

**Sadler's Wells Foundation Limited**

**Company Number 08338605**

**Registered Charity Number 1150844**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2020**



# Sadler's Wells Foundation Limited

## Index

### Page

1	Trustees, Officers and Administrative Information
2 - 4	Trustees' Report
5 - 7	Independent Auditors' Report
8	Statement of Financial Activities
9	Balance Sheet
10	Statement of Cash Flows
11 - 17	Notes to the Financial Statements

# **Sadler's Wells Foundation Limited**

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

### **Trustees**

Rab Bennetts OBE (Chairman)  
Nigel Higgins (Deputy chairman)  
Dan Daw  
Kathryn Firth  
Robert Glick (appointed 28 November 2019)  
Andre Lerpiniere  
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**

Moore Kingston Smith LLP  
Chartered Accountants  
60 Goswell Road  
London  
EC1M 7AD

### **Solicitors**

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

# Sadler's Wells 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 2020 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. The company was formed to take over the activities of the unincorporated charity of the same name. Under a Charity Commission scheme dated 26 June 2013, all assets of the unincorporated charity were transferred to the charitable company with the exception of the freehold of the main theatre building and 179 Rosebery Avenue (land registry references NGL700054, LN19345 and 367089). These are considered to be permanent endowment assets and therefore remained in the unincorporated charity which became a linked charity to the new charitable company by virtue of the charitable company becoming the sole corporate trustee of the unincorporated charity. The financial statements are presented as if both charities were a single entity and the permanent endowment property is included in fixed assets at a nominal value of £100 in accordance with the accounting policy in note 1(f).

### Objectives, Principal Activities and Future Development

The principal activities of the Foundation in support of its objects have been to undertake essential repairs and refurbishments to Sadler's Wells to serve theatre activity while reducing environmental impact whenever possible. The Foundation has entered into an agreement for lease with the London Legacy Development Corporation. This agreement provides for the Foundation to enter into a 200 year lease for a new theatre and studios in the Queen Elizabeth Olympic Park as part of the East Bank project. The agreement for lease was signed on 2 May 2018. The new venue is due to open now in 2023 at the earliest - future timings remain under review following the interruption to construction in late March arising from the UK government's response to the coronavirus pandemic. Following the closure of the Sadler's Wells theatre on the 16th March, the Board of the Foundation granted Sadler's Wells Trust a rental holiday to 31st March 2021 with immediate effect. In approving the scale and timing of any future capital commitments, the trustees will take account of the reduced resources available as a result of this decision.

### 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:

- Repairs and refurbishments undertaken ensure that Sadler's Wells continues to operate with appropriate systems and equipment to support theatre operations and enhance audience experience
- Investment in project consultancy and legal advice has been made to ensure that the new venue can deliver forecast benefits locally, nationally and internationally

### Review of Financial Activities

The Foundation rented the theatre to Sadler's Wells Trust, with a rental income of £212,136 (2018/19: £276,000) received during the period. The reduction from the prior year reflects the rental holiday granted from the 1st January 2020. £366,237 was spent during the year on essential repairs and maintenance of the Sadler's Wells theatre in Islington, capitalised and depreciated in line with accounting policies. Expenditure of £59,894 was recorded under other resources mainly against costs connected with the new theatre currently being designed as part of East Bank. The delivery of the new Sadler's Wells theatre will require fixtures, fittings and equipment to be purchased by the Foundation. £209,000 was successfully raised in the year to support this investment.

### 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 fundraising. £1,069,268 of unrestricted funds were held at year end. This fund is held as directed by the Trustees to be expended in line with the SWF Permanent Endowment Reserve, or any other expenditure which is charged against unrestricted income. An additional restricted fund was established during the year for fixtures, fittings and equipment at the theatre in Stratford. The financial impact of the time limited rental holiday provided to Sadler's Wells Trust will be managed through a revised programme of future capital commitments and the use of accumulated unrestricted reserves to fund future depreciation charges.

