359</u>
<b>Current Assets</b>					
Stocks	8	18	18	11	11
Debtors	9	1,895	1,895	500	500
Cash at bank and in hand	13	1,509	1,509	1,292	1,292
		<u>3,422</u>	<u>3,422</u>	<u>1,803</u>	<u>1,803</u>
Creditors, amounts falling due within one year	10	(3,366)	(3,366)	(2,076)	(2,076)
Net Current Assets/ (Liabilities)		<u>56</u>	<u>56</u>	<u>(273)</u>	<u>(273)</u>
Total Assets Less Current Liabilities		<u>£ 249</u>	<u>£ 249</u>	<u>£ 86</u>	<u>£ 86</u>
<b>Funds</b>					
Restricted	17	96	96	15	15
General	17	<u>153</u>	<u>153</u>	<u>71</u>	<u>71</u>
Total Funds		<u>£ 249</u>	<u>£ 249</u>	<u>£ 86</u>	<u>£ 86</u>

These financial statements were approved by the Board on 15/10/2002

HUGH MORRIS Chairman



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

**Cash Flow Statement**  
**For the year ended 31st March 2002**

	<u>Note</u>	<u>2002</u> £'000	<u>As restated</u> <u>2001</u> £'000
Net cash inflow from trading Activities	11	-	694
Returns on investments and servicing of finance	12a	89	72
Capital expenditure	12b	128	(344)
Increase in cash in the year		£ 217	£ 422

**Reconciliation of Net Cash Flow to Movement in Net Cash**

Increase in cash in the year	217	232
Cash inflow from decrease in debt	-	190
Movement in net cash in the year	217	422
Net cash at 1st April 2001	1,292	870
Net cash at 31st March 2002	13      £ 1,509	£ 1,292

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

**Notes to the Financial Statements  
For the year ended 31st March 2002**

**1. Accounting Policies**

**(a) Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with all applicable Accounting Standards and follow the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities issued by the Charity Commission for England and Wales as revised in 2000.

**(b) Income from presentations**

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

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

(i) Revenue grants are credited to the Statement of Financial Activities in the period in which they fall due unless they relate to specified future or prior periods, in which case they are deferred or accrued respectively. Included in Incoming Resources for 2002 is a Grant from the Arts Council of England which has been passed on to New Sadler's Wells Limited and Sadler's Wells Foundation.

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

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

**(d) Expenditure allocation**

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

**(e) Tangible fixed assets**

Fixed assets are stated at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life. Purchased assets have been depreciated at the following straight line rates:

Computers	33.3%
Fixtures & fittings	33.3%
Equipment	10 to 20%

**(f) Pension costs**

The company payments in respect of defined contribution schemes are charged to the Statement of Financial Activities as incurred.

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

**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**1. Accounting Policies (Continued)**

(g) Stocks

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

(h) Foreign currencies

Foreign currency balances at 31st March 2002 have been translated into sterling at the rate ruling at that date.

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

(i) The net assets of Sadler's Wells Limited have been consolidated in the balance sheet of Sadler's Wells Trust. The results for the trading subsidiary are consolidated on a line by line basis.

(j) Restated balance sheet

The year end 31st March 2001 balance sheet has been restated to be consistent with year ended 31st March 2002 as set out in note 13.

**2. Total Direct Charitable Expenditure**

Consolidated

	Presentation Expenses £'000	Theatre Overhead £'000	Fundraising and Publicity £'000	Management and Administration £'000	2002 Total £'000	2001 Total £'000
Staff costs	1,135	1,353	132	100	2,720	2,475
Premises costs	286	538	-	-	824	861
Depreciation	-	55	-	-	55	47
Profit on disposal	-	(17)	-	-	(17)	-
Audit	-	21	-	-	21	21
Expenditure on behalf of New Sadlers Wells Ltd	-	-	-	-	-	(160)
Other costs	6,928	165	103	102	7,298	5,985
	<u>£ 8,349</u>	<u>£ 2,115</u>	<u>£ 235</u>	<u>£ 202</u>	<u>£ 10,901</u>	<u>£ 9,229</u>

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

**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**3. Grants, Donations and Sponsorship**

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

(a) Grants	<u>2001/02</u>	<u>2000/01</u>	<u>Purpose</u>
London Borough Grants Unit	69,700	69,700	Contribution towards the running costs of Sadler's Wells Trust
London Arts Board	900,000	900,000	Contribution towards the running costs of Sadler's Wells Trust
London Borough of Islington	30,645	35,534	The salaries of the Community and Education manager and the Community and Education officer (part-time)
Sadler's Wells Foundation	187,500	125,000	Contribution towards running costs of Sadler's Wells Trust

Sadler's Wells Development Trust donated £262,949 (2001: £45,000) to Sadler's Wells Trust. This amount included donations from the following major donors:

