

Sadler's Wells Trust Limited
(Limited by Guarantee)

Registered Company Number 1488786

Registered Charity Number 279884

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2023

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

Trustees

Nigel Higgins (Chairman)
Maria Albonico
Nicolas Basden
Humphrey Battcock
Melissa Bethell
David Lan
Brenda Leff
Suhair Khan
Paul Mulholland
Clare Connor
Nina Patel
Matthew Slotover
Melanie Smith

Secretary

Alistair Spalding

Registered Office

Sadler's Wells Theatre
Rosebery Avenue
London
EC1R 4TN

Bankers

Coutts & Co.
440 Strand
London
WC2R 0QS

Auditor

Moore Kingston Smith LLP
Chartered Accountants
6th Floor
9 Appold Street
London
EC2A 2AP

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 for the year ended 31 March 2023 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. Our mission is to make and create dance that inspires us all, and our vision is to create, through dance, connections beyond borders, cultures and languages. We also have four values we live by as an organisation – Excellence, Collaboration, Inclusion, Innovation. We commission, produce and present more dance than any other organisation in the world. Since 2005, we have helped to bring more than 200 new dance works to the stage, embracing both the popular and the unknown. Our acclaimed productions tour the world. Since 2005 we've produced 64 new full-length works and performed to audiences of more than two million, touring to 51 countries. Sadler's Wells also host the National Youth Dance Company and Sadler's Wells Breakin' Convention.

Springboarding out of the pandemic, 22/23 was a successful and challenging year re-building our audiences and artistic ambitions and preparing to open our new venue. We produced and toured major groundbreaking productions, created exciting work with young people and communities, and developed and supported new artists and audiences.

We presented 648 performances and sold 433,539 tickets; 118,213 more than the previous year. Our ticket income was almost £16m. We commissioned 26 new dance productions on our physical stages, and 28 new works on Digital Stage and prioritised investment in new work.

Our touring productions gave 72 performances in 20 cities in 11 countries, to audiences of more than 55,000.

Sadler's Wells East

Construction of our mid-sized multipurpose venue continues apace in the Queen Elizabeth Olympic Park, Stratford as part of the East Bank development. The venue will house the Academy Breakin' Convention and Rose Choreographic School and the inaugural production will be Our Mighty Groove; an immersive dance theatre show set in an underground New York City nightclub with a multigenerational community cast.

Opening in 2024, Sadler's Wells East will support artist development and training, and the creation of new work. It is a resource for the whole of the UK, offering a destination venue for dance companies around Britain to tour to the capital, and hosting the best work from international choreographers. Performances developed on the Stratford stage will tour the UK and the world, reaching new audiences.

Sadler's Wells Trust Limited (Limited by Guarantee) Trustees' report (continued)

Learning & Engagement programmes

These 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 and Breakin' Convention's Higher Learning and Open Art Surgery. Over the year we ran a total of 900 learning sessions with nearly 27,000 attendees.

Financial Review

Total income for the year ending 31st March 2023 was £31.1m, compared to £22.7m in the prior year. This increase is driven by theatre productions, with this being our first fully operational year post-Covid. £3.8m was received in voluntary donations from a range of individuals, Trusts and Foundations and corporate bodies. £4.2m was received from the Arts Council, of which £2.5m is NPO annual funding. The principal source of funding for the charity is the income generated from ticket sales and other show related income, such as catering, drinks and merchandise. This is underpinned by annual funding from Arts Council England, whose unrestricted funding represents 9% of the total unrestricted income of the charity. The other major sources of income are voluntary donations from individuals, Trusts & Foundations, and corporate bodies together with trading income derived from hiring out the spaces in the theatres. 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 £539k, made up of an unrestricted funds surplus of £667k, a deficit on designated funds of £550k and a surplus on restricted funds of £422k. As a result we ended the year with total reserves of £4.7m, of which £2.3m was unrestricted, £0.4m designated and £2.0m restricted.

These results incorporate the trading of the subsidiary, Sadler's Wells Limited. This company operates the catering at the theatre, promotes commercial events hire, raises sponsorship income and produces commissions from Sadler's Wells Trust Ltd. The company gifted a profit of £1,349k for 2022/23 (2021/22: £452k) to Sadler's Wells Trust.

Fundraising

In FY23 we celebrated a new principal gift pledge, the largest individual gift that has been committed to a European contemporary dance organisation. This gift will enable significant new programmes of work: the Rose Choreographic School and Sadler's Wells Rose International Dance Prize. Other generous gifts, grants and partnerships continued to support our recovery post-pandemic, our artistic and learning programmes, and our expansion into Sadler's Wells East.