### Going Concern

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

## Sadler's Wells Foundation Limited

### Trustees' Report (cont)

## 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:

**Rab Bennetts OBE (Chairman)**  
**Nigel Higgins (Deputy chairman)**  
**Dan Daw**

Kathryn Firth

Robert Glick Appointed 28th November 2019

**Andrew Lerpiniere**

Roger Spence

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 provides an induction for newly appointed Trustees which informs them of their duties and responsibilities as directors of the company, and encourages Trustees to keep abreast of emerging future developments through attendance at relevant sector events as well as with charity commission guidance updates.

The Trustees delegate the day to day running of the Foundation 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.

## 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.)

# **Sadler's Wells Foundation Limited**

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

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 20 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, Moore 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 15th June 2020  
and signed on their behalf by:



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Rab Bennetts OBE (Chairman)  
Chairman

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

## **Opinion**

We have audited the financial statements of Sadler's Wells Foundation Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 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 the 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

## **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 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;
- 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' report and from the requirement to prepare a strategic report.

## **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also 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.

## **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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



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

- 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 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 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 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable 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.

*Moore Kingston Smith LLP*

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

3 September 2020

60 Goswell Road  
London  
EC1M 7AD

**Sadler's Wells Foundation Limited**  
**(Limited by Guarantee)**  
Statement of Financial Activities  
For the Year Ended 31 March 2020

	Note	Unrestricted Funds for the Year ended 31 March 2020 £	Designated Funds for the Year ended 31 March 2020 £	Restricted Funds for the Year ended 31 March 2020 £	Total Funds for the Year ended 31 March 2020 £	Total Funds for the Year ended 31 March 2019 £
<b>Income</b>						
Income from						
Donations and legacies		-	-	209,000	209,000	-
Sponsorship and donations		-	-	-	-	-
Rent receivable		212,136	-	-	212,136	276,000
Investment income		1,371	-	-	1,371	890
Other income		-	-	-	-	-
<b>Total Income</b>		<u>213,507</u>	<u>-</u>	<u>209,000</u>	<u>422,507</u>	<u>276,890</u>
<b>Expenditure</b>						
Charitable activities						
Depreciation	1(d)	167,983	-	9,144	177,127	58,713
Other	3&4	32,394	-	27,500	59,894	65,009
<b>Total Expenditure</b>		<u>200,377</u>	<u>-</u>	<u>36,644</u>	<u>237,021</u>	<u>123,722</u>
<b>Net Income before investment gains/(losses)</b>		13,130	-	172,356	185,486	153,168
Net gains/(losses) on investments		27,000	-	-	27,000	-
<b>Net Income/(Expenditure)</b>		<u>40,130</u>	<u>-</u>	<u>172,356</u>	<u>212,486</u>	<u>153,168</u>
<b>Net Funds at 1 April 2019</b>		1,029,138	-	248,160	1,277,298	1,124,130
Transfers between funds		-	-	-	-	-
<b>Net Funds at 31 March 2020</b>	14	<u>1,069,268</u>	<u>-</u>	<u>420,516</u>	<u>1,489,784</u>	<u>1,277,298</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 2020

		2020	2020	2019	2019
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	6		581,210		515,101
Investment property	7		<u>150,000</u>		<u>-</u>
			731,210		515,101
<b>Current Assets</b>					
Debtors	8	23,911		-	
Cash at bank and in hand		<u>740,843</u>		<u>789,422</u>	
		764,754		789,422	
<b>Creditors: Amounts Falling Due Within One Year</b>	9	<u>(6,180)</u>		<u>(27,225)</u>	
<b>Net Current Assets</b>			758,574		762,197
<b>Total Assets Less Current Liabilities</b>			<u>1,489,784</u>		<u>1,277,298</u>
<b>Funds</b>					
Restricted	14		420,516		248,160
Designated	14		-		-
Unrestricted	14		<u>1,069,268</u>		<u>1,029,138</u>
			<u>1,489,784</u>		<u>1,277,298</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 15th June 2020  
and signed on their behalf by:



