

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 2021

Sadler's Wells Trust Limited

(Limited by Guarantee)

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Sadler's Wells Trust Limited
(Limited by Guarantee)
Trustees, Officers and Administrative Information

Trustees

Nigel Higgins (Chairman)
Maria Albonico
Nicholas Basden
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

(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 Limited for the year ended 31 March 2021 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 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.

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 organisation 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 were 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 could 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.

With a high dependency on earned income Sadler's Wells had to mobilise quickly and apply for emergency funding. We were awarded a £1.5m grant from Arts Council England's Emergency Response Fund to support the organisation through to September 2020, followed by a further grant of £2.9m and a loan of £4.25m from the Department for Culture, Media and Sport's Cultural Recovery Fund to support us through the recovery period.

During the autumn of 2020 a limited number of socially distanced shows took place and we sought to maintain engagement with audiences, donors, artists, companies, participants and specialist freelancers; all key relationships for the future of the organisation.

Sadler's Wells embraced digital opportunities with an increase in activity on Digital Stage, launched during the year. We shared through our digital platforms and partnerships 11 full length dance works, 5 dance documentaries, 25 dance workshops, 4 screendance films, 4 insight events with choreographers along with an online gala. This programme was seen by more than 5 million people globally and provided work and income to hundreds of artists and freelancers.

We have implemented significant cost reductions and efficiency savings over the last year. In common with many other organisations in the sector part of these savings included having to say goodbye to long standing colleagues with a redundancy programme taking place over the summer of 2020. This sadly resulted in 18% of permanent and

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fixed term contract staff being made redundant and a further 9% laid off or placed on short term working. Temporary pay cuts were implemented in 2020/21 for all but the lowest paid and pay restraint will continue into 2021/22.

Home working arrangements were embraced by those able to do so and the company took advantage of the governments job retention scheme with 90% of colleagues furloughed at one point.

Property costs have also been reduced as going forward we see less need for office accommodation. The decision was taken for 369 St John's Street to become an investment property, releasing approximately £1m to reserves and providing a rental income. A rent holiday of £183k for 2020/21 has been requested from the London School of Economics relating to the Peacock Theatre but this continues to be resisted.

Following a halt 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 organisation will grow in scale and will have the resources to deepen support for dance and dance artists.

Learning & Engagement

Our learning and engagement programmes offered high quality participation opportunities to people of all ages and abilities. From the National Youth Dance Company to the internationally acclaimed Company of Elders, Breakin' Convention's Higher Learning and Open Art Surgery. These were mainly delivered digitally with in person opportunities offered when covid restrictions have allowed.

Plans for 2021 - 22

Sadler's Wells opened its doors again on 17th May 2021 with a rich and diverse programme planned for 2021/22. It is important that in these times we maintain a diverse programme and do not simply programme those companies who can afford some financial loss. Much of the programme is work which has been rescheduled from 2021/21, including performances from English National Ballet, Northern Ballet, Rambert, Breakin' Convention and Alexander Whitley. In August 2021, we had the rescheduled run of *Singing in the Rain* which was our first show planned back at full capacity.

Financial Review

Total income for the year ending 31st March 2021 was £15.6m, compared to £32.4m in the prior year. £3.2m was received in voluntary donations from a range of individuals, Trusts and Foundations and corporate bodies. £7.7m was received from the Arts Council including the National Portfolio Organisation grant of £2.5m, Emergency Response Fund grant of £1.5m and the Cultural Recovery Fund grant of £2.97m. £3.6m was received from the Coronavirus Job Retention Scheme for furloughed staff.

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 £3.5m, made up of an unrestricted funds surplus of £2.38m (after accounting for theatre tax relief of £7k), a deficit on designated funds of £0.54m and a surplus on restricted funds of £1.70m. As a result, we ended the year with total reserves of £6.3m.

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 £164k for 2020/21 (2019/20: £1.2m) to Sadler's Wells Trust Limited. The level of trading was severely affected by the fact that the theatre was closed for a large part of the year under review.