Sadler's Wells operates an internal fundraising team and is a member of the Fundraising Regulator. Our approach takes account of the Code of Fundraising Practice and we have complied with the standards of the Regulator. We continue to comply with the General Data Protection Regulations and our privacy policy is available at www.sadlerswells.com/about-us/privacy-policy. No fundraising complaints were received during the year.

Principal Risks and Uncertainties

The charity trades in the high-risk environment of theatre management and 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.

During the year Trustees have considered planning mitigation for senior role succession in the medium to long term. The risk of capacity of resources not matching ambition has also increased as the move towards a new venue puts additional strain on existing teams whilst new staff are recruited. The

Sadler's Wells Trust Limited (Limited by Guarantee) Trustees' report (continued)

opening of Sadler's Wells East has also increased the risk on financial resources hence the need to increase reserves. Financial risk around an adverse variance to budget has decreased during the year due to a more successful year than forecast however, the impact of inflation has been keenly felt by the organisation. The funding landscape is getting increasingly difficult for arts organisations and there is an increasing onus to self-fund.

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.

Equality and Employment

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 colleagues, not only to enable them to do their own jobs, but also to assist them in their careers. They 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.

We continue to have a particular focus on how we become an actively anti-racist organization. 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, Executive Producer, Technical Director, Director of Marketing and Communications, Director of Development, Director of Learning and Engagement, Director of Data and Systems, Director of Breakin' Convention, Interim Director of Digital Stage, Director of Catering and Events, Director of People and Inclusion and Director of Visitor Experience. The remuneration of the Artistic Director and Chief Executive is decided by the Board, the Artistic Director and Chief Executive decides the remuneration of other members of the Senior Management Team. Total remuneration of these people, including pension contributions and employer's national insurance, was £1,350,682 (2022: £1,183,942). The number of roles included in the Senior Management Team has increased to 14 this year from 13 in the prior year. The salaries are fair and affordable, and benchmarked against similar arts organisations.

Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable group will continue in operational existence for the foreseeable future. The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. These events include the impact of inflation, increase in utility costs and the 5% cut in Arts

Sadler's Wells Trust Limited (Limited by Guarantee) Trustees' report (continued)

Council England FY24 grant. As at the balance sheet date the group has considerable cash reserves in part from the 20 year CRF loan taken out in 2021, repayment of which will begin in 2025. The Trustees have made this assessment for a period of at least one year from the date of the approval of the financial statements. The Trustees have concluded that the charitable group has adequate resources to continue in operational existence for the foreseeable future and therefore the charitable group continues to adopt the going concern basis in preparing its financial statements.

Public Benefit

Sadler's Wells recognises and welcomes the need to carry out its charitable activities for the benefit of the public. Having regard to the guidance of the Charity Commission, including the Charity Commission's guidance on public benefit ('public benefit: running a charity' (PB2)), the Trustees consider that the following activities in particular demonstrate the way in which Sadler's Wells achieves this aim:

- Providing the most wide ranging programme of dance, including touring outside of our theatres in London.
- Encouraging access through the availability of £15 tickets for most shows at Sadler's Wells together with other low-cost tickets available during the year for shows such as Breakin' Convention.
- Engagement with the community through a wide range of creative learning and community projects, as well as our Access for All scheme for disabled, d/Deaf and neurodivergent people.

Reserves Policy

The aim of the charity's general reserves is to protect it against significant reductions in income due to external factors. The target reserves is based upon a review of the level of overhead that the charity is committed to, together with an analysis of the level of reserves needed to trade through an external shock to the charity's income. General reserves as at the 31st March 2023 were £2,251k (2022: £1,584k). The free reserves, being reserves backed by current assets are £1,148k. By 2024, 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. In light of the continued uncertainties from the cost-of-living crisis and inflation and the increase in the level of activity that would occur once Sadler's Wells opens another theatre in Stratford, the Trustees have set an aim to build up a general reserve of £3.5m by 2028. The Trustees recognise that the build-up of reserves may not be linear especially as the new venue opens and will be built up by surpluses in future years with a focus on additional fundraising. The target is subject to annual review.

Trustees

The Trustees who served from 1st April 2022 to the date of signing the accounts were:

- Nigel Higgins (Chairman)
- Maria Albonico
- Nicholas Basden
- Humphrey Battcock
- Melissa Bethell
- Sue Butcher (resigned 23 June 2023)
- Clare Connor (appointed 28 September 2022)
- Sarah Evans (resigned 6th July 2022)
- Suhair Khan (appointed 28 September 2022)
- David Lan
- Brenda Leff
- Paul Mulholland

Sadler's Wells Trust Limited (Limited by Guarantee) Trustees' report (continued)

- Nina Patel (appointed 28 September 2022)
- David Ripert (resigned 23 November 2022)
- Matthew Slotover
- Melanie Smith
- Sharon White (resigned 23 November 2022)

The Trustees are appointed for a term of 3 years, which is often extended to a second or third and rarely, a fourth. A skills audit of the Trustees is conducted annually to better inform decisions regarding the appointment of new Trustees.