\_\_\_\_\_  
Rab Bennetts OBE (Chairman)

Company number 08338605

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

Statement of Cash Flow For the  
Year Ended 31 March 2020

		Year ended 31 March 2020	Year ended 31 March 2019
	Note	£	£
Net cash flows provided by/ (used in) operating activities	11	317,658	329,549
Cash flows from Investing activities	12	(366,237)	(99,444)
<b>Net change in cash and cash equivalents in the period</b>		<u>(48,579)</u>	<u>230,106</u>

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

Change in cash and cash equivalents in the period		<u>(48,579)</u>	<u>230,106</u>
Movement in net cash in the period		(48,579)	230,106
<b>Net cash and cash equivalents at 1 April 2019</b>		789,422	559,316
<b>Net cash and cash equivalents at 31 March 2020</b>	13	<u>740,843</u>	<u>789,422</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 1. Accounting Policies

#### (a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and updated for the Triennial Review 2017. The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 FRS 102 Charities SORP), the Companies Act 2006 and The Charities Act 2011.

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 financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

#### (b) Going concern

The financial statements are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The Trustees have considered the company's cash flow and trading position in the light of the COVID-19 pandemic and the closure of the Sadler's Wells theatre venues. The financial impact of the time limited rental holiday provided to Sadler's Wells Trust will be managed through a revised programme of future capital commitments and the use of accumulated unrestricted reserves to fund future depreciation charges. The Trustees are satisfied that the charity will continue to meet its obligations to external creditors as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the Trustees consider it appropriate to prepare the accounts on a going concern basis.

#### (c) 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.

#### (d) Expenditure

All direct charitable expenditure is accounted for on an accruals basis. Support costs are allocated based on the use of reserves where appropriate.

#### (e) 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
<del>Leasehold properties</del>	<del>Over the period of the lease - 125 years</del>
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.

#### (f) Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income and expenditure account.

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

The Foundation owns the freehold and leasehold interests in land and buildings comprising the Sadler's Wells Theatre redevelopment site. These are leased to Sadler's Wells Theatre Trust Limited which operates the theatre in fulfilment of the Foundation's principal objective to support the theatre activities and are therefore recognised as functional properties at cost less accumulated depreciation. The freehold of the original land is held on permanent endowment trusts as described at the start of the Trustees' Report at a nominal value of £100. The Foundation also owns the freehold interest in 1 Arlington Way which is leased to Sadler's Wells Limited, a related party, at a peppercorn rent. ~~Sadler's Wells Limited has now granted a sublease to a commercial tenant and accordingly the freehold interest has now been recognised at fair value as an investment property.~~

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

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

#### (h) 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.

#### (i) 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.

*Key sources of estimation uncertainty*

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

**Fair value of Investment property**

The company's freehold property is included in the financial statements at valuation as described in note 7 to the financial statements. This is considered to be a critical accounting estimate in view of the amounts involved and the judgements applied in their valuation. The valuation was prepared in accordance with the requirements of RICS valuations which are currently subject to more material uncertainty due to the impact of the Coronavirus pandemic. However the Trustees consider that the valuations represents the best estimate of fair value at the balance sheet date.

#### (j) 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 and subsequently at settlement value. 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 Corporation Tax Act 2010.

### 3. Expenditure

	Year Ended 31 March 2020 £	Year Ended 31 March 2019 £
<b>General Revenue Costs</b>		
Future capital project costs	55,394	66,102
Support costs	4,500	(1,093)
	<u>59,894</u>	<u>65,009</u>

### 4. Support Costs

	Year Ended 31 March 2020 £	Year Ended 31 March 2019 £
Bank and credit card charges	-	94
Overheads	4,500	(1,187)
	<u>4,500</u>	<u>(1,093)</u>

Auditors remuneration of £4,500 is included in overheads for the current year and was borne by Sadler's Wells Trust in the prior year.