Fundraising

A key focus this year was to steward supporters who stayed with us through the Covid-19 pandemic. Through events, personalised communications and new ways of working such as an online Global Gala, we were able to sustain

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Trustees' Report

generous giving. We continued to secure gifts and pledges towards key activities, including major contributions to our Digital Stage as well as the Re-launch Fund, set up specifically to help us reopen. Fundraising costs represented 13% 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 and have received no complaint in the year review.

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.

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 the Trustees have identified the principal risks as uncertainty over the ending of lockdown and social distancing roadmap, failure to meet ticket sales and fundraising targets, failure of Sadler's Wells' own productions to recoup costs leading to loss of profit, disruption to business from cyber attacks and Sadler's Wells Foundation Limited resources being unequal to the capital repairs programme for the Sadler's Wells theatre.

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). Staff will return to the office as restrictions allow.

Looking forward, Sadler's Wells continues to face a heightened level of financial risk, due to the continued uncertainty around the potential for new restrictions 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. Cash is held on deposit with AAA rated UK banks.

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 prior year, £1.5m was held with Ruffer LLP in the Ruffer Absolute Return Fund. This investment was liquidated in May 2020 (with an investment gain of £79k) and the funds retained as cash. No funds are currently held on investment.

Equality and Employment

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Sadler's Wells does not discriminate on the basis of age, gender, 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 does 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.

A particular focus this year has been on how we become an actively anti-racist organisation. This has been the subject of wide engagement with colleagues, artists and trustees.

Key Management Personnel

The charity considers its key management personnel to be the Senior Management Team comprising: the Artistic Director and Chief Executive, Executive Director, Director of Finance and Business Performance, Director of Programme Management, 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 Communications, Director of Catering and Events 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 £964,546 (2020: £1,356,733). The number of roles included in the Senior Management Team has increased to 13 this year (from 12 last year). The salaries are fair and affordable, and benchmarked against similar arts organisations. Early in the financial year, all members of Senior Management Team 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 2021/22 financial year and consideration of financial forecasts through to March 2023.

During 2020 the charity was successful in securing grants from the Arts Council's England'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.

Given the ongoing impact of the pandemic, in early 2021 Sadler's Wells applied for and received a loan from the Cultural Recovery Fund of £4.25m in March 2021. As a result of this and the projected programme of activity for the coming year, 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 recognises 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:

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- 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.

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 2021 were £2,829k (2020: £451k).

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 Trustees' 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 organisation.

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 grants awarded to Sadler's Wells by Arts Council England's Emergency Response Fund and the Department for Culture Media and Sport's Cultural Recovery Fund supported an increment in general reserves of £600k. The Trustees also agreed to convert 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 increased general funds by £0.9m.

Trustees

The Trustees who served from 1st April 2020 to the date of signing the accounts were:

Nigel Higgins (Chairman)
Maria Albonico (appointed 30th June 2020)
Nicholas Basden (appointed 22nd April 2021)
Humphrey Battcock
James Bethell (resigned 30th June 2020)
Melissa Bethell (appointed 21st September 2020)
Sue Butcher
Sarah Evans
Farah Golant
David Lan
Tim Marlow (resigned 30th June 2020)
David Ripert
Matthew Slotover (appointed 21st September 2020)
Melanie Smith
Sanoke Viswanathan (resigned 21st September 2020)
Sharon White

The Trustees are appointed for a term of 3 years, which is often extended to a second or third. 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.

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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 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 six times during the year and has sub committees including the Finance, Audit and Risk Committee, the Development Council and Stratford Delivery Committee. The Board spends half a day each year debating and reviewing long term strategy with senior members of staff.

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Statement of Trustees' Responsibilities

The Trustees (who are also directors of Sadler's Wells Trust Limited 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.