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

The Trustees delegate the day to day running of the theatre to the Artistic Director and Chief Executive, Sir 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 the artistic programme to the Artistic Director and Chief Executive, together with day to day management of the operating budgets to the Artistic Director and Chief Executive and Executive Director. Board approval is only then sought for any major changes to the artistic programme or budget.

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

For additional information on the charity's subsidiaries, please see note 7 to the accounts.

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 the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 group and company and enable them to

Sadler's Wells Trust Limited (Limited by Guarantee) Trustees' report (continued)

ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and company 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

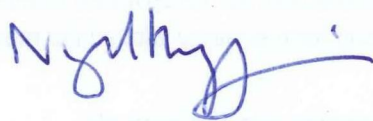
In so far as the Trustees are aware:

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

Auditor

The auditor, Moore Kingston Smith LLP, is 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 2 October 2023 and signed on their behalf by:



Nigel Higgins Chairman

Charity registration number: 279884

Company registration number: 1488786

Sadler's Wells Trust Limited

(Limited by Guarantee)

Independent Auditor's Report to the members of Sadler's Wells Trust Limited

Opinion

We have audited the financial statements of Sadler's Wells Trust Limited for the year ended 31 March 2023 which comprise the consolidated Statement of Financial Activities, the Group 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

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.

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.

Sadler's Wells Trust Limited (Limited by Guarantee)

Independent Auditor's Report to the members of Sadler's Wells Trust Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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.

Sadler's Wells Trust Limited

(Limited by Guarantee)

Independent Auditor's Report to the members of Sadler's Wells Trust Limited (continued)

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.

Sadler's Wells Trust Limited (Limited by Guarantee)

Independent Auditor's Report to the members of Sadler's Wells Trust Limited (continued)

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

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.

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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Moore Kingston Smith LLP

James Cross

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
Appold Street
London
EC2A 2AP

Date: 30 October 2023

Sadler's Wells Trust Limited
(Limited by Guarantee)

**Consolidated Statement of Financial Activities for the year ended
31 March 2023**

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
		Year ended 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2023	Year ended 31 March 2022
	Note	£'000	£'000	£'000	£'000	£'000
Income						
Donations and legacies:						
Sponsorship and donations		1,342	-	2,466	3,808	1,595
Arts Council Funding	2	2,501	-	1,709	4,210	3,353
Charitable activities:						
Theatre presentations		19,418	-	109	19,527	15,083
Activities for raising funds						
Trading income		2,928	-	-	2,928	1,805
Other income		661	-	-	661	860
Total Income		26,850	-	4,284	31,134	22,696
Expenditure						
Charitable activity: theatre presentations						
Expenditure on presentations	3	19,696	-	1,883	21,579	17,539
Theatre overheads	3	4,470	50	1,663	6,183	5,373
Raising Funds						
Fundraising costs	3	621	-	46	667	609
Trading costs	3	2,309	-	56	2,365	1,771
Total Expenditure		27,096	50	3,648	30,794	25,292
Net (Expenditure) / Income		(246)	(50)	636	340	(2,596)
Other Recognised Gains and Losses		97	-	102	199	394
Gross Transfer Between Funds		816	(500)	(316)	-	-
Net Movement in Funds		667	(550)	422	539	(2,202)
Net funds at 1 April 2022		1,584	952	1,578	4,114	6,316
Net Funds at 31 March 2023		2,251	402	2,000	4,653	4,114

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.

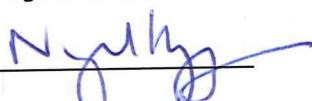
Sadler's Wells Trust Limited
(Limited by Guarantee)

