

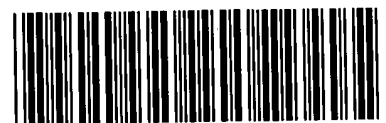
**Sadler's Wells Foundation Limited**

**Company Number 8338605**

**Registered Charity Number 1150844**

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

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# Sadler's Wells Foundation Limited

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# **Sadler's Wells Foundation Limited**

## **Trustees, Officers and Administrative Information**

### **Trustees**

Sir David Bell (Chairman)  
Rab Bennetts OBE  
Celeste Fenichel  
Kathryn Firth  
Nigel Higgins  
Harry MacAuslan  
Lesley MacDonagh  
Celia Rodrigues  
Roger Spence  
Paul Williams

### **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  
Chartered Accountants  
60 Goswell Road  
London  
EC1M 7AD

### **Solicitors**

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

# **Sadler's Wells Foundation Limited**

## **Trustees' Report**

The Trustees, who are also the Directors of the company under the Companies Act 2006, submit their report and the financial statements of Sadler's Wells Foundation Limited for the year ended 31 March 2017 which have been prepared in compliance with current statutory requirements, The Charities SORP (FRS102), and with the charity's governing document, its Memorandum and Articles of Association. The company was incorporated on the 20th December 2012 and registered with the Charity Commission on 15 February 2013.

### **Objectives, Principal Activities, Achievements and Future Development**

The objects for which the charity is established are to pay the income of the charity towards two aims. To defray the expenses of providing performances at Sadler's Wells Theatre, and to undertake a programme of refurbishment of the Theatre, supported by The Arts Council of England, to replace or repair elements of the building to keep the theatre functioning and to exploit opportunities to reduce our environmental impact and support audience building. In the period reported a comprehensive review of the Sadler's Wells theatre was carried out looking at all aspects of the building to identify and prioritise potential future capital works. This review was commissioned after the previous capital project was completed in March 2016 which was planned to repair and renew the building. In the period it funded a number of improvements including redevelopment and updating of the theatre's public spaces, a new power flying system for the main stage, further IT system and equipment updates, new energy efficient lighting, new sound and lighting equipment, replacement of some air conditioning units and further refurbishment of the main auditorium to improve audience comfort. In addition works were carried out to improve back of house areas and to make the building more accessible. The Foundation will continue to look for opportunities to further develop audience building, reduce environmental impact and increase sustainability as funding allows. Looking further ahead in 2022 the Foundation Limited will take possession of a long term lease on a new purpose built theatre in the Queen Elizabeth Olympic Park Stratford as part of the Stratford Waterfront development. Not only will this site house a purpose built performance space, but also be a home to a Hip Hop academy and Choreographic school as well as providing much needed additional studio space.

### **Public Benefit**

Sadler's Wells Foundation Limited recognises and welcomes the need to carry out its charitable activities for the benefit of the general public. To that end, and with 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 demonstrate the way in which the Foundation achieves its aims:

- The capital project will provide a more accessible and comfortable environment to enhance the audience experience.
- Continued investment in the theatre's technical systems will allow for a wider range of productions to be staged.
- Investment in new technologies will result in a more sustainable building with a reduced environmental footprint.

### **Review of Financial Activities**

The foundation rented the theatre complex to Sadler's Wells Trust with rental income of £267,000 received during the period. £35,000 was received in sponsorship and donations. Resources of £1,301 were expended in the process of generating funds, with an additional £162,067 recorded under other resources expended mainly against an full review of the main theatre site as previously mentioned above, and also costs connected with the future Sadler's Wells Waterfront theatre under development in Stratford, London. Factors likely to impact on performance in the future may include exploration of funding for a further round of improvements to be made to the main theatre site, and costs incurred in relation to the development of the Waterfront site which is due to open in 2022. The Foundation Limited's current strategic planning includes contingencies to cover costs relating to professional fees and the fixtures, fittings and equipment required for this new site.