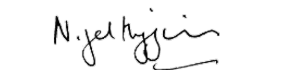
Connected Charities

Sadler's Wells Trust Limited is connected to other charities, details of these charities are given in note 21 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 21st September 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
(LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of Sadler's Wells Trust Limited for the year ended 31 March 2021 which comprise Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SADLER'S WELLS TRUST LIMITED
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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.

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 have 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SADLER'S WELLS TRUST LIMITED
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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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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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.

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.

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

Date:

Devonshire House
60 Goswell Road
London
EC1M 7AD

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Consolidated Statement of Financial Activities
For the year ended 31 March 2021

		Unrestricted Funds Year ended 31 March 2021 £'000	Designated Funds Year ended 31 March 2021 £'000	Restricted Funds Year ended 31 March 2021 £'000	Total Funds Year ended 31 March 2021 £'000	Total Funds Year ended 31 March 2020 £'000 As Restated
	Note					
Income						
Donations and legacies						
Sponsorship and donations		1,535	26	1,602	3,163	2,299
Arts Council and other government funding	2	10,790	-	486	11,276	3,406
Charitable Activities: Theatre presentations		770	-	-	770	22,950
Other trading activities		218	-	-	218	3,200
Other income		63	-	60	123	518
Total Income		13,376	26	2,148	15,550	32,373
Expenditure						
Charitable activity: theatre presentations						
Expenditure on presentations	3	6,701		343	7,044	24,164
Theatre overheads	3	4,503		109	4,612	5,872
Raising Funds						
Fundraising costs	3	406	-	-	406	562
Trading costs	3	941	-	-	941	2,216
Total Expenditure		12,551	-	452	13,003	32,813
Net Income / (Expenditure) before Investment (Loss) / Gain		825	26	1,696	2,547	(440)
Net Investment (Loss) / Gain		79	-	-	79	34
Net Income / (Expenditure)		904	26	1,696	2,626	(406)
Other Recognised Gains and Losses		7	905	-	912	369
Gross Transfer Between Funds	19	1,467	(1,467)	-	-	-
Net Movement in Funds		2,378	(536)	1,696	3,538	(36)
Net funds at 1 April 2020		451	1,464	863	2,778	2,814
Net Funds at 31 March 2021		2,829	928	2,559	6,316	2,778

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.

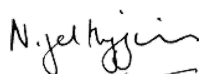
Sadler's Wells Trust Limited (Limited by Guarantee)

Balance Sheets at 31 March 2021

		2021 Consolidated	2021 Charity	2020 Consolidated	2020 Charity
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	6	122	122	145	145
Investment Property	7(b)	1,650	1,200	650	200
		<u>1,772</u>	<u>1,322</u>	<u>795</u>	<u>345</u>
Current Assets					
Stock for resale		50	28	64	26
Debtors	8	1,542	2,321	3,850	4,018
Cash at bank and in hand		11,745	11,292	4,553	4,540
		<u>13,337</u>	<u>13,641</u>	<u>8,467</u>	<u>8,584</u>
Creditors: Amounts Falling Due Within One Year	9	<u>(4,543)</u>	<u>(4,397)</u>	<u>(6,484)</u>	<u>(6,152)</u>
Net Current Assets		8,794	9,244	1,983	2,432
Creditors: Amounts falling due after more than one year	10	(4,250)	(4,250)	-	-
Total Assets Less Current Liabilities		<u>6,316</u>	<u>6,316</u>	<u>2,778</u>	<u>2,777</u>
Funds					
Restricted	18	2,559	2,559	863	863
Unrestricted - Designated	18	928	928	1,464	1,464
Unrestricted	18	2,829	2,829	451	451
		<u>6,316</u>	<u>6,316</u>	<u>2,778</u>	<u>2,778</u>

As permitted by s408 Companies Act 2006, the Charity has not presented its own Statement of Financial Activities and related notes. The Charity surplus for the year was 3,538,000 (2020:36,000 deficit)

Approved for issue by the members of the board on 21st September 2021
and signed on their behalf by:



Nigel Higgins
Chairman

Company number 1488786

Sadler's Wells Trust Limited
(Limited by Guarantee)
Consolidated Statement of Cash Flows
For the year ended 31 March 2021

		Year ended 31 March 2021		Year ended 31 March 2020	
	Note	£'000	£'000	£'000	£'000
Net cash flows from operating activities	12		2,940		(733)
Cash flows from investing and financing activities	13		4,252		34
Net change in cash and cash equivalents in the year			<u>7,192</u>		<u>(699)</u>
Reconciliation of net cash flow to movement in net cash					
Increase / (Decrease) in cash in the year			<u>7,192</u>		<u>(699)</u>
Movement in net cash in the year			7,192		(699)
Net cash and cash equivalents at 1 April 2020			4,553		5,251
Net cash and cash equivalents at 31 March 2021	14		<u>11,745</u>		<u>4,553</u>

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021

1 Accounting Policies

(a) Basis of accounting

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

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

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

(b) Going Concern

The Trustees 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 2021/22 financial year and consideration of financial forecasts through to March 2023.

Given the ongoing impact of the pandemic, in early 2021 Sadler's Wells applied for and received a loan from the Cultural Recovery Fund of £4.25m in March 2021. As a result of this and the projected programme of activity for the coming year, 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. The prior year total income from presentations has been restated to include the effect of irrecoverable VAT which had previously been offset against associated costs.

(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
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (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 2021 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
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (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

(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.

(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.

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

(q) 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.

2. Exceptional Income

During 2020 the charity was successful in securing grants from the Arts Council's England'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 as part of the Government response to the COVID-19 pandemic. In view of the significance of the amounts received, this has been disclosed as Exceptional Income.

3. Support Costs

	Presentations	Theatre	Fundraising	Trading	Year ended	Year ended
	£'000	Overhead	£'000	£'000	31 March	31 March
		£'000			2021	2020
					Total	Total
					£'000	£'000
Management	512	42	25	57	636	572
Administration	265	22	13	30	330	493
Finance	420	34	21	48	523	589
Governance	20	2	1	2	25	38
Human Resources	98	8	6	12	123	151
	<u>1,315</u>	<u>108</u>	<u>65</u>	<u>149</u>	<u>1,637</u>	<u>1,843</u>
Unrestricted resources expended before support costs	5,386	4,395	341	792		
Unrestricted resources expended	<u>6,701</u>	<u>4,503</u>	<u>406</u>	<u>941</u>		

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

4. Governance Costs

	Year ended	Year ended
	31 March	31 March
	2021	2020
	Total	Total
	£'000	£'000
Governance costs include the following payments to auditors:		
Audit	34	38
Tax	0	0
Other: non statutory audit	4	4
	<u>38</u>	<u>42</u>

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

5. Staff Costs

Consolidated and charity

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Wages and salaries	6,888	7,961
Social security costs	570	702
Pension costs (note 15)	235	285
	<u>7,693</u>	<u>8,947</u>
Less: Staff costs charged to: Sadler's Wells Limited	<u>-</u>	<u>(868)</u>
	<u>7,693</u>	<u>8,079</u>

Staff costs decreased in the year as a result of pay cut applied to all staff along with the redundancy programme following the closure of the theatre due to covid 19. Redundancy and terminations payment costs included in the above totalled £139,865 (2020: £99,388).

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

	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number
£190,001 - £200,000	-	1
£130,001 - £140,000	1	1
£110,001 - £120,000	1	-
£90,001 - £100,000	-	2
£80,001 - £90,000	-	1
£70,001 - £80,000	1	1
£60,001 - £70,000	3	3

During the year the company paid pension contributions of £37,985 (2020: £54,848) on behalf of these staff.