Balance Sheets as at
31 March 2023

		2023	2023	2022	2022
		Consolidated	Charity	Consolidated	Charity
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	6	55	55	67	67
Investment Property	7(b)	1,650	1,200	1,650	1,200
		<u>1,705</u>	<u>1,255</u>	<u>1,717</u>	<u>1,267</u>
Current Assets					
Stock for resale		71	16	66	21
Debtors	8	3,153	5,542	2,163	3,971
Cash at bank and in hand		13,168	10,269	12,343	10,624
		<u>16,392</u>	<u>15,827</u>	<u>14,572</u>	<u>14,616</u>
Creditors: Amounts Falling Due Within One Year	9	<u>(9,024)</u>	<u>(8,009)</u>	<u>(7,840)</u>	<u>(7,434)</u>
Net Current Assets		7,368	7,818	6,732	7,182
Long term Liabilities	10	(4,420)	(4,420)	(4,335)	(4,335)
Total Assets Less Liabilities		<u>4,653</u>	<u>4,653</u>	<u>4,114</u>	<u>4,114</u>
Funds					
Restricted	18	2,000	2,000	1,578	1,578
Unrestricted - Designated	18	402	402	952	952
Unrestricted	18	2,251	2,251	1,584	1,584
		<u>4,653</u>	<u>4,653</u>	<u>4,114</u>	<u>4,114</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 £537,677 (2022: £2,202,000 deficit).

Approved for issue by the members of the board on 2nc October 2023
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 2023

	Note	Year ended 31 March 2023		Year ended 31 March 2022	
		£'000	£'000	£'000	£'000
Net cash flows from operating activities	12		825		633
Cash flows from investing and financing activities	13		-		(35)
Net change in cash and cash equivalents in the period			<u>825</u>		<u>598</u>
to movement in net cash					
Increase in cash in the period		<u>825</u>		<u>598</u>	
Movement in net cash in the period			825		598
Net cash and cash equivalents at 1 April 2022			12,343		11,745
Net cash and cash equivalents at 31 March 2023	14		<u>13,168</u>		<u>12,343</u>

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements for the year ended
31 March 2023

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 have been prepared in accordance with the charity's governing document, the Charities Act 2011, and Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019) and applicable accounting standards in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

(b) Going Concern

The financial statements are prepared on a going concern basis which assumes that the charitable group will continue in operational existence for the foreseeable future. The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern as referred to in the Trustees report. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. As at the balance sheet date the group has considerable cash reserves in part from the 20 year CRF loan taken out in 2021, repayment of which will begin in 2025. Therefore, the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Income from presentations and performances

Income from presentations and performances, which is matched to relevant performances, represents amounts receivable, excluding Value Added Tax, for goods and services provided in the ordinary course of business. Advance box office income is deferred until the presentation opens. Donations and sponsorship for specific productions are credited to presentation income as the performances take place.

(d) Grants, donations and sponsorship

- (i) Revenue grants are credited to the Statement of Financial Activities in the period in which they fall due unless they relate to specified future or prior periods, in which case they are deferred or accrued respectively.
- (ii) Donations are treated on a cash receipts basis.
- (iii) Corporate sponsorship is recognised on an accruals basis in the period in which the sponsor consumes the relevant benefits.
- (iv) Legacies are recognized when probate on the legacy has been completed, and it is probable that income will be received and is quantifiable.
- (v) 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 2023 (continued)

1 Accounting Policies (continued)

(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, 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. 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 the year end 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 Group Financial Statements consolidate those of Sadler's Wells Trust Limited and its trading subsidiary, Sadler's Wells Limited. The results for the trading subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

(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 between areas of activities 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 2023 (continued)

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 from the balance sheet date, 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. Show prepayments represent costs incurred at the reporting date for shows which have not yet matured or, for at-risk shows, where the production has not reached a net profit.

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. The £4,250k loan from Arts Council England under the Cultural Recovery Fund is considered to be a public benefit entity concessionary loan as the interest rate is below the prevailing market rate. The loan is valued at amortised cost using the effective interest method. Interest is accrued annually at 2% and is repayable over 20 years, with a repayment holiday for the first four years. The interest is accrued and added to the initial £4,250k loan. As at 31 March 2023, the loan remained fully drawn down.

(o) Accounting for Reserves

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

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

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

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

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

(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.

(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.

(r) Theatre tax relief

Theatre tax relief credits payable to the company in relation to eligible expenditure on theatrical productions are recognised as a credit within the tax charge.

