

**Sadler's Wells Foundation Limited**

**Company Number 8338605**

**Registered Charity Number 1150844**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2018**



# **Sadler's Wells Foundation Limited**

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# **Sadler's Wells Foundation Limited**

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

### **Trustees**

Nigel Higgins (Chairman)

Sir David Bell

Rab Bennetts OBE

Celeste Fenichel

Kathryn Firth

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 2018 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 the Foundation carried out planned capital maintenance works including the refurbishment of the stage door area, new equipment for the power flying system and replacement telephone equipment. 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 £271,002 received during the period. Expenditure of £77,378 was recorded under other resources expended mainly against 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, planned maintenance replacement of key capital fixture, fittings and equipment 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. £866,828 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 drawn down against unrestricted income. Capital Project funds were reduced down to zero as depreciation charges were drawn down over the year.

### **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:

Nigel Higgins (Chairman)      Appointed 1 January 2017  
Sir David Bell  
Rab Bennetts OBE  
Celeste Fenichel  
Kathryn Firth  
Harry MacAuslan  
Lesley MacDonagh  
Celia Rodrigues  
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 Limited 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 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.

### **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:

# Sadler's Wells Foundation Limited

## Trustees' Report (cont)

- 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

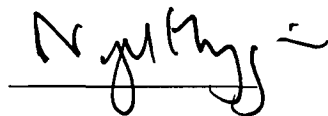
Sadler's Wells Foundation Limited is connected to other charities, details of which are given in note 20 to the financial statements. For a fuller understanding of the operation and performance of the Sadler's Wells group of charities, copies of the accounts of Sadler's Wells Trust can be obtained from Sadler's Wells, Rosebery Avenue, London EC1R 4TN.

### Auditors

The auditors, 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 21st June 2010  
and signed on their behalf by:



Nigel Higgins  
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 2018 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 2018 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; 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' 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.

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

*Kingston Smith Ltd*

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

[Date] *24 August 2018*

60 Goswell Road  
London  
EC1M 7AD

**Sadler's Wells Foundation Limited**  
**(Limited by Guarantee)**  
Statement of Financial Activities  
For the Year Ended 31 March 2018

		<b>Unrestricted Funds for the Year ended 31 March 2018 £</b>	<b>Designated Funds for the Year ended 31 March 2018 £</b>	<b>Restricted Funds for the Year ended 31 March 2018 £</b>	<b>Total Funds for the Year ended 31 March 2018 £</b>	<b>Total Funds for the Year ended 31 March 2017 £</b>
	<b>Note</b>					
<b>Income</b>						
Income from						
Donations and legacies		-	-	-	-	35,000
Sponsorship and donations		-	-	-	-	-
Rent receivable		67,750	203,252	-	271,002	267,000
Investment income		274	-	-	274	455
Other income		-	-	-	-	1,120
<b>Total Income</b>		<b>68,024</b>	<b>203,252</b>	<b>-</b>	<b>271,276</b>	<b>303,575</b>
<b>Expenditure</b>						
Charitable activities						
Depreciation	1(d)	15,756	-	513,749	529,505	2,053,322
Amortisation	1(e)	-	-	12,150	12,150	72,125
Grantmaking	3&5	-	-	-	-	70,496
Resources expended	4&5	77,378	4,925	-	82,303	127,872
<b>Total Expenditure</b>		<b>93,134</b>	<b>4,925</b>	<b>525,899</b>	<b>623,958</b>	<b>2,323,815</b>
<b>Net Income/(Expenditure)</b>		<b>(25,110)</b>	<b>198,327</b>	<b>(525,899)</b>	<b>(352,682)</b>	<b>(2,020,240)</b>
<b>Net Funds at 1 April 2017</b>		<b>1,002,049</b>	<b>208,319</b>	<b>266,444</b>	<b>1,476,812</b>	<b>3,497,052</b>
Transfers between funds		(110,111)	(406,646)	516,757	-	-
<b>Net Funds at 31 March 2018</b>		<b>866,828</b>	<b>-</b>	<b>257,302</b>	<b>1,124,130</b>	<b>1,476,812</b>

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 2018

		2018	2018	2017	2017
	Note	£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	7		-		12,150
Tangible assets	8		474,370		967,665
<b>Current Assets</b>					
Cash at bank and in hand		559,316		658,282	
Debtors	9	<u>169,590</u>		<u>-</u>	
		728,906		658,282	
<b>Creditors: Amounts Falling Due Within One Year</b>	10	<u>(79,146)</u>		<u>(161,285)</u>	
<b>Net Current Assets</b>			649,760		496,997
<b>Total Assets Less Current Liabilities</b>			<u><u>1,124,130</u></u>		<u><u>1,476,812</u></u>
<b>Funds</b>					
Restricted	15		257,302		266,444
Designated	15		-		208,319
Unrestricted	15		<u>866,828</u>		<u>1,002,049</u>
			<u><u>1,124,130</u></u>		<u><u>1,476,812</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 21st June 2018  
and signed on their behalf by:



Nigel Higgins  
Chairman

Company number 8338605

**Sadler's Wells Foundation Limited**  
**(Limited by Guarantee)**  
Statement of Cash Flow For the  
Year Ended 31 March 2018

	Note	Year ended 31 March 2018		Year ended 31 March 2017	
		£	£	£	£
Net Cash provided by operating activities	12		(62,755)		(185,191)
Cash flows from investing activities	13		(36,211)		-
<b>Net change in cash and cash equivalents in the period</b>			<u>(98,966)</u>		<u>(185,191)</u>

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

Change in cash and cash equivalents in the period		(98,966)		(185,191)
Movement in net cash in the period			(98,966)	(185,191)
<b>Net cash and cash equivalents at 1 April 2017</b>			658,282	843,473
<b>Net cash and cash equivalents at 31 March 2018</b>	14		<u>559,316</u>	<u>658,282</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2018

### 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 5.

#### (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:

Database and ticketing software	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 2018**

### **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 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.

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2018

### 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 Grant making

	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
Grant to Valid Productions	-	35,000
Support costs	-	35,496
	<u>-</u>	<u>70,496</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 5.

### 4 Resources Expended

	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
<b>Capital Project Revenue Costs</b>		
Salary cost recharges from Sadler's Wells Trust	-	-
Other direct project costs	-	-
	<u>-</u>	<u>-</u>
<b>General Revenue Costs</b>		
Future capital project costs	77,378	127,872
Support costs	4,925	-
	<u>82,303</u>	<u>127,872</u>

### 5 Support Costs

	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
Bank and credit card charges	340	1,301
Overheads	4,585	4,195
Professional fees	-	30,000
	<u>4,925</u>	<u>35,496</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 2018

### 6. Financial Instruments

The financial statements include the following in respect of items held at fair value at 31 March 2018:

	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
Financial assets measured at amortised cost	169,589	-
Financial liabilities measured at amortised cost	79,146	150,994

### 7. Intangible Fixed Assets

Restricted	Restricted Intangible assets £	Total £
<b>Cost</b>		
As at 1 April 2017	216,376	216,376
Additions	-	-
Assets brought into use	-	-
Disposals	-	-
As at 31 March 2018	216,376	216,376
<b>Amortisation</b>		
As at 1 April 2017	204,226	204,226
Charge for the year	12,150	12,150
Disposals	-	-
As at 31 March 2018	216,376	216,376
<b>Net Book Value</b>		
At 31 March 2018	-	-
At 31 March 2017	12,150	12,150
<b>Total Net Intangible Fixed Assets</b>		-

### 8. Tangible Fixed Assets

Restricted	Restricted Freehold Land and Buildings £	Restricted Fixtures, Fittings & Equipment £	Total £
<b>Cost</b>			
As at 1 April 2017	2,742,181	3,836,516	6,578,696
Additions	-	-	-
As at 31 March 2018	2,742,181	3,836,516	6,578,696
<b>Depreciation</b>			
As at 1 April 2017	2,162,136	3,619,406	5,781,542
Charge for the year	297,307	216,443	513,749
As at 31 March 2018	2,459,443	3,835,849	6,295,291
<b>Net Book Value</b>			
At 31 March 2018	282,738	667	283,405
At 31 March 2017	580,045	217,109	797,154



# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2018

### 8. 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 2017	150,000	85,751	459,977	-	695,728
Additions	-	-	-	36,210	36,210
Disposals	-	-	-	-	-
As at 31 March 2018	<u>150,000</u>	<u>85,751</u>	<u>459,977</u>	<u>36,210</u>	<u>731,938</u>
<b>Depreciation</b>					
As at 1 April 2017	21,000	44,240	459,977	-	525,217
Charge for the year	3,000	686	-	12,070	15,756
Disposals	-	-	-	-	-
As at 31 March 2018	<u>24,000</u>	<u>44,926</u>	<u>459,977</u>	<u>12,070</u>	<u>540,973</u>
<b>Net Book Value</b>					
At 31 March 2018	<u>126,000</u>	<u>40,825</u>	<u>-</u>	<u>24,140</u>	<u>190,965</u>
At 31 March 2017	<u>129,000</u>	<u>41,511</u>	<u>-</u>	<u>-</u>	<u>170,511</u>
					<u>474,370</u>

The total Net Book Value of tangible fixed assets held by Sadler's Wells Foundation Limited was £474,370 at 31st March 2018. 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.

### 9. Debtors

	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
Trade debtors	<u>169,589</u>	<u>-</u>
	<u>169,589</u>	<u>-</u>

### 10. Creditors

	Year Ended 31 March 2018 £	Year Ended 31 March 2017 £
Trade creditors	7,473	9,588
Accruals	60,000	141,406
Value Added Tax	<u>11,673</u>	<u>10,291</u>
	<u>79,146</u>	<u>161,285</u>