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

	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number
Theatre and Front of House	77	77
Box office	13	15
Marketing	16	17
Technical	73	64
Administration	15	14
Development	9	8
Events	5	4
Catering	21	24
	<u>229</u>	<u>223</u>

The Trustees received no remuneration for the services they provided to the company. No expenses were reimbursed (2020: £nil). The Trustees donated £197,286 (2020: £305,755) 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 Finance and Business Performance, 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 £964,546 (2020: £ 1,356,733).

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

6. Tangible Fixed Assets
Consolidated

	Freehold Land & Buildings £'000	Leasehold Imp'ments £'000	Computer Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost					
As at 1st April 2020	128	110	317	154	709
Additions	-	-	77	-	77
Transfer to investment property	(128)	-	-	-	(128)
At 31st March 2021	<u>-</u>	<u>110</u>	<u>394</u>	<u>154</u>	<u>658</u>
Depreciation					
At 1st April 2020	34	59	317	154	564
Charge for the period	-	6	-	-	6
Transfer to investment property	(34)	-	-	-	(34)
At 31st March 2021	<u>-</u>	<u>65</u>	<u>317</u>	<u>154</u>	<u>536</u>
Net book value					
At 31st March 2021	<u>-</u>	<u>45</u>	<u>77</u>	<u>-</u>	<u>122</u>
At 31st March 2020	<u>94</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>145</u>

Charity

	Freehold Land & Buildings £'000	Leasehold Imp'ments £'000	Computer Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost					
At 1st April 2020	128	110	255	46	539
Additions	-	-	77	-	77
Transfer to investment property	(128)	-	-	-	(128)
At 31st March 2021	<u>-</u>	<u>110</u>	<u>332</u>	<u>46</u>	<u>488</u>
Depreciation					
At 1st April 2020	34	59	255	46	394
Charge for the period	-	6	-	-	6
Transfer to investment property	(34)	-	-	-	(34)
At 31st March 2021	<u>-</u>	<u>65</u>	<u>255</u>	<u>46</u>	<u>366</u>
Net book value					
At 31st March 2021	<u>-</u>	<u>45</u>	<u>77</u>	<u>-</u>	<u>122</u>
At 31st March 2020	<u>94</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>145</u>

7 (a). Investment in trading subsidiary

The wholly owned trading subsidiary Sadler's Wells Limited, Rosebery Avenue, London, EC1R 4TN (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 Trust Limited 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.

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

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

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Profit and Loss Account		
Turnover	246	7,953
Cost of sales	(50)	(1,029)
Production expenses	(35)	(5,246)
Gross Profit	<u>161</u>	<u>1,678</u>
Administration expenses	(4)	(988)
Interest received	-	-
Taxation	7	493
Result for the financial year	<u>164</u>	<u>1,183</u>
Retained earnings brought forward	-	-
Charitable distribution to parent charity	<u>(164)</u>	<u>(1,183)</u>
Retained earnings carried forward	<u>-</u>	<u>-</u>
	31 March 2021 £'000	31 March 2020 £'000
The assets and liabilities of the subsidiary were:		
Fixed assets	450	450
Current assets	561	824
Creditors: amounts falling due within one year	<u>(1,011)</u>	<u>(1,274)</u>
Total net assets	<u>-</u>	<u>-</u>
Aggregate share capital and reserves	<u>-</u>	<u>-</u>

7 (b). Investment property

The investment properties held by the charity are a house which was donated by the Dame Hilda Bracket Trust and is valued by the Trustees at £200,000 and office building held at 369 St John St valued at £1m. Independent valuations of these properties have been undertaken; for the house in April 2018 by Robert Cooney, Chartered Surveyors, and for the office building in September 2020 by Daniel Watney, Estate Agents. The fair values of the assets are considered appropriate. 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 this 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.