2. Arts Council and other Government Funding

During 2023, the charity has received funding from the Arts Council for:

	2023 £'000	2022 £'000
NPO core funding	2,501	2,679
Restricted:		
• NYDC	474	420
• Stratford	1,232	240
• What's Next	3	14
	<u>4,210</u>	<u>3,353</u>

3. Support Costs

	Theatre			Year ended 31 March 2023	Year ended 31 March 2022
	Presentation	Overhead	Fundraising	Trading	
	£'000	£'000	£'000	£'000	Total £'000
Executive Office	696	72	49	93	910
Finance	940	99	66	125	1,230
People	297	31	20	39	387
	<u>1,933</u>	<u>202</u>	<u>135</u>	<u>257</u>	<u>2,527</u>

Resources expended before support costs:

Unrestricted	18,090	4,302	509	2,096	24,997
Restricted	1,556	1,629	23	12	3,220
Designated	-	50	-	-	50
Resources expended	<u>21,579</u>	<u>6,183</u>	<u>667</u>	<u>2,365</u>	<u>30,794</u>

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

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

4. Governance Costs

	Year ended 31 March 2023 Total £'000	Year ended 31 March 2022 Total £'000
Governance costs include the following payments to auditors:		
Audit - current year	46	36
Audit - prior year	13	-
Tax - current year	3	-
Tax - prior year	6	-
Other: non statutory audit	1	2
	<u>69</u>	<u>38</u>

5. Staff Costs

	2023 £'000	2022 £'000
Consolidated and charity		
Wages and salaries	7,278	6,998
Social security costs	754	622
Pension costs (note 17)	255	234
	<u>8,287</u>	<u>7,854</u>

Redundancy and termination payment costs included in the above totalled £14,553 (2022: £1,632).

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

	2023	2022
£180,001 - £190,000	1	-
£170,001 - £180,000	-	1
£140,001 - £150,001	1	1
£100,001 - £110,000	1	1
£90,001 - £100,000	-	-
£80,001 - £90,000	2	1
£60,001 - £70,000	8	4

During the year the company paid pension contributions of £60,099 (2022: £48,496) on behalf of these staff.

The average monthly head count was 304 staff (2022: 302) and the average number of full-time equivalent staff employed (including part-time staff):

	2023	2022
Theatre and Front of House	71	68
Box office	10	9
Marketing	18	20
Technical	54	59
Administration	21	14
Development	10	9
Events	5	5
Catering	19	21
	<u>208</u>	<u>205</u>

The Trustees received no remuneration for the services they provided to the company. No expenses were reimbursed (2022: £nil). The Trustees donated £1,485,687 (2022: £486,881) to the charity during the year.

Sadler's Wells Trust Limited
(Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

5. Staff Costs (continued)

The charity considers its key management personnel to be the Senior Management Team. The remuneration of the Artistic Director and Chief Executive is decided by the Board; the Artistic Director and Chief Executive decide the remuneration of other members of the Senior Management Team. Total employment costs for this group, including employer NICs and pension contributions, was £1,350,682 (2022: £1,183,942).

6. Tangible Fixed Assets
Consolidated

	Leasehold Imp'ments £'000	Computer Equipment £'000	Fixtures and Fittings £'000	2023 Total £'000
Cost				
At 1st April 2022	110	351	154	615
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st March 2023	110	351	154	615
Depreciation				
At 1st April 2022	70	324	154	548
Charge for the period	5	7	-	12
At 31st March 2023	75	331	154	560
Net book value				
At 31st March 2023	35	20	-	55
At 31st March 2022	40	27	-	67

Charity

	Leasehold Imp'ments £'000	Computer Equipment £'000	Fixtures and Fittings £'000	2023 Total £'000
Cost				
At 1st April 2022	110	289	46	445
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st March 2023	110	289	46	445
Depreciation				
At 1st April 2022	70	262	46	378
Charge for the period	5	7	-	12
At 31st March 2023	75	269	46	390
Net book value				
At 31st March 2023	35	20	-	55
At 31st March 2022	40	27	-	67

Sadler's Wells Trust Limited (Limited by Guarantee)

Notes to the Financial Statements For the year ended 31 March 2023 (continued)

7 (a). Investment in trading subsidiary

The wholly owned trading subsidiary Sadler's Wells Limited (company number 02907116), which is incorporated in England and Wales, is consolidated within these financial statements. The company distributes all its profits to the charity under Gift Aid. Sadler's Wells Limited promotes commercial non theatre hires and provides catering at the Sadler's Wells and Peacock theatres, receives sponsorship income and produces productions commissioned by Sadler's Wells Trust Ltd. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

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

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Profit and Loss Account		
Turnover	5,939	4,325
Cost of sales	(808)	(443)
Production expenses	(2,751)	(2,880)
Gross Profit	2,380	1,002
Administration expenses	(1,240)	(944)
Bank interest	10	-
Taxation	199	394
Result for the financial year	1,349	452
Retained earnings brought forward	-	-
Charitable distribution to parent charity	(1,349)	(452)
Retained earnings carried forward	-	-
	31 March 2023 £'000	31 March 2022 £'000
The assets and liabilities of the subsidiary were:		
Fixed assets	450	450
Current assets	3,773	2,466
Creditors: amounts falling due within one year	(4,223)	(2,916)
Total net current assets	-	-
Aggregate share capital and reserves	-	-