Foundations and Trusts	City Parochial Foundation Earl and Countess of Wessex Trust Foundation for Sport and the Arts The Golden Bottle Trust J M Kaplan Foundation J Paul Getty Jr Charitable Trust The 29th May 1961 Charitable Trust Quercus Trust
Corporate	British Land Company Plc Capital One Criterion Ices Deutsche Bank Linklaters Oppenhof & Radler Mellon Financial Corporation Nabarro Nathanson Royal Bank of Scotland West LB
Individuals	Nikolai and Patricia Ahrens Mr & Mrs William Bollinger David & Julia Cade Geoffrey A Collens Paul Cullington Mr & Mrs Ian Hay Davison Tony Elliot, Time Out



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

**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**3. Grants, Donations and Sponsorship**

Individuals (Continued)

Mrs Laura Eskenazi  
Lord Gavron  
Jenny Hall  
Richard Karl Goeltz  
Donald Gordon  
Birgid Hanson  
Pamela, Lady Harlech  
Rick & Janeen Haythornthwaite  
David H.S. Hobbs  
Kate & Geoff Howles  
George & Angie Loudon  
Wilma Mae  
Danny & Kristy Melita  
Hugh Morris  
Frank & Helen Neale  
Jean Sainsbury  
Allen L. Thomas  
David & Hannele Tilles  
The Ulrich Family

**4. Staff and Directors**

Consolidated and charity

	<u>2002</u>	<u>2001</u>
	£'000	£'000
Wages and salaries	2,524	2,241
Social security costs	227	249
Pension costs (note 20)	61	55
	<u>2,812</u>	<u>2,545</u>
Less: Staff costs charged to:		
Sadler's Wells Limited	<u>(92)</u>	<u>(70)</u>
	<u>2,720</u>	<u>2,475</u>
Employee remuneration fell in the following bands:		
	<u>Number</u>	<u>Number</u>
£140,000 - £150,000	1	-
£70,000 - £80,000	-	1

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

**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**4. Staff and Directors (Continued)**

**Average Number of Persons Employed**

	<u>2002</u> Number	<u>2001</u> Number
Theatre and Front of House	36	34
Box office	11	16
Marketing	12	8
Technical	10	11
Administration	14	12
Development	5	5
Events	4	3
	<hr/> £ 92	<hr/> £ 89

At the year end there were 8 non-executive directors. None of the directors received any remuneration (2001 - £Nil) nor were any payments made to any organisation associated with any director save on an arms length commercial basis.

Reimbursement of directors' travelling expenses amounting to £Nil (2001: £Nil) was made during the year.

**5. Taxation**

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

**6. Tangible Fixed Assets**

Consolidated and charity

	<u>Computers</u> £'000	<u>Fixtures and Fittings</u> £'000	<u>Equipment</u> £'000	<u>Total</u> £'000
<b>Cost</b>				
At 1st April 2001	205	205	344	754
Additions	23	3	139	165
Disposals	-	-	(293)	(293)
	<hr/> 228	<hr/> 208	<hr/> 190	<hr/> 626
<b>Depreciation</b>				
At 1st April 2001	159	205	31	395
Disposal	-	-	(17)	(17)
Charge for the year	14	3	38	55
	<hr/> 173	<hr/> 208	<hr/> 52	<hr/> 433
<b>Net book value</b>				
At 31st March 2002	£ 55	£ -	£ 138	£ 193
	<hr/> £ 46	<hr/> £ -	<hr/> £ 313	<hr/> £ 359
At 31st March 2001	£ 46	£ -	£ 313	£ 359

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

**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**7. Investment**

The company owns both £1 shares in Sadler's Wells Limited. The turnover of Sadler's Wells Limited for the year was £837,833 and its net income of £269,632 was donated to Sadler's Wells Trust Limited.

**8. Stocks**

	<u>2002</u> £'000	<u>2001</u> £'000
Goods for resale	18	11

**9. Debtors**

	<u>2002</u>		<u>2001</u>	
	<u>Consolidated</u>	<u>Charity</u>	<u>Consolidated</u>	<u>Charity</u>
	£'000	£'000	£'000	£'000
Trade debtors	338	215	489	415
Amounts owed by related undertakings	90	213	-	74
Other debtors and prepayments	108	108	11	11
Grant receivable	1,359	1,359	-	-
	<u>£ 1,895</u>	<u>£ 1,895</u>	<u>£ 500</u>	<u>£ 500</u>

Grant receivable relates to a grant from the Arts Council which has been agreed but not paid to the company.