# Sadler's Wells Foundation Limited

## Trustees' Report (cont)

### Reserves Policy

The charity's reserve policy is to accumulate sufficient unrestricted reserves to enable it to provide for a planned asset replacement, renewal and repair policy over the medium to long term. This is to be achieved by renting out its main asset, the theatre complex, seeking Arts Council grants and private donations, and fundraising. £1,002,049 of unrestricted funds were held at year end. This fund is held as directed by the Trustees to be expended in line with the Charity Commission Order of 26 June 2013 that required that certain assets transferred from Sadler's Wells Foundation were to be held as non endowed property (this is designated as the SWF Permanent Endowment Fund in note 16 to the accounts), and any other expenditure which is drawn down against unrestricted income. £208,139 of designated funds were held to be expended against general project expenditure. Capital Project funds were reduced down to zero as depreciation charges were drawn down over the year. In 2017-18 rental income for April to December 2017, and the balance of the general project fund, will be available to cover the final year of depreciation charges due against capitalised items from the Capital project completed in March 2016.

### Going Concern

There are no material uncertainties to be reported which would affect the charity's ability to continue as a going concern.

### Risk

The risk register has been updated during the period. Responsibility for monitoring and mitigating risks is delegated to the appropriate Trustees or managers. The charity holds unrestricted reserves as detailed previously to mitigate against unforeseen issues arising with its primary asset, the Theatre, and against issues arising with rental payments due from its primary unrestricted income stream, rental income from Sadler's Wells Trust Limited.

### Trustees

The Trustees who served during the period under review were as follows:

Sir David Bell (Chairman)	
Rab Bennetts OBE	
Celeste Fenichel	
Kathryn Firth	
Nigel Higgins	Appointed 15th December 2016
Harry MacAuslan	
Lesley MacDonagh	
Celia Rodrigues	Reappointed 26th May 2016
Roger Spence	Appointed 26th May 2016
Paul Williams	

The Trustees are appointed by the members who are also the Trustees.

A skills audit of the Trustees is conducted annually in order to better inform decisions regarding the appointment of new Trustees. The Foundation Limited provides an induction for newly appointed Trustees which informs them of their duties and responsibilities as directors of the company.

The Trustees delegate the day to day running of the Foundation Limited to the Chief Executive and Artistic Director, Alistair Spalding. The Trustees approve the annual budget, and delegate responsibility for the day to day management of the operating budgets to appropriate senior staff.

# **Sadler's Wells Foundation Limited**

## **Trustees' Report (cont)**

### **Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Sadler's Wells Foundation 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 the affairs of the charitable 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Connected Charities**

Sadler's Wells Foundation Limited is connected to other charities, details of which are given in note 21 to the financial statements. For a fuller understanding of the operation and performance of the Sadler's Wells group of charities, copies of the accounts of Sadler's Wells Trust can be obtained from Sadler's Wells, Rosebery Avenue, London EC1R 4TN.

### **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 the 22nd June 2017  
and signed on their behalf by:



Sir David Bell  
Chairman

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

We have audited the financial statements of Sadler's Wells Foundation Limited for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the 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 FRS102 "The Financial Reporting Standard Applicable in the UK and Ireland".

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 company's members those matters 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.

## Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement [set out on page 3] 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. 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' 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 opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 Trustees' Annual Report and from preparing a Strategic Report.

Sandra de Lord, Senior Statutory Auditor  
for and on behalf of Kingston Smith LLP, Statutory Auditor