Sadler's Wells Trust Limited
(Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

7 (b). Investment property

The investment property 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 Street valued at £1m. Independent valuations of these properties have been undertaken: for the house in April 2018 by Robert Cooney, Chartered Surveyors, in April 2018, and for the office building in September 2020 by Daniel Watney, Estate Agents. The investment property held by the trading subsidiary comprises the leasehold interest of the Shakespeare's Head Public House on Arlington Way, London. The fair value of the investment property of £450,000 has been arrived at on the basis of a valuation carried out as at 31 March 2020 by Fleurets Limited Chartered Surveyors, who are not connected with the company. The valuations were reviewed in the year and the Trustees consider that this is the best estimate of the fair value at the balance sheet date.

	Consolidated	Charity	Consolidated	Charity
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
Fair value				
At 1st April 2022	1,650	1,200	1,650	1,200
As at 31st March 2023	1,650	1,200	1,650	1,200

8. Debtors

	2023		2022	
	Consolidated	Charity	Consolidated	Charity
	£'000	£'000	£'000	£'000
Trade debtors	1,300	1,102	1,100	822
Amounts owed by related undertakings	23	3,230	7	2,517
Other debtors and prepayments	631	608	376	353
Corporation Tax Receivable	592	-	394	-
Accrued income	607	602	286	279
	3,153	5,542	2,163	3,971

9. Creditors: Amounts due within one year

	2023		2022	
	Consolidated	Charity	Consolidated	Charity
	£'000	£'000	£'000	£'000
Trade creditors	609	579	1,893	1,807
Social security and other taxes	699	699	734	734
Accruals and deferred income	7,716	6,731	5,213	4,893
	9,024	8,009	7,840	7,434

10. Creditors: Amounts due after more than one year

	2023		2022	
	Consolidated	Charity	Consolidated	Charity
	£'000	£'000	£'000	£'000
Loan	4,420	4,420	4,335	4,335

Sadler's Wells Trust Limited
(Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

11. Borrowings

	31 March 2023	31 March 2022
Payable within 1 year	-	-
Payable 2-5 years	536	499
Payable over 5 years	3,884	3,836
	<u>4,420</u>	<u>4,335</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 incurs an annual interest charge of 2%, which has been accrued and added to the total amount payable. The loan is repayable over 20 years, with a repayment holiday for the first four years. Repayments of the loan commence March 2025.

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

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Consolidated		
Net income / (expenditure) for the reporting period	539	(2,202)
Depreciation	12	12
Finance costs	85	85
(Increase) in stock	(5)	(16)
(Increase) in debtors	(990)	(620)
Increase in creditors	1,184	3,374
Net cash inflow from operating activities	<u>825</u>	<u>633</u>

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

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
--	---	---

(a) Cash flows from investing and financing activities

Purchase of property, plant and equipment	-	(35)
	<u>-</u>	<u>(35)</u>

14. Analysis of changes in net debt

	1 April 2022 £'000	Non-cash Flow £'000	Cash Flow £'000	31 March 2023 £'000
Cash at bank and in hand	12,343	-	825	13,168
Borrowings				
DCMS loan	(4,335)	(85)	-	(4,420)
Net debt	<u>8,008</u>	<u>(85)</u>	<u>825</u>	<u>8,748</u>

Sadler's Wells Trust Limited (Limited by Guarantee)

Notes to the Financial Statements For the year ended 31 March 2023 (continued)

15. Liability of Members

The company is limited by guarantee and the liability of members is limited to £10 each. At 31 March 2023 there were 14 members (2022: 14 members).

16 Operating Lease Commitments

The charity has an annual rent commitment of £300,000 (2022: £300,000) in respect of the lease of Sadler's Wells Theatre, from Sadler's Wells Foundation. The total payable to the end of the lease is £3,301,832 (2022: £nil). The charity also has an annual rent commitment of £175,000 in respect of the Peacock Theatre to the London School of Economics, expiring 20 years from 2019. The total payable to the end of the lease is £4,052,393 (2022: £992,853). The charity has an annual lease commitment of £20,675 (2022: £20,675) in respect of the lease of printing equipment. The total payable to the end of the lease is £67,240 (2022: £87,916).

17. Pension Commitments

Sadler's Wells Trust makes contributions to employees' private pension plans, the costs of which amounted to £255,177 during the year to 31 March 2023 (2022: £234,284). The pension creditor at the year end was £43,510 (2022: £39,330).