**10. Creditors, amounts due within one year**

	<u>2002</u>		<u>2001</u>	
	<u>Consolidated</u>	<u>Charity</u>	<u>Consolidated</u>	<u>Charity</u>
	£'000	£'000	£'000	£'000
Trade creditors	774	774	655	655
Amount owed to related undertakings	62	62	17	17
VAT, PAYE and National Insurance Contributions	71	71	157	157
Other creditor and accruals	1,100	1,100	1,247	1,247
Grant payable	1,359	1,359	-	-
	<u>£ 3,366</u>	<u>£ 3,366</u>	<u>£ 2,076</u>	<u>£ 2,076</u>

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

**Notes to the Financial Statements  
For the year ended 31st March 2002 (Continued)**

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

Consolidated and charity

	<u>2002</u> £'000	As restated <u>2001</u> £'000
Net incoming resources from trading activities	74	(152)
Depreciation	55	48
Increase in stocks	(7)	(2)
(Increase)/decrease in debtors	(1,395)	396
Increase in creditors	1,290	404
Profit on disposal	(17)	-
Net cash inflow from trading activities	£ -	£ 694

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

(a) Return on Investment

	<u>2002</u> £'000	<u>2001</u> £'000
Interest received	£ 89	£ 72

(b) Capital Expenditure

Purchase of tangible fixed assets	(165)	(344)
Disposal of assets	293	-
Net cash outflow from capital expenditure and financial investments	£ 128	£ (344)

**13. Analysis of Net Cash**

	<u>Cash Flow</u> £'000	Restated 1st April <u>2001</u> £'000	31st March <u>2002</u> £'000
Cash at bank and in hand	£ 217	£ 1,292	£ 1,509

Advanced bookings received are considered by the directors and the bank to be ring-fenced from creditors of the company. The comparative balance sheet has been restated to exclude advance bookings in cash at bank and creditors. Advanced bookings received at the year ended 31st March 2002 are £513,013 (2001: £477,000).

Cash received for bookings in advance are placed in a trust account with the bank. The directors consider that this account does not form part of the company's assets. When the performance to which the bookings relate has taken place, the cash is then transferred to the company's own account.

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

**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**14. Liability of Members**

The company is limited by guarantee and the liability of members is limited to £10 each. At 31st March 2002 there were 24 members. No dividend rights attach to the shares of the company.

**15. Operating Lease Commitment**

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

**16. Contingent Liability**

The assets of the company are subject to a floating charge on present and future assets of the Trust in respect of grants received from the Arts Council of England amounting to £3,916,380.

The assets of the company are also subject to cross guarantees in respect of grants to New Sadler's Wells. At 31st March 2002 the liabilities in respect of this balance amounted to £45,906,380.

**17. Net Movement in Funds**

	At 1st April 2001 £'000	Incoming Resources £'000	Resources Expended £'000	At 31st March 2002 £'000
Restricted Funds:				
Telecommunications equipment	15	-	-	15
Sponsorship of productions	-	198	(198)	-
Grants and donations	-	3,948	(3,867)	81
	<u>15</u>	<u>4,146</u>	<u>(4,065)</u>	<u>96</u>
Unrestricted Funds:				
General fund	71	10,734	(10,652)	153
	<u>£ 86</u>	<u>£ 14,880</u>	<u>£ (14,717)</u>	<u>£ 249</u>

**18. Connected Charities**

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

Sadler's Wells Foundation provides a majority of the guaranteeing members for New Sadler's Wells, Sadler's Wells Development Trust, and Sadler's Wells Trust and therefore has ultimate responsibility for the appointment of directors of the three companies. The three entities are believed to be independent of each other.

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

**Notes to the Financial Statements  
For the year ended 31st March 2002 (Continued)**

**18. Connected Charities (Continued)**

Sadler's Wells Foundation owns freehold and leasehold properties. New Sadler's Wells, holds the group's leasehold improvements. Sadler's Wells Development Trust is responsible for the raising and administration of appeal funds in support of the Sadler's Wells group. Sadler's Wells Trust is a company whose principal activity is to encourage the understanding and appreciation of the performing arts. Sadler's Wells Limited is a wholly owned subsidiary of Sadler's Wells Trust which trades on behalf of the charity.

During the year Sadler's Wells Trust incurred a rent charge of £250,000 from New Sadler's Wells. The company received a donation of £269,632 from Sadler's Wells Development Trust and a grant of £187,500 from Sadler's Wells Foundation. The company received a third party grant of £3,917,000 under the conditions of which it settled certain outstanding liabilities of New Sadler's Wells.

A gift of £269,632 was received from Sadler's Wells Limited, during the year, a debtor of £123,030 being due from that company at the year end. At the year end a debtor of £89,614 was due from Sadler's Wells Development Trust and a creditor of £62,500 was owed to Sadler's Wells Foundation.

The company gave a donation of £3,793,947 to New Sadler's Wells (charity number 105713) which included £293,087 of fixed assets. The company also waived the payment of £239,717 debt owed by New Sadler's Wells which had been provided for in year ended 31st March 2000 accounts. The company gave a donation of £21,678 to Sadler's Wells Foundation (charity number 207276) for improvements on 28 Arlington Way.

**19. Directors and Officers Liability Insurance**

The premium of £5,000 was paid by Sadler's Wells Trust during the year (2001: £5,000).

**20. Pension Commitments**

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

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

With effect from 29th March 1999 the trustees have commenced the winding up of the defined benefit pension scheme. It is anticipated that this will have been completed by 31st December 2002.

This has been replaced with individual contributions to employees' private pension plans, the costs of which amounted to £60,591 during the year ended 31st March 2002 (2001 - £55,276).