	31 March 2021	31 March 2020
	Consolidated £'000	Charity £'000
Fair value		
At 1st April 2020	650	200
Transfers from tangible fixed assets	94	94
Net gains or losses through fair value adjustments	906	906
As at 31st March 2021	<u>1,650</u>	<u>1,200</u>

8. Debtors

	31 March 2021		31 March 2020	
	Consolidated £'000	Charity £'000	Consolidated £'000	Charity £'000
Trade debtors	190	114	501	238
Amounts owed by related undertakings	-	865	2	939
Other debtors and prepayments	577	574	1,841	1,830
Corporation Tax Receivable	7	-	493	-
Accrued income	768	768	1,012	1,012
	<u>1,542</u>	<u>2,321</u>	<u>3,850</u>	<u>4,018</u>

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

9. Creditors: Amounts due within one year

	31 March 2021		31 March 2020	
	Consolidated	Charity	Consolidated	Charity
	£'000	£'000	£'000	£'000
Trade creditors	372	363	489	472
Social security and other taxes	264	264	723	713
Accruals and deferred income	3,908	3,770	5,273	4,968
	<u>4,543</u>	<u>4,397</u>	<u>6,484</u>	<u>6,153</u>

10. Creditors: Amounts due after more than one year

	31 March 2021		31 March 2020	
	Consolidated	Charity	Consolidated	Charity
	£'000	£'000	£'000	£'000
Loan	4,250	4,250	-	-
	<u>4,250</u>	<u>4,250</u>	<u>-</u>	<u>-</u>

11. Borrowings

	31 March 2021	31 March 2020
	£'000	£'000
Payable within 1 year	-	-
Payable 2-5 years	246	-
Payable over 5 years	4,004	-
	<u>4,250</u>	<u>-</u>

In the year ended 31 March 2021, Sadler's Wells Trust Limited was granted a facility for a 20 year loan by Arts Council England under the Cultural Recovery Fund. The loan was drawn down to £4,250,000 on 17th March 2021. The loan is repayable from March 2023 and the interest rate is 2% per annum.

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

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Consolidated		
Net income / (expenditure) for the reporting period	3,459	(70)
Depreciation	6	17
Net gains or losses on investment assets	(906)	124
(Increase) in stock	14	10
(Increase) / Decrease in debtors	2,308	(751)
(Decrease) / Increase in creditors	(1,941)	(63)
Net cash inflow / (outflow) from operating activities	<u>2,940</u>	<u>(733)</u>

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

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
(a) Cash flows from investing and financing activities		
Purchase of property, plant and equipment	(77)	-
Investment gain on liquid investments	79	34
Finance obtained	4,250	-
	<u>4,252</u>	<u>34</u>

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

14. Analysis of Net Cash

	Cash Flow £'000	1 April 2020 £'000	31 March 2021 £'000
Cash at bank and in hand and in immediately realisable investments	7,192	4,553	11,745

Sadler's Wells Trust Limited was granted a loan of £4,250,000 on 17th March 2021 (see noten 11). The net cash balance is therefore £7,495,000.

15. Liability of Members

The company is limited by guarantee and the liability of members is limited to £10 each. At 31 March 2021 there were 12 members (2020: 11 members).

16. Operating Lease Commitments

The charity has an annual rent commitment of £282,848 (2020: £282,848) in respect of the lease of Sadler's Wells Theatre, from Sadler's Wells Foundation Limited, expiring in 1 year. The Trustee's expect to renew the lease during the year. The total payable to the end of the lease is £282,848 (2020: £282,848). 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 £3,325,000 (2020: £3,500,000).

17. Pension Commitments

Sadler's Wells Trust Limited makes contributions to employees' private pension plans, the costs of which amounted to £235,422 during the year to 31 March 2021 (2020: £284,536). The pension creditor at the year end was £34,756 (2020: £46,331).