18. Net Movement in Funds

	At 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers/ Gains £'000	At 31 March 2023 £'000
Restricted Funds:					
National Youth Dance Fund	184	504	(635)	71	124
Dame Hilda Bracket Fund	131	-	(5)	-	126
What Next? Fund	53	108	(125)	-	36
Stratford Mobilisation	-	1,231	(1,253)	22	-
DOPODO	69	1	(65)	-	5
Breakin' Out	200	3	(185)	-	18
Development	595	11	(329)	(269)	8
Learning and Engagement Funds	19	795	(532)	(6)	276
Programming, Producing and Touring Fund	324	380	(356)	(47)	301
Rose Choreographic Prize	-	1,000	(8)	-	992
Kwame Asafo Adjei Fund	-	88	(86)	(2)	-
Data Accelerator Project	-	125	(36)	-	89
Other restricted funds	3	38	(33)	17	25
	<u>1,578</u>	<u>4,284</u>	<u>(3,648)</u>	<u>(214)</u>	<u>2,000</u>
Unrestricted Funds:					
Designated Funds					
Peacock Theatre Fund	50	-	(50)	-	-
The Shakespeare's Head Fund	402	-	-	-	402
Contingency reserve	500	-	-	(500)	-
	<u>952</u>	<u>-</u>	<u>(50)</u>	<u>(500)</u>	<u>402</u>
General Fund	<u>1,584</u>	<u>26,850</u>	<u>(27,096)</u>	<u>913</u>	<u>2,251</u>
	<u>4,114</u>	<u>31,134</u>	<u>(30,794)</u>	<u>199</u>	<u>4,653</u>

Sadler's Wells Trust (Limited by Guarantee)

Notes to the Financial Statements For the year ended 31 March 2023 (continued)

18. Net Movement in Funds (cont)

Restricted Funds

- The National Youth Dance Fund represents funds received and expended on the National Youth Dance Company.
- The Dame Hilda Bracket Fund is a donation to support music, in particular grand and light opera.
- The What Next? Fund represents a donation for the What Next? campaign, hosted by Sadler's Wells.
- The Stratford Mobilisation Fund is an Arts Council grant provided to fund preparation costs associated with the new venue in Stratford.
- The DOPODO fund is an European grant provided to support the Dance on, Pass on, Dream on project.
- The Breakin' Out fund is an Arts Council grant provided for Breakin' Convention dance and engagement activity.
- The Development restricted funds represent grants to be spent against future activity.
- The L&E Fund represents amounts received from funders in support of learning and engagement activity.
- The Programming, Producing and Touring fund represents amounts received in support of the programme hosted at and toured by Sadler's Wells.
- The Rose Choreographic Prize represents amounts received to establish and fund the Rose International Dance Prize.
- The Kwame Asafo-Adjei fund represents Arts Council England funds disbursed to Sadler's Wells by dance company Spoken Movement and administered by Sadler's Wells on their behalf.
- The Data Accelerator Project represents funds in support of strategic improvements to technology infrastructure.

Designated Funds

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

Transfers between funds

The transfers of funds from restricted to unrestricted funds for named funds relate to internal overhead costs to be recovered from restricted funding.

The transfers from other restricted funds in aggregate relate to the release of restricted funding as a donation to support core or other costs.

The transfer from the contingency reserve to unrestricted funds relates to the release of a prior year designation which was made to support the unknown challenges in the year ahead.

20. Analysis of Net Assets between Funds

	Fixed Assets £'000	Cash £'000	Other Net Liabilities £'000	Net Total Assets £'000
Unrestricted Funds	1,103	11,293	(10,145)	2,251
Designated funds	402	-	-	402
Restricted funds	200	1,875	(75)	2,000
Total Funds	1,705	13,168	(10,220)	4,653

Sadler's Wells Trust (Limited by Guarantee)

Notes to the Financial Statements For the year ended 31 March 2023 (continued)

21. Connected Charities and related Party Transactions

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

A gift of £1,349,233 (2022: £452,284) was receivable from Sadler's Wells Limited, for the year, and £3,126,212 was due from (2022: £2,510,233) that company at the year end. Sadler's Wells Trust Limited bore a number of administrative costs on behalf of Sadler's Wells Limited that have been recharged subsequently, the largest being payroll costs of £938,805 (2022: £681,576) and VAT of £579,786 (2022: £231,187).

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 £300,000 (2022: £565,696) from Sadler's Wells Foundation Ltd, of which £150,000 had not been paid (2022: £340,778) to the Foundation at the year end. An additional £29 was due from Trust to Foundation at year-end. Development costs of £680 (2022: £1,625) were paid by Sadler's Wells Trust Limited on behalf of the Foundation.

