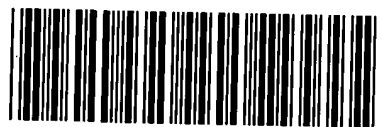


Sadler's Wells Limited
Company Number 02907116

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017**

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COMPANIES HOUSE

Sadler's Wells Limited

Directors, Officers and Administrative Information

Directors

Nigel Higgins (Chairman)
Jules Burns
Sue Butcher
Kathleen Crook
Robert Glick
Carol Lake
Tim Marlow
David Ripert
Robin Saunders
Sanoke Viswanathan

Secretary

Alistair Spalding CBE

Registered Office

Sadler's Wells Theatre
Rosebery Avenue
London
EC1R 4TN

Bankers

Coutts & Co.
440 Strand
London
WC2R 0QS

Auditors

Kingston Smith LLP
60 Goswell Road
London
EC1M 7AD

Solicitors

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Sadler's Wells Limited

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Sadler's Wells Limited

Report of the Directors

The Directors present their report and audited financial statements for the year ended 31 March 2017.

Principal Activities

The company promotes commercial events and provides bar and catering services at the Sadler's Wells and Peacock theatres, and also produces productions under commissions from Sadler's Wells Trust Ltd.

Review of Business

The company gifts any surplus back to the parent company, Sadler's Wells Trust, at the end of each financial period. Donations under Gift Aid of £1,302,132 (2016: £1,118,204) were made to Sadler's Wells Trust during the period. Accordingly, no dividend is recommended.

During the year the company operated catering services at Sadler's Wells and the Peacock Theatre. The company also rents out the spaces of the Sadler's Wells theatre complex for commercial hire, and holds the lease of the Shakespeare's Head Public House. It undertook to produce three productions for Sadler's Wells Trust Ltd.

The members of the Board who served during the period under review were as follows:

Nigel Higgins (Chairman)	Appointed 1st January 2017
Sir David Bell	Resigned 1st January 2017
Jules Burns	
Sue Butcher	
Marco Compagnoni	Resigned 28th June 2016
Kathleen Crook	
Robert Glick	
Carol Lake	
Tim Marlow	
David Ripert	Appointed 23rd November 2016
Robin Saunders	
Sandi Ulrich	Resigned 26th June 2016
Sanoke Viswanathan	

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 102 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Sadler's Wells Limited

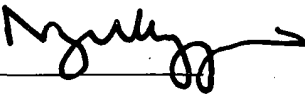
Report of the Directors (continued)

Auditors

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the members of the board on 28th June 2017

A handwritten signature in black ink, appearing to read 'Nigel Higgins', written over a horizontal line.

Nigel Higgins
Chairman

Independent Auditor's Report to the Members of Sadler's Wells Limited

We have audited the financial statements of Sadler's Wells Limited for the year ended 31 March 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and related notes. 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 Financial Reporting Standard 102, (the Financial Reporting Standard applicable to the UK and Republic of Ireland).

This report is made solely to the 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 1-2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinions the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Sadler's Wells Limited (cont)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from preparing a Strategic Report.

11.07.17

60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP

Sandra De Lord (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Statutory Auditor

Sadler's Wells Limited
Statement of Income and Retained Earnings
For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	1.2	4,178,360	3,039,725
Cost of sales		<u>(890,712)</u>	<u>(754,122)</u>
Gross Profit		3,287,648	2,285,603
Administration expenses		(878,076)	(780,704)
Production expenses		(1,510,074)	(632,938)
Operating Profit	3	<u>899,498</u>	<u>871,961</u>
Bank interest received		289	443
Donation under Gift Aid		(1,095,854)	(995,304)
Profit on Ordinary Activities before taxation		<u>(196,067)</u>	<u>(122,900)</u>
Taxation	4	196,067	122,900
Result For The Financial Year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>-</u>	<u>-</u>
Retained Earnings at 1 April 2016		<u>-</u>	<u>-</u>
Retained Earnings at 31 March 2017		<u>-</u>	<u>-</u>

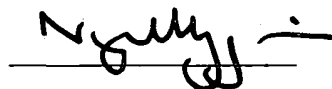
Sadler's Wells Limited

Balance Sheet as at 31 March 2017

		2017 £	2016 £
	Note		
Fixed Assets			
Tangible Assets	5	<u>653,710</u>	<u>669,770</u>
Current Assets			
Stock		38,227	42,215
Debtors	6	417,866	483,033
Cash at bank and in hand		<u>386,828</u>	<u>40,767</u>
		842,921	566,015
Creditors: Amounts Falling Due Within One Year	7	<u>(1,496,629)</u>	<u>(1,235,783)</u>
Net Current Liabilities		<u>(653,708)</u>	<u>(669,768)</u>
Total Assets less Current Liabilities		<u><u>2</u></u>	<u><u>2</u></u>
Capital and Reserves			
Called up share capital	8	2	2
Profit & Loss account		-	-
Total Equity		<u><u>2</u></u>	<u><u>2</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved for issue by the members of the board on 28th June 2017
and signed on their behalf by:



Nigel Higgins
Chairman

Company number 02907116

Sadler's Wells Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1. Accounting Policies

Company Information

Sadler's Wells Trust Ltd is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is Sadler's Wells Theatre, Rosebery Avenue, London EC1R 4TN.