18. Net Movement in Funds

	At 1 April 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains £'000	At 31 March 2021 £'000
Restricted Funds:						
National Youth Dance Fund	83	486	(308)	-	-	261
Dame Hilda Bracket Fund	131	-	-	-	-	131
What Next? Fund	41	100	(109)	-	-	32
Stratford Mobilisation	92	60	(30)	-	-	122
Breakin' Out	246	-	(6)	-	-	240
NYCB fund	270	-	-	-	-	270
DOPODO	-	73	-	-	-	73
Garfield Weston Foundation	-	626	-	-	-	626
Relaunch Fund	-	264	-	-	-	264
Development	-	540	-	-	-	540
	<u>863</u>	<u>2,149</u>	<u>(453)</u>	<u>-</u>	<u>-</u>	<u>2,559</u>
Unrestricted Funds:						
Designated Funds						
Creative Development Fund	782	26	-	(808)	-	-
369 St John Street Fund	95	-	-	(1,000)	905	-
Peacock Theatre Fund	50	-	-	-	-	50
Creative Learning Fund	135	-	-	-	-	135
The Shakespeare's Head Fund	402	-	-	-	-	402
ACE Cultural Recovery Fund	-	-	-	341	-	341
	<u>1,464</u>	<u>26</u>	<u>-</u>	<u>(1,467)</u>	<u>905</u>	<u>928</u>
General Fund	451	13,455	(12,551)	1,467	7	2,829
	<u>2,777</u>	<u>15,630</u>	<u>(13,004)</u>	<u>-</u>	<u>912</u>	<u>6,316</u>

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, financially 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 *NYCB fund* represents a gift to support a future visit of New York City Ballet company. The *DOPODO* fund is an european grant provided to support the Dance on, Pass on, Dream on project. The *Garfield Weston Foundation* represents funds received to support touring and digital activity. The *Relaunch Fund* represents donations supporting the reopening of Sadler's Wells. The *Development* fund represents grant to be spent against future activity.

Sadler's Wells Trust Limited
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Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

18. 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 *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.

19. Transfers between funds

The *Creative Development Fund* was set up by the Trustees to invest in future theatrical commissions but has been released to general reserves in the light of the impact of the COVID-19 pandemic. The *ACE Cultural Recovery Fund* represents amounts designated from the Cultural Recovery Fund grant received in 2020-21 and which will be expended on activities in 2021-22. The *369 St John Street Fund* represented the carrying value of the Trust's freehold interest in the property. During the year the trustees determined that this property was no longer required for operational purposes and it was therefore re-classified as an investment property and released to general reserves at its fair value.

20. Analysis of Net Assets between Funds

	Fixed Assets £'000	Cash £'000	Other Net Liabilities £'000	Net Total Assets £'000
Unrestricted Funds				
Creative Development Fund	-	-	-	-
369 St John Street Fund	-	-	-	-
Peacock Theatre Fund	-	50	-	50
Creative Learning Fund	-	135	-	135
The Shakespeare's Head Fund	402	-	-	402
ACE Cultural Recovery Fund	-	341	-	341
General Fund	1,170	8,791	(7,132)	2,829
	<u>1,572</u>	<u>9,317</u>	<u>(7,132)</u>	<u>3,757</u>
Restricted Funds				
National Youth Dance Fund	-	261	-	261
Dame Hilda Bracket Fund	200	-	(69)	131
What Next? Fund	-	32	-	32
Stratford Mobilisation	-	122	-	122
Breakin' Out	-	240	-	240
NYCB fund	-	270	-	270
DOPODO	-	73	-	73
Garfield Weston Foundation	-	626	-	626
Relaunch Fund	-	264	-	264
Development	-	540	-	540
	<u>200</u>	<u>2,428</u>	<u>(69)</u>	<u>2,559</u>
Total Funds	<u>1,772</u>	<u>11,745</u>	<u>(7,201)</u>	<u>6,316</u>

21. 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 £0 (2020: £212,136) from Sadler's Wells Foundation Ltd. In addition the Foundation recharged to the Trust credit card transaction charges totalling £2,915 (2020: £17,295). Sadler's Wells Trust Limited owed £565 to (2020: was owed £1,680 by) Sadler's Wells Foundation Limited at the 31st March 2021.