*Kingston Smith LLP*

11.07.17  
60 Goswell Road  
London EC4A 7AD

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

Statement of Financial Activities  
For the Year Ended 31 March 2017

		Unrestricted Funds for the Year ended 31 March 2017 £	Designated Funds for the Year ended 31 March 2017 £	Restricted Funds for the Year ended 31 March 2017 £	Total Funds for the Year ended 31 March 2017 £	Total Funds for the Year ended 31 March 2016 £
	Note					
<b>Income</b>						
Income from						
Donations and legacies						
Sponsorship and donations		-	35,000	-	35,000	173,466
ACE Capital grant		-	-	-	-	692,437
Rent receivable		-	267,000	-	267,000	263,900
Investment income		455	-	-	455	2,611
Other income		-	-	1,120	1,120	3,617
<b>Total Income</b>		<u>455</u>	<u>302,000</u>	<u>1,120</u>	<u>303,575</u>	<u>1,136,031</u>
<b>Expenditure</b>						
Expenditure on raising funds						
Costs of generating voluntary income	3&6	-	-	-	-	1,281
Charitable activities						
Depreciation	1(d)	3,686	-	2,049,636	2,053,322	2,052,655
Amortisation	1(e)	-	-	72,125	72,125	72,125
Grantmaking	4&6	-	70,496	-	70,496	111,040
Resources expended	5	127,872	-	-	127,872	223,794
<b>Total Expenditure</b>		<u>131,558</u>	<u>70,496</u>	<u>2,121,761</u>	<u>2,323,815</u>	<u>2,460,895</u>
<b>Net Income/(Expenditure)</b>		(131,103)	231,504	(2,120,641)	(2,020,240)	(1,324,864)
<b>Net Funds at 1 April 2016</b>		1,133,152	832,807	1,531,093	3,497,052	4,821,916
Transfers between funds		-	(855,992)	855,992	-	-
<b>Net Funds at 31 March 2017</b>		<u>1,002,049</u>	<u>208,319</u>	<u>266,444</u>	<u>1,476,812</u>	<u>3,497,052</u>

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

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



**Sadler's Wells Foundation Limited**  
**(Limited by Guarantee)**  
Balance Sheet as at 31 March 2017

		2017	2017	2016	2016
	Note	£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	8		12,150		84,276
Tangible assets	9		967,665		3,020,986
<b>Current Assets</b>					
Cash at bank and in hand		658,282		843,473	
Debtors	10	-		36,347	
		<u>658,282</u>		<u>879,820</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	11	<u>(161,285)</u>		<u>(488,030)</u>	
<b>Net Current Assets</b>			496,997		391,790
<b>Total Assets Less Current Liabilities</b>			<u>1,476,812</u>		<u>3,497,052</u>
<b>Funds</b>					
Restricted	16		266,444		1,531,093
Designated	16		208,319		832,807
Unrestricted	16		<u>1,002,049</u>		<u>1,133,152</u>
			<u>1,476,812</u>		<u>3,497,052</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 22nd June 2017  
and signed on their behalf by:



Sir David Bell  
Chairman

Company number 8338605

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

Statement of Cash Flow For the  
Year Ended 31 March 2017

	Note	Year ended 31 March 2017		Year ended 31 March 2016	
		£	£	£	£
Net Cash provided by operating activities	13		(185,191)		1,325,796
Cash flows from investing activities	14		-		(1,523,433)
<b>Net change in cash and cash equivalents in the period</b>			<u>(185,191)</u>		<u>(197,637)</u>

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

Change in cash and cash equivalents in the period		(185,191)		(197,637)
Movement in net cash in the period			(185,191)	(197,637)
<b>Net cash and cash equivalents at 1 April 2016</b>			843,473	1,041,110
<b>Net cash and cash equivalents at 31 March 2017</b>	15		<u>658,282</u>	<u>843,473</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 1. Accounting Policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Charities Act 2011 as set out in the notes to these accounts. The accounts comply with the charity's governing document 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 (The FRS102 Charity SORP)

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in the financial statements are rounded to the nearest pound.

The charity is a Public Benefit Entity as defined by FRS102. The Trustees are satisfied that the charitable company is a going concern and the accounts are prepared on this basis.

#### (b) Recognition of income

- (i) Donations are credited to the Statement of Financial Activities when receivable without conditions.
- (ii) Interest income is credited to the Statement of Financial Activities when receivable.
- (iii) Restricted funds are used for the specific purpose laid down by the donor.
- (iv) Rent is credited to the Statement of Financial Activities when receivable.
- (v) The income recognition principles of FRS102 are adopted;
  - Evidence of entitlement to income.
  - Receipt is probable and the amount can be measured reliably.

#### (c) Expenditure

All direct charitable expenditure is accounted for on an accruals basis. Support costs are allocated as per note 6.

#### (d) Tangible fixed assets

Fixed assets are stated at cost.

Depreciation is provided on a straight line basis to write down the book value over the estimated useful lives of the assets as follows:

Freehold properties	50 years
Leasehold properties	Over the period of the lease - 125 years
Fixtures, fittings and equipment	Over 3 years
Specialist Equipment	Over 3 years
Construction and Building works	Over 3 years
Assets in the course of construction	Not depreciated until brought into practical use

A review of depreciation rates, useful lives of assets, residual value and impairment takes place on an annual basis.

#### (e) Intangible assets

Intangible assets are stated at cost.

Amortisation is provided on a straight line basis to write down the book value over the estimated useful lives of the assets as follows:

Fixtures, fittings and equipment	Over 3 years
----------------------------------	--------------

A review of amortisation rates, useful lives of assets, residual value and impairment takes place on an annual basis.

#### (f) Freehold and leasehold land and buildings

Title to the land and buildings within the Sadler's Wells theatre redevelopment site remains with the Foundation and is shown in the balance sheet as explained below.

The freehold land was not subject to an independent valuation and is shown in the balance sheet at a nominal value of £100.

The freehold and leasehold buildings not included within the Sadler's Wells theatre redevelopment site continue to be depreciated in accordance with note 1(d) above.

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 1. Accounting Policies (con't)

#### (g) Grant making

The Foundation recognizes any grants it may make at the date that the trustees approve the grant and the intentions have been communicated to the recipient.

#### (h) Critical accounting areas and use of judgements

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements; including estimates of useful lives of assets and depreciation and impairment policies.

#### (i) Financial Instruments

The charity has elected to apply the provisions of section two 'basic financial instruments' of FRS102 to all of its financial instruments. They are recognised in the charity's statement of financial position when the charity becomes party to the contractual provisions of the instrument.

##### a. 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.

##### b. 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.

### 2. Taxation

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

### 3. Costs of generating voluntary income

	Year Ended 31 March 2017 £	Year Ended 31 2016 £
Salary cost recharge from Sadler's Wells Trust	-	1,269
Support costs	-	12
	<u>-</u>	<u>1,281</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 4. Grant making

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Grant to Valid Productions	35,000	110,000
Support costs	35,496	1,040
	<u>70,496</u>	<u>111,040</u>

Grants were made to the Carlos Acosta Foundation via Valid Productions to support the launch of the Carlos Acosta Dance company.

Support costs have been allocated to the charitable activity of grant making, as explained in note 6.

### 5. Resources Expended

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
<b>Capital Project Revenue Costs</b>		
Salary cost recharges from Sadler's Wells Trust	-	77,630
Other direct project costs	-	5,898
	<u>-</u>	<u>83,528</u>
<b>General Revenue Costs</b>		
Future capital project costs	127,872	140,266
	<u>127,872</u>	<u>223,794</u>

### 6. Support Costs

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Bank and credit card charges	1,301	1,052
Overheads	4,195	-
Professional fees	30,000	-
	<u>35,496</u>	<u>1,052</u>

Support costs have been allocated on the basis of total spend incurred in the financial year under the given headings.

Auditors remuneration is borne by Sadler's Wells Trust Ltd

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 7. Financial Instruments

The financial statements include the following in respect of items held at fair value at 31 March 2017:

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Financial assets measured at amortised cost	-	6,576
Financial liabilities measured at amortised cost	150,994	453,030

### 8. Intangible Fixed Assets

#### Restricted

	Restricted Intangible Software and Website costs £	Total £
<b>Cost</b>		
As at 1 April 2016	216,376	216,376
Additions	-	-
Assets brought into use	-	-
Disposals	-	-
As at 31 March 2017	<u>216,376</u>	<u>216,376</u>
<b>Amortisation</b>		
As at 1 April 2016	132,101	132,101
Charge for the year	72,125	72,125
Disposals	-	-
As at 31 March 2017	<u>204,226</u>	<u>204,226</u>
<b>Net Book Value</b>		
At 31 March 2017	<u>12,150</u>	<u>12,150</u>
At 31 March 2016	<u>84,276</u>	<u>84,276</u>
<b>Total Net Intangible Fixed Assets</b>		<u>12,150</u>

### 9. Tangible Fixed Assets

#### Restricted

	Restricted Freehold Land and Buildings £	Restricted Fixtures, Fittings & Equipment £	Total £
<b>Cost</b>			
As at 1 April 2016	2,742,181	3,836,516	6,578,696
Additions	-	-	-
Assets brought into use	-	-	-
Disposals	-	-	-
As at 31 March 2017	<u>2,742,181</u>	<u>3,836,516</u>	<u>6,578,696</u>
<b>Depreciation</b>			
As at 1 April 2016	1,391,339	2,340,568	3,731,907
Charge for the year	770,797	1,278,838	2,049,636
Disposals	-	-	-
As at 31 March 2017	<u>2,162,136</u>	<u>3,619,406</u>	<u>5,781,543</u>
<b>Net Book Value</b>			
At 31 March 2017	<u>580,044</u>	<u>217,109</u>	<u>797,154</u>
At 31 March 2016	<u>1,350,842</u>	<u>1,495,947</u>	<u>2,846,789</u>

# Sadler's Wells Foundation Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2017

## 9. Tangible Fixed Assets (continued)

### Unrestricted including Designated

	Unrestricted Freehold Land and Buildings £	Unrestricted Leasehold Land and Buildings £	Designated Fixtures Fittings & Equipment £	Total £
<b>Cost</b>				
As at 1 April 2016	150,000	85,751	459,977	695,728
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2017	<u>150,000</u>	<u>85,751</u>	<u>459,977</u>	<u>695,728</u>
<b>Depreciation</b>				
As at 1 April 2016	18,000	43,554	459,977	521,531
Charge for the year	3,000	686	-	3,686
Disposals	-	-	-	-
As at 31 March 2017	<u>21,000</u>	<u>44,240</u>	<u>459,977</u>	<u>525,217</u>
<b>Net Book Value</b>				
At 31 March 2017	<u>129,000</u>	<u>41,511</u>	<u>-</u>	<u>170,511</u>
At 31 March 2016	<u>135,000</u>	<u>42,883</u>	<u>-</u>	<u>177,883</u>
				<u><u>967,665</u></u>

The total Net Book Value of tangible fixed assets held by Sadler's Wells Foundation Limited was £967,665 at 31st March 2017. The total Net Book Value of intangible assets held was £12,150 at the 31st March 2017.  
Restricted freehold land and buildings comprises: the book value of the site of the theatre complex, 28 Arlington Way and 181 Rosebery Avenue.  
Unrestricted freehold land and buildings represents the book value of 1 Arlington Way.  
Unrestricted leasehold land and buildings comprise: 15 parking spaces at 177 Rosebery Avenue.  
Fixtures, fittings and equipment represent assets transferred from Sadler's Wells Trust formerly purchased via grants made by Sadler's Wells Foundation.

## 10. Debtors

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Amount owed by connected charity: Sadler's Wells Trust	-	22,890
Trade debtors	-	6,576
Value Added Tax	-	6,881
	<u>-</u>	<u>36,347</u>

## 11. Creditors

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Trade creditors	9,588	40,409
Accruals	141,406	412,621
Deferred income	-	35,000
Value Added Tax	10,291	-
	<u>161,285</u>	<u>488,030</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements for the Year ended 31 March 2017

### 12. Analysis of Net Assets between Funds

	Intangible Fixed Assets £	Tangible Fixed Assets £	Net Current Assets £	Total £
<b>Restricted funds</b>				
Arlington Way Redevelopment Fund	-	13,601	-	13,601
Fixed Assets Fund	-	530,710	(530,710)	-
Theatre Redevelopment Fund	-	252,843	-	252,843
	-	797,154	(530,710)	266,444
<b>Unrestricted funds</b>				
General Project Reserve	12,150	-	196,169	208,319
SWF Permanent Endowment Reserve (No. 1150844-1)	-	170,511	831,538	1,002,049
	12,150	170,511	1,027,707	1,210,368
<b>Net Funds</b>	12,150	967,665	496,997	1,476,812

### 13. Reconciliation of Net Income/(Expenditure) from Operating Activities to Net Cash Flows

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Net income/(expenditure) for the reporting period	(2,020,240)	(1,324,864)
Depreciation and Amortisation	2,125,447	2,124,780
Decrease in debtors	36,347	118,748
Decrease in creditors	(326,745)	407,132
Net cash inflow from operating activities	(185,191)	1,325,796

### 14. Analysis of Cash Flows for Headings in Cash Flow Statement

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	-	(1,486,984)
Purchase of intangible assets	-	(36,449)
	-	(1,523,433)

### 15. Analysis of Net Cash

	31 March 2017 £	Cash Flow £	31 March 2016 £
Cash at bank and in hand	658,282	(185,191)	843,473



# Sadler's Wells Foundation Limited

## Notes to the Financial Statements

For the Year Ended 31 March 2017

### 16. Movement on Funds

	At 1 April 2016	Incoming Resources	Resources Expended	Transfers/ Gains	At 31 March 2017
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Project Fund	832,807	302,000	70,496	(855,992)	208,319
SWF Permanent Endowment Fund (No. 1150844-1)	1,133,152	455	131,558	-	1,002,049
	<u>1,965,959</u>	<u>302,455</u>	<u>202,054</u>	<u>(855,992)</u>	<u>1,210,368</u>
<b>Restricted funds</b>					
Arlington Way Redevelopment Fund	14,037	-	436	-	13,601
Capital Project Fund	1,255,507	1,120	2,112,619	855,992	-
Theatre Redevelopment Fund	261,549	-	8,706	-	252,843
	<u>1,531,093</u>	<u>1,120</u>	<u>2,121,761</u>	<u>855,992</u>	<u>266,444</u>
<b>Total Funds</b>	<u>3,497,052</u>	<u>303,575</u>	<u>2,323,815</u>	<u>-</u>	<u>1,476,812</u>

The Arlington Way Redevelopment Fund and the Theatre Redevelopment Fund represent the net book value of certain fixed assets purchased using monies donated to Sadler's Wells Foundation specifically for those purchases. Resources expended on those funds represent the depreciation charge on those assets. The Capital Project Fund represents funds received and expended towards the current capital project. In addition it represents the net book value of assets purchased using monies donated towards the current capital project. The Trustees have also designated two unrestricted funds. The General Project Fund represents funds received and resources expended towards the current capital project. The SWF Permanent Endowment Fund (No. 1150844-1) represents funds transferred from Sadler's Wells Foundation under the Charity Commission order in June 2013. The original theatre site was transferred under this Order to be held as permanent endowment and other assets were transferred as non endowed funds. These funds are held in trust by Sadler's Wells Foundation Limited and are to be applied in meeting the costs of administering the charity, managing its assets and furthering the objects of the charity. These funds were created to allow them to be separately identified.

### 17. Employees

The company employed no staff during the year. A charge of £nil (2016: £78,899) was incurred from Sadler's Wells Trust in respect of the services of employees of the company during the period. Redundancy costs of £nil (2016: £2,343) were included in this charge. The Trustees received no remuneration for the services they provided to the company, and no expenses were reimbursed. The company has an insurance policy in respect of claims against the Trustees of the company.

### 18. Contingent Liability

The assets of the company are subject to a fixed and floating charge by the Arts Council of England. As at 31 March 2017 the liabilities in respect of these balances amounted to £46,917,380 (2016: £46,917,380). The liabilities would fall due if the theatre complex was no longer used for its primary purpose.

### 19. Liability of Members

The company is limited by guarantee and the liability of members is limited to £1 each. At 31 March 2017 there were 10 members.

### 20. Capital Commitments

At 31 March 2017 Sadler's Wells Foundation Limited had £nil (2016: £nil) capital commitments not yet contracted for, and £nil (2016: £nil) contracted capital commitments.

### 21. Connected Charities

During the year Sadler's Wells Foundation Limited received rental income of £267,000, (2016: £263,900) from Sadler's Wells Trust. In addition the Foundation recharged the Trust credit card transaction charges totalling £12,252 (2016: £8,236). The Foundation made purchases from the Trust of £15,463 (2016: £21,523). Sadler's Wells Trust Limited owes Sadler's Wells Foundation Limited £nil (2016: £22,890) at the 31st March 2017. Sadler's Wells Foundation Limited is a member of Sadler's Wells Trust.