# Sadler's Wells Foundation Limited

Notes to the Financial Statements  
For the Year Ended 31 March 2018

## 11. Analysis of Net Assets between Funds

a) Current year	Tangible Fixed Assets £	Net Current Assets £	Total £
<b>Restricted funds</b>			
Arlington Way Redevelopment Fund	13,165	-	13,165
Restricted Fixed Assets	26,103	(26,103)	-
Theatre Redevelopment Fund	244,137	-	244,137
	<u>283,405</u>	<u>(26,103)</u>	<u>257,302</u>
<b>Unrestricted funds</b>			
SWF Permanent Endowment Reserve (No. 1150844-1)	190,965	675,863	866,828
	<u>190,965</u>	<u>675,863</u>	<u>866,828</u>
<b>Net Funds</b>	<u>474,370</u>	<u>649,760</u>	<u>1,124,130</u>

a) Prior year	Intangible Fixed Assets	Tangible Fixed Assets	Net Current Assets	Total
<b>Restricted funds</b>				
Arlington Way Redevelopment Fund	-	13,601	-	13,601
Capital Project Reserve	-	-	-	-
Theatre Redevelopment Fund	-	252,843	-	252,843
	-	<u>266,444</u>	-	<u>266,444</u>
<b>Unrestricted funds</b>				
General Project Reserve	12,150	530,710	(334,541)	208,319
SWF Permanent Endowment Reserve (No. 1150844-1)	-	170,511	831,538	1,002,049
	<u>12,150</u>	<u>701,221</u>	<u>496,997</u>	<u>1,210,368</u>
<b>Net Funds</b>	<u>12,150</u>	<u>967,665</u>	<u>496,997</u>	<u>1,476,812</u>

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

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Net income/(expenditure) for the reporting period	(352,682)	(2,020,240)
Depreciation and Amortisation	541,655	2,125,447
Increase in debtors	(169,589)	36,347
Decrease in creditors	(82,139)	(326,745)
Net cash inflow from operating activities	<u>(62,755)</u>	<u>(185,191)</u>

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

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(36,210)	-
	<u>(36,210)</u>	<u>-</u>

## 14. Analysis of Net Cash

	31 March 2018 £	Cash Flow £	31 March 2017 £
Cash at bank and in hand	<u>559,317</u>	<u>(98,965)</u>	<u>658,282</u>

# Sadler's Wells Foundation Limited

## Notes to the Financial Statements For the Year Ended 31 March 2018

### 15. Movement on Funds

	At 1 April 2017	Incoming Resources	Resources Expended	Transfers/ Gains	At 31 March 2018
a) current year	£	£	£	£	£
<b>Unrestricted funds</b>					
General Project Fund	208,319	203,252	(4,925)	(406,646)	-
SWF Permanent Endowment Fund (No. 1150844-1)	1,002,049	68,024	(93,134)	(110,111)	866,828
	<u>1,210,368</u>	<u>271,276</u>	<u>(98,059)</u>	<u>(516,757)</u>	<u>866,828</u>
<b>Restricted funds</b>					
Arlington Way Redevelopment Fund	13,601	-	(436)	-	13,165
Capital Project Fund	-	-	(516,757)	516,757	-
Theatre Redevelopment Fund	252,843	-	(8,706)	-	244,137
	<u>266,444</u>	<u>-</u>	<u>(525,899)</u>	<u>516,757</u>	<u>257,302</u>
<b>Total Funds</b>	<u>1,476,812</u>	<u>271,276</u>	<u>(623,958)</u>	<u>-</u>	<u>1,124,130</u>
b) prior year	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 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.

### 16. Employees

The company employed no staff during the year. A charge of £nil (2017: £nil) was incurred from Sadler's Wells Trust in respect of the services of employees of the company during the period. Redundancy costs of £nil (2017: £nil) 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.

## **Sadler's Wells Foundation Limited**

### Notes to the Financial Statements For the Year Ended 31 March 2018

#### **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 2018 the liabilities in respect of these balances amounted to £46,917,380 (2017: £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 2018 there were 10 members.

#### **19. Capital Commitments**

At 31 March 2018 Sadler's Wells Foundation Limited had £208,915 (2017: £nil) capital commitments not yet contracted for, and £nil (2017: £nil) contracted capital commitments.

#### **20. Connected Charities**

During the year Sadler's Wells Foundation Limited received rental income of £271,002, (2017: £267,000) from Sadler's Wells Trust. In addition the Foundation recharged to the Trust credit card transaction charges totalling £9,969 (2017: £12,252). The Foundation made purchases from the Trust of £4,105 (2017: £15,463) Sadler's Wells Trust Limited owes Sadler's Wells Foundation Limited £169,589 (2017: £nil) at the 31st March 2018. Sadler's Wells Foundation Limited is a member of Sadler's Wells Trust.

#### **21. Related party transactions**

There were no Trustee related party transactions to disclose in the reporting period.

#### **22 Post Balance sheet Event**

On 2<sup>nd</sup> May 2018 Sadler's Wells Foundation Limited entered into an Agreement for Lease with the London Legacy Development Corporation. This agreement provides for Sadler's Wells Foundation Limited to enter into a 300 year lease on a new theatre in the Queen Elizabeth Olympic Park.

The theatre will be constructed and funded by the London Legacy Development Corporation, and Sadler's Wells Foundation Limited will assume the lease when certain criteria on planning, funding and viability have been met.

On current forecasts the theatre will open in autumn 2022.