# Sadler's Wells Foundation Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2020

## 5. Intangible Fixed Assets

Restricted	Restricted Intangible assets £	Total £
<b>Cost</b>		
As at 1 April 2019	216,376	216,376
Additions	-	-
Assets brought into use	-	-
Disposals	-	-
As at 31 March 2020	<u>216,376</u>	<u>216,376</u>
<b>Amortisation</b>		
As at 1 April 2019	216,376	216,376
Charge for the year	-	-
Disposals	-	-
As at 31 March 2020	<u>216,376</u>	<u>216,376</u>
<b>Net Book Value</b>		
At 31 March 2020	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>-</u>
<b>Total Net Intangible Fixed Assets</b>		<u>-</u>

## 6. Tangible Fixed Assets

Restricted	Restricted Freehold Land and Buildings £	Restricted Fixtures, Fittings & Equipment £	Total £
<b>Cost</b>			
As at 1 April 2019	2,742,181	3,836,516	6,578,697
Additions	-	-	-
As at 31 March 2020	<u>2,742,181</u>	<u>3,836,516</u>	<u>6,578,697</u>
<b>Depreciation</b>			
As at 1 April 2019	2,468,584	3,836,516	6,305,100
Charge for the year	9,144	-	9,144
As at 31 March 2020	<u>2,477,728</u>	<u>3,836,516</u>	<u>6,314,244</u>
<b>Net Book Value</b>			
At 31 March 2020	<u>264,453</u>	<u>-</u>	<u>264,453</u>
At 31 March 2019	<u>273,596</u>	<u>-</u>	<u>273,596</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 6. Tangible Fixed Assets (continued)

#### Unrestricted Including Designated

	Unrestricted Freehold Land and Buildings £	Unrestricted Leasehold Land and Buildings £	Designated Fixtures Fittings & Equipment £	Unrestricted Fixtures Fittings & Equipment £	Total £
<b>Cost</b>					
As at 1 April 2019	150,000	85,750	459,977	135,654	831,381
Additions	-	-	-	366,237	366,237
Transfer to investment property	(150,000)	-	-	-	(150,000)
As at 31 March 2020	-	85,750	459,977	501,891	1,047,618
<b>Depreciation</b>					
As at 1 April 2019	27,000	45,612	459,977	57,288	589,877
Charge for the year	-	686	-	167,297	167,983
Transfer to investment property	(27,000)	-	-	-	(27,000)
As at 31 March 2020	-	46,298	459,977	224,585	730,860
<b>Net Book Value</b>					
At 31 March 2020	-	39,453	-	277,306	316,758
At 31 March 2019	123,000	40,139	-	78,366	241,505
					<u>581,210</u>

The total Net Book Value of tangible fixed assets held by Sadler's Wells Foundation Limited was £581,210 at 31st March 2020.

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 and is treated instead as an investment asset at 31st March 2020

Unrestricted leasehold land and buildings comprises: 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.

The £366k addition of unrestricted FF&E in the year relates to investment in audio equipment, fire panels and refurbishment of toilets and the goods lifts at Sadler's Wells theatre.

### 7. Investment property

Investment property comprises the freehold interest of the Shakespeare's Head Public House at 1 Arlington Way, London. The fair value of the investment property 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 valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2020 £	2019 £
<b>Fair value</b>		
As at 1st April 2019	-	-
Transfers from tangible fixed assets	123,000	-
Net gains or losses through fair value adjustments	27,000	-
As at 31st March 2020	<u>150,000</u>	<u>-</u>

### 8. Debtors

	31 March 2020 £	31 March 2019 £
Trade debtors	10,800	-
Value Added Tax	<u>13,111</u>	<u>-</u>
	<u>23,911</u>	<u>-</u>

### 9. Creditors

	31 March 2020 £	31 March 2019 £
Trade creditors	1,680	22,940
Accruals	4,500	-
Value Added Tax	<u>-</u>	<u>4,285</u>
	<u>6,180</u>	<u>27,225</u>



# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 10. Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Investment properties	Net Current Assets £	Total £
<b>a) Current year</b>				
<b>Restricted funds</b>				
Arlington Way Redevelopment Fund	12,293	-	-	12,293
Restricted Fixed Assets	25,437	-	(25,437)	-
Theatre Redevelopment Fund	226,723	-	-	226,723
FF&E Refurbishment	-	-	181,500	181,500
	<u>264,453</u>	<u>-</u>	<u>156,063</u>	<u>420,516</u>
<b>Unrestricted funds</b>				
SWF Permanent Endowment Reserve (No. 1150844-1)	316,758	150,000	602,510	1,069,268
	<u>316,758</u>	<u>150,000</u>	<u>602,510</u>	<u>1,069,268</u>
<b>Net Funds</b>	<u>581,212</u>	<u>150,000</u>	<u>758,573</u>	<u>1,489,784</u>
<b>b) Prior year</b>				
<b>Restricted funds</b>				
Arlington Way Redevelopment Fund	12,729	-	-	12,729
Capital Project Reserve	25,437	-	(25,437)	-
Theatre Redevelopment Fund	235,431	-	-	235,431
	<u>273,596</u>	<u>-</u>	<u>(25,437)</u>	<u>248,160</u>
<b>Unrestricted funds</b>				
SWF Permanent Endowment Reserve (No. 1150844-1)	241,505	-	787,633	1,029,138
	<u>241,505</u>	<u>-</u>	<u>787,633</u>	<u>1,029,138</u>
<b>Net Funds</b>	<u>515,101</u>	<u>-</u>	<u>762,197</u>	<u>1,277,298</u>

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

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Net income/(expenditure) for the reporting period	185,486	153,168
Depreciation	177,127	58,713
(Increase)/Decrease in debtors	(23,911)	169,589
(Decrease) in creditors	(21,045)	(51,921)
Net cash inflow/(outflow) from operating activities	<u>317,658</u>	<u>329,549</u>

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

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(366,237)	(99,444)
	<u>(366,237)</u>	<u>(99,444)</u>

### 13. Analysis of Net Cash

	31 March 2019 £	Cash Flow £	31 March 2020 £
Cash at bank and in hand	<u>789,422</u>	<u>(48,579)</u>	<u>740,843</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 14. Movement on Funds

	At 1 April 2019	Income	Expenditure	Transfers/ Gains	At 31 March 2020
a) current year	£	£	£	£	£
<b>Unrestricted funds</b>					
General Project Fund	-	-	-	-	-
SWF Permanent Endowment Fund (No. 1150844-1)	1,029,138	213,507	(200,377)	27,000	1,069,268
	<u>1,029,138</u>	<u>213,507</u>	<u>(200,377)</u>	<u>27,000</u>	<u>1,069,268</u>
<b>Restricted funds</b>					
Arlington Way Redevelopment Fund	12,729	-	(436)	-	12,293
Theatre Redevelopment Fund	235,431	-	(8,708)	-	226,723
FF&E Refurbishment	-	209,000	(27,500)	-	181,500
	<u>248,160</u>	<u>209,000</u>	<u>(36,645)</u>	<u>-</u>	<u>420,516</u>
<b>Total Funds</b>	<u>1,277,298</u>	<u>422,507</u>	<u>(237,022)</u>	<u>-</u>	<u>1,489,784</u>
	<b>At 1 April 2018</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers/ Gains</b>	<b>At 31 March 2019</b>
b) prior year	£	£	£	£	£
<b>Unrestricted funds</b>					
General Project Fund	-	-	1,093	(1,093)	-
SWF Permanent Endowment Fund (No. 1150844-1)	866,828	276,890	(115,006)	427	1,029,138
	<u>866,828</u>	<u>276,890</u>	<u>(113,913)</u>	<u>(667)</u>	<u>1,029,138</u>
<b>Restricted funds</b>					
Arlington Way Redevelopment Fund	13,165	-	(436)	-	12,729
Capital Project Fund	-	-	(667)	667	-
Theatre Redevelopment Fund	244,137	-	(8,706)	-	235,431
	<u>257,302</u>	<u>-</u>	<u>(9,809)</u>	<u>667</u>	<u>248,160</u>
<b>Total Funds</b>	<u>1,124,130</u>	<u>276,890</u>	<u>(123,722)</u>	<u>-</u>	<u>1,277,298</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. A new restricted fund was created during the year for activity related to Fixtures, Fitting and Equipment for the new theatre in Stratford. 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 Reserve (No. 1150844-1) represents funds transferred from Sadler's Wells Foundation. 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.