1.1 Accounting Convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and the republic of Ireland ("FRS 102") and the requirement of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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 pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

The turnover for the year consists of income from catering and hiring of space, and from the producing of productions under commission from Sadler's Wells Trust Ltd.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods or service have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The comparative figures have been adjusted to reflect the grossing up of income and expenditure relating to productions which were previously netted off.

1.3 Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold Land & Buildings	2%	Straight line
Computer Equipment	20%	Straight line
Fixtures & Fittings	33.3%	Straight line

1.4 Stock

Stock represents goods for resale, and is stated at the lower of cost and estimated selling price less costs to complete and sell. At each reporting date an amendment is made for impairment and any adjustments are recognised in the profit and loss.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Sadler's Wells Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The tax expense represents the sum of the tax currently repayable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Sadler's Wells Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1.8 Taxation (cont)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.9 Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2. Staff and Directors

Other than the Directors, who received no remuneration, the company employed no staff during the period. A charge of £726,357 (2016: £727,919) was incurred from Sadler's Wells Trust in respect of the services of 28 (2016: 29) employees of that company during the year.

The company has an insurance policy in respect of claims against the Directors of the company, the cost of which was incurred by a related company.

3. Operating profit

Operating profit is stated after charging:

	2017 £	2016 £
Depreciation	<u>53,294</u>	<u>40,883</u>

Auditors remuneration is borne by the parent company, Sadlers Wells Trust Ltd

4. Taxation

	2017 £	2016 £
Current tax		
UK corporation tax	173,604	122,900
Under provisioning for prior year UK Corporation Tax	<u>22,463</u>	<u>-</u>
Total current tax	<u>196,067</u>	<u>122,900</u>

The corporation tax repayable represents the amount due from Theatre Tax Relief.

Sadler's Wells Limited
Notes to the Financial Statements
For the year ended 31 March 2017 (cont)

5. Fixed Assets	Leasehold Land and Buildings £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
As at 1st April 2016	716,956	42,243	62,315	821,514
Additions	-	37,234	-	37,234
Disposals	-	-	-	-
At 31st March 2017	<u>716,956</u>	<u>79,477</u>	<u>62,315</u>	<u>858,748</u>
Depreciation				
At 1st April 2016	100,274	14,081	37,389	151,744
Charge for the year	14,339	26,492	12,463	53,294
At 31st March 2017	<u>114,613</u>	<u>40,573</u>	<u>49,852</u>	<u>205,038</u>
Net book value				
At 31st March 2017	<u>602,343</u>	<u>38,904</u>	<u>12,463</u>	<u>653,710</u>
At 31st March 2016	<u>616,682</u>	<u>28,162</u>	<u>24,926</u>	<u>669,770</u>

6. Debtors	2017 £	2016 £
Trade debtors	184,924	239,353
Other Debtors and Prepayments	232,940	243,678
Unpaid share capital	2	2
	<u>417,866</u>	<u>483,033</u>

7. Creditors: Amounts falling due within one year	2017 £	2016 £
Trade Creditors	82,709	53,240
Tax and Social Security	104,227	110,094
Deferred Income	297,262	237,145
Amounts owed to group undertakings	968,786	783,682
Other creditors	43,645	51,622
	<u>1,496,629</u>	<u>1,235,783</u>

Sadler's Wells Limited
Notes to the Financial Statements
For the year ended 31 March 2017 (cont)

8. Equity Share Capital

	2017	2016
	£	£
Authorised, called up and unpaid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9. Ultimate Controlling Party

The ultimate parent company and controlling party is Sadler's Wells Trust Limited, due to its ownership of the company's entire share capital. Sadler's Wells Trust Limited is a limited company registered in England and Wales, and produces consolidated accounts. Sadler's Wells Trust Limited's registered office is Sadler's Wells Theatre, Rosebery Avenue, London EC1R 4TN.

Copies of the group's financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

10 Related Parties

Sadler's Wells Limited donated £1,095,854 (2016: £995,304) to its parent company during the year. At 31 March 2017 Sadler's Wells Limited owed £968,786 net (2016: £783,682) to its parent company. Sadler's Wells Trust Limited owes Sadler's Wells Limited £2 (2016: £2) in respect of unpaid share capital.