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

A gift of £164,172 (2020: £1,182,746) was receivable from Sadler's Wells Limited, for the year, and £852,684 was due from (2020: £552,063) that company at the year end. During the year Sadler's Wells Trust charged Sadler's Wells Limited £0 (2020: £867,973) in respect of the services of 26 (2020: 28) employees of the company during the year.

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Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

22. Capital Commitments

At 31 March 2021 Sadler's Wells Trust had no capital commitments committed but not yet contracted for (2020: None).

23. Comparative Net Movement in Funds

	At 1 April 2019 £'000	Incoming Resources £'000 As Restated	Resources Expended £'000 As Restated	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
Breakin' Out	-	300	(54)	-	246
NYCB 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	30,798	(31,137)	527	451
	<u>2,815</u>	<u>32,373</u>	<u>(32,936)</u>	<u>527</u>	<u>2,778</u>

24. Comparative 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	-	83	-	83
Dame Hilda Bracket Fund	200	-	(69)	131
What Next? Fund	-	41	-	41
Stratford Mobilisation	-	92	-	92
Breakin' Out	-	246	-	246
NYCB 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>

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For the year ended 31 March 2021 (cont)

25. Comparative Fund and SOFA Balances

		Unrestricted Funds Year ended 31 March 2020 £'000 As Restated	Designated Funds Year ended 31 March 2020 £'000	Restricted Funds Year ended 31 March 2020 £'000	Total Funds Year ended 31 March 2020 £'000 As Restated
Income	Note				
Charitable activities					
Theatre presentations		22,950	-	-	22,950
Income generated from other activities					
Donation analysis					
Sponsorship and donations		1,748	165	386	2,299
ACE operational grant		2,456	-	950	3,406
Activities for generating funds					
Trading income		3,200	-	-	3,200
Other income		444	-	74	518
Total Income		30,798	165	1,410	32,373
Expenditure					
Charitable activity: theatre presentations					
Expenditure on presentations	3	22,982	485	696	24,164
Theatre overheads	3	5,377	378	117	5,872
Raising Funds					
Fundraising costs	3	562	-	-	562
Trading costs	3	2,216	-	-	2,216
Total Expenditure		31,137	863	813	32,813
Net Income / (Expenditure) before Investment (Loss) / Gain		(339)	(698)	597	(440)
Net Investment (Loss) / Gain		34	-	-	34
Net Income / (Expenditure)		(305)	(698)	597	(406)
Other Recognised Gains: Theatre Tax Relief		493	(124)	-	369
Gross Transfer Between Funds		-	526	(526)	-
Net Movement in Funds		188	(296)	72	(36)
Net funds at 1 April 2019		263	1,760	791	2,814
Net Funds at 31 March 2020		451	1,464	863	2,778

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Notes to the Financial Statements
For the year ended 31 March 2021 (cont)

26. Comparative Support Costs

	Presentations	Theatre	Fundraising	Trading	Year ended
	£'000	Overhead	£'000	£'000	31 March
		£'000			2020
					Total
					£'000
Management	454	36	21	61	572
Administration	391	31	18	53	493
Finance	468	37	21	63	589
Governance	30	2	1	4	38
Human Resources	120	9	6	17	151
	<u>1,463</u>	<u>116</u>	<u>67</u>	<u>198</u>	<u>1,843</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>	

27. Prior Year Adjustment

The comparative results have been restated as a result of an error identified in the presentation of irrecoverable VAT in the prior year. There is no impact on net income as a result of this adjustment.

Changes to the Consolidated Statement of Financial Activities:

	As previously reported	Adjustment	As restated
Unrestricted fund			
Income			
Charitable Activities: Theatre presentations	20,832	2118	22,950
Expenditure			
Charitable activity: theatre presentations			
Expenditure on presentations	(21,204)	(1,778)	(22,982)
Theatre overheads	(5,057)	(320)	(5,377)
Raising Funds			
Fundraising costs	(542)	(20)	(562)
	<u>(5,971)</u>	<u>-</u>	<u>(5,971)</u>