

Company Registered Number 3320538

**Birmingham Royal Ballet
(A Company Limited by Guarantee)**

Report and Consolidated Financial Statements

For the year ended 31 March 2020

BIRMINGHAM ROYAL BALLET

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BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir David Normington (Chair)
Mrs Susan Harrison (resigned 1 October 2019)
Dame Jenny Abramsky (resigned 1 October 2019)
Mr Ian Squires
Mr Michael Elliott
Ms Deborah Spence
Ms Hemma Patel
Mr Anthony Coombs
Councillor Carl Rice
Mr Barry Allen (appointed 16 December 2019)
Ms Jeanetta Laurence (appointed 16 December 2019)
Ms Jane Hackett (appointed 19 December 2019)

SECRETARY

Mrs Anna Williams FCA, DChA

REGISTERED IN ENGLAND & WALES

Company Number: 3320538

Registered Charity Number: 1061012

REGISTERED OFFICE

Thorp Street
Birmingham
B5 4AU

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

Veale Wasborough Vizards LLP
Second Floor, 3 Brindleyplace
Birmingham
B1 2JB

DWFM Beckman Solicitors
101 Wigmore Street
London
W1U 1FA

INVESTMENT MANAGERS

Smith and Williamson
9 Colmore Row
Birmingham
B3 2BJ

BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISERS

AUDITOR

Deloitte LLP
Statutory auditor
4 Brindley Place, Birmingham, United Kingdom, B1 2HZ

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

The directors present their annual report (including the strategic report) and the audited financial statements for the year ended 31 March 2020.

STATUS, OBJECTS AND POLICIES

Birmingham Royal Ballet (BRB), a registered charity, is incorporated as a company limited by guarantee, not having a share capital.

BRB Production Services Limited is a wholly owned subsidiary of Birmingham Royal Ballet. The principal activity of the company in the year was theatrical production.

The objects of Birmingham Royal Ballet in accordance with the Articles of Association are to advance the education of the public in the arts and sciences of ballet, dance, music and drama.

Birmingham Royal Ballet seeks to be the UK's foremost large-scale touring ballet company, enriching people's lives through dance, and aspiring to excellence in all that it does.

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

The Directors of the charitable company who are also trustees for the purpose of charity law, are referred to in this report as "Directors" or "the Board of Directors".

The names of the Directors, Officers and Professional Advisers who served throughout the year and at the date of signing are provided on page 3.

All of the SORP 2019 requirements of the Trustees Report have been included within this Directors' Report.

Organisation

The Board of Directors' membership includes those with appropriate professional experience of dance, education, arts and charity administration, fundraising, marketing and communications, general management and financial management.

Directors' Interests in Related Bodies

Body	Director
Governors of the Royal Ballet	Sir David Normington Dame Jenny Abramsky (resigned 01 October 2019) Jeanetta Laurence (appointed 16 December 2019)
Birmingham City Councillors	Councillor Carl Rice

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

GOVERNANCE STRUCTURE

Birmingham Royal Ballet, as a company limited by guarantee, is governed by a board of non-executive directors (charitable trustees). In accordance with the Articles of Association the directors are also the members of the company.

The Board of Directors are responsible for decisions covering the significant areas of Birmingham Royal Ballet's affairs including:

- overall strategy and planning in line with Arts Council England's funding cycle
- appointment of the key management personnel the Chief Executive and 'The Director'. The day-to-day management of the affairs of Birmingham Royal Ballet is delegated to the Chief Executive, Caroline Miller, who is responsible for overall organisational management. The Director, David Bintley until 31 July 2019 and Carlos Acosta from 7 January 2020, is responsible for artistic strategy and for managing artistic activities.
- approval of budgets, approval of major capital expenditure projects, and development of key policies including general treasury and risk management policies.

The Governors of the Royal Ballet have the right to nominate one of their members to be a member of the Board of Directors; Birmingham City Council nominate on representative (usually a Councillor) to be members of the Board of Directors. All such nominations are approved and appointed by the Board of Directors. The Board of Directors is responsible for the appointment of a Chair.

In order to carry out their duties as effectively as possible the Board of Directors is assisted by a number of sub committees including:

- **The Finance and General Purposes Committee** - responsible for detailed review of financial reports, planning documents, budgets and policies prior to recommendation for approval. The Finance and General Purposes Committee presently fulfils the role of the Audit Committee.
- **The Nominations and Governance Committee** – is responsible for the review of general governance including BRB's response to the recommendations of the Charity Governance code as well as recommendation of candidates for appointment as Directors bearing in mind the particular needs of the Board at the time as well as the future needs of the Board (succession planning). The Nominations Committee is also responsible for ensuring the appropriate induction of new directors. It is the responsibility of the Board of Directors as a whole to approve candidates for appointment.
- **The Appointments and Remuneration Committee** - responsible and overseeing the appointment of The Chair of the Board, senior officers and for reviewing their remuneration and making appropriate recommendations for the Board of Directors as a whole to approve.
- **The Investment Committee** - responsible for overseeing implementation of the investment policy and monitoring performance of invested funds.

Other working groups may be convened and carry out specific tasks as directed by the Board.

To enable the Directors to perform their duties all directors have full access to relevant information and to services of the Company Secretary and the Officers of the Company. If necessary, the Directors may take independent professional advice at the Company's expense.

All new Directors receive a comprehensive information pack, a tour of the company and opportunities to meet with The Director, Chief Executive, Chief Operating Officer and other senior members of staff. All Directors have regular access to performances, other events and activities so that they are familiar with the work of the company. An extended board session is held annually, giving opportunities to discuss subjects such as artistic policy, business strategy and governance.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

The primary governance and organisational objectives for the period were to

- Recruit new Board members with appropriate skills and knowledge to fill existing and forthcoming vacancies
- Continue the review of governance arrangements started in 2018-19 and benchmark against the Charity Governance Code
- Evolve working practises to improve staff performance, efficiency and wellbeing through modernising contracts and developing our performance management and health and safety frameworks
- Build our employee engagement framework through structured 'Looking Forward' events, an annual engagement survey and opportunities to join working parties including an Environmental working group
- Foster a culture of equality and inclusivity including the introduction of a new 'Dignity at Work' programme
- Improve environmental performance through our environmental action plan

We welcomed Barry Allen, Jane Hackett and Jeanetta Laurence OBE to the Board bringing extensive skills in ballet, arts education and commerce to strengthen the Board. Over the year, the Board has taken time to consider organisational values and mission in conjunction with the change in artistic leadership. This has included opportunities to engage and consult with all BRB staff through regular 'Looking Forward' events.

BRB has continued to invest in training and skills during the period with a continuing focus on health and safety, wellbeing and the launch of BRB's 'Dignity at Work.' We view this initiative as a model of good practice. BRB has joined the Old Vic Guardians programme and the first cohort of 'guardians' have received training to confidentially support and signpost colleagues who may not know where to seek help, report or whistle blow in the work place. BRB also implemented its 'Mind Management' training in February 2020 with group sessions to help staff recognise how high pressure environments can affect reactions and performance.

BRB monitors its environmental performance through Julie's Bicycle creative green tools. BRB will reduce its carbon footprint by reducing office space as the lease on one of its buildings expired in December 2020.

PUBLIC BENEFIT

In shaping objectives and planning activities for the year, the Directors have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee-charging.

Birmingham Royal Ballet is one of the UK's most creative and exciting ballet companies and aims to inspire audiences with work that is entertaining, relevant, exciting and technically excellent. It is committed to inclusion and access as ballet, dance and music are art forms for everyone to experience, participate in and enjoy.

Creating new ballet is an essential part of ensuring that the art form remains vibrant and relevant. Birmingham Royal Ballet creates new one act and full-length narrative ballets and regularly commissions new music for these works, adding richness to the national cultural ecology. Birmingham Royal Ballet plays an important role in preserving the classical and heritage repertoire, in particular those works associated with the English tradition of classical ballet, ensuring their continued existence for future generations to enjoy.

With the support of its major funder, Arts Council England, Birmingham Royal Ballet presents world-class performances of the widest possible range of repertory throughout the United Kingdom in both large scale and middle scale venues. The company also tours internationally on a regular basis.

Birmingham Royal Ballet is committed to the principle that cost should