### 15. Employees

The company employed no staff during the year. Administrative support is provided by Sadler's Wells Trust Limited. 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.

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 16. Comparative Fund and SOFA Balances

		Unrestricted Funds for the Year ended 31 March	Designated Funds for the Year ended 31 March	Restricted Funds for the Year ended 31 March	Total Funds for the Year ended 31 March
	Note	2019 £	2019 £	2019 £	2019 £
<b>Income</b>					
Income from					
Donations and legacies		-	-	-	-
Sponsorship and donations		-	-	-	-
Rent receivable		276,000	-	-	276,000
Investment income		890	-	-	890
Other income		-	-	-	-
<b>Total Income</b>		<u>276,890</u>	<u>-</u>	<u>-</u>	<u>276,890</u>
<b>Expenditure</b>					
Charitable activities					
Depreciation	1(d)	48,904	-	9,809	58,713
Amortisation	1(e)	-	-	-	-
Grantmaking		-	-	-	-
Resources expended	3&4	66,102	(1,093)	-	65,009
<b>Total Expenditure</b>		<u>115,006</u>	<u>(1,093)</u>	<u>9,809</u>	<u>123,722</u>
<b>Net Income/(Expenditure)</b>		161,884	1,093	(9,809)	153,168
<b>Net Funds at 1 April 2018</b>		866,828	-	257,302	1,124,130
Transfers between funds		427	(1,093)	667	-
<b>Net Funds at 31 March 2019</b>	13	<u>1,029,138</u>	<u>-</u>	<u>248,160</u>	<u>1,277,298</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 17. 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 2020 the liabilities in respect of these balances amounted to £46,917,380 (2019: £46,917,380). The liabilities would fall due if the theatre complex was no longer used for its primary purpose.

### 18. Liability of Members

The company is limited by guarantee and the liability of members is limited to £1 each. At 31 March 2020 there were 8 members.

### 19. Capital Commitments

At 31 March 2020 Sadler's Wells Foundation Limited had £195,446 (2019: £280,648) capital commitments not yet contracted for, and £95,959 (2019: £nil) contracted capital commitments.

### 20. Connected Charities

During the year Sadler's Wells Foundation Limited received rental income of £212,136 (2019: £276,000) from Sadler's Wells Trust Limited. In addition the Foundation recharged to the Trust credit card transaction charges totalling £17,295 (2019: £12,354). The Foundation made purchases from the Trust of £0 (2019: £0). Sadler's Wells Trust Limited owes Sadler's Wells Foundation Limited £0 (2019: £0) at the 31st March 2020. Sadler's Wells Foundation Limited owes Sadler's Wells Trust Limited £1,680 (2019: £0) at the 31st March 2020. Sadler's Wells Foundation Limited is a member of Sadler's Wells Trust.

### 21. Related party transactions

Nigel Higgins is also a trustee and chairman of Sadler's Wells Trust Limited. There were no Trustee related party transactions to disclose in the reporting period.

### 22. Amounts receivable under operating leases

At the reporting date the company had contracted with tenants for the following minimum lease payments

	31 March 2020 £	31 March 2019 £
Within 1 year	-	282,848
2-5 years	282,848	567,508
over 5 years	-	-
Total	<u>282,848</u>	<u>850,356</u>

Sadler's Wells Foundation granted a rent holiday to Sadler's Wells Trust in 2020/21. The total payable to the end of the lease is £284,660.