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

22. Capital Commitments

At 31 March 2023 Sadler's Wells Trust had no capital commitments committed but not yet contracted for (2022: None).

Sadler's Wells Trust Limited
(Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

23. Comparative Net Movement in Funds
Year ended 31 March 2022

	At 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers/ Gains £'000	At 31 March 2022 £'000
Restricted Funds:					
National Youth Dance Fund	261	523	(600)	-	184
Dame Hilda Bracket Fund	131	-	-	-	131
What Next? Fund	32	131	(110)	-	53
Stratford Mobilisation	122	240	(362)	-	-
DOPODO	73	-	(4)	-	69
Breakin' Out	240	2	(42)	-	200
Development	485	437	(327)	-	595
Learning and Engagement Funds	-	53	(34)	-	19
Programming, Producing and Touring Funds	325	40	(41)	-	324
Garfield Weston Fund	626	-	(626)	-	-
Relaunch Fund	264	200	(464)	-	-
Other restricted funds	-	10	(7)	-	3
	<u>2,559</u>	<u>1,636</u>	<u>(2,617)</u>	<u>-</u>	<u>1,578</u>
Unrestricted Funds:					
Designated Funds					
Peacock Theatre Fund	50	-	-	-	50
Creative Learning Fund	135	-	(135)	-	-
The Shakespeare's Head Fund	402	-	-	-	402
ACE Cultural Recovery Fund	341	-	(341)	-	-
Contingency reserve	-	-	-	500	500
	<u>928</u>	<u>-</u>	<u>(476)</u>	<u>500</u>	<u>952</u>
 General Fund	 2,829	 21,060	 (22,199)	 (106)	 1,584
	<u>6,316</u>	<u>22,696</u>	<u>(25,292)</u>	<u>394</u>	<u>4,114</u>

Sadler's Wells Trust Limited
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Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

24. Comparative Analysis of Net Assets between Funds
Year ended 31 March 2022

	Fixed Assets £'000	Cash £'000	Net Total Assets £'000	
Unrestricted Funds	1,115	10,346	(9,877)	1,584
Designated funds	402	550	-	952
Restricted funds	200	1,447	(69)	1,578
Total Funds	1,717	12,343	(9,946)	4,114

Sadler's Wells Trust Limited
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Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

25 Comparative Fund and Statement of Financial Activities Balances
Year ended 31 March 2022

		Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
		Year ended 31 March 2022	Year ended 31 March 2022	Year ended 31 March 2022	Year ended 31 March 2022
	Note	£'000	£'000	£'000	£'000
Income					
Donations and legacies:					
Sponsorship and donations		749	-	846	1,595
Arts Council Funding		2,679	-	674	3,353
Charitable activities:					
Theatre presentations		15,083	-	-	15,083
Activities for raising funds					
Trading income		1,805	-	-	1,805
Other income		744	-	116	860
Total Income		21,060	-	1,636	22,696
Expenditure					
Charitable activity: theatre presentations					
Expenditure on presentations	3	16,347	432	760	17,539
Theatre overheads	3	3,512	44	1,817	5,373
Raising Funds					
Fundraising costs	3	569	-	40	609
Trading costs	3	1,771	-	-	1,771
Total Expenditure		22,199	476	2,617	25,292
Net Income / (Expenditure) before Investment (Loss) / Gain		(1,139)	(476)	(981)	(2,596)
Net Investment (Loss) / Gain		-	-	-	-
Net Income / (Expenditure)		(1,139)	(476)	(981)	(2,596)
Other Recognised Gains: Theatre Tax Relief		394	-	-	394
Gross Transfer Between Funds		(500)	500	-	-
Net Movement in Funds		(1,245)	24	(981)	(2,202)
Net funds at 1 April 2021		2,829	928	2,559	6,316
Net Funds at 31 March 2022		1,584	952	1,578	4,114

Sadler's Wells Trust Limited
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Notes to the Financial Statements
For the year ended 31 March 2023 (continued)

26. Comparative Support Costs
Year ended 31 March 2022

	Presentation:	Theatre	Fundraising	Trading	2022
	£'000	Overhead	£'000	£'000	£'000
		£'000			
Executive Office	586	51	33	76	746
Finance	1,743	152	97	227	2,219
People	235	20	13	31	299
	<u>2,564</u>	<u>223</u>	<u>143</u>	<u>334</u>	<u>3,264</u>
Unrestricted resources expended before support costs	13,783	3,289	426	1,437	18,935
Unrestricted resources expended	<u>16,347</u>	<u>3,512</u>	<u>569</u>	<u>1,771</u>	<u>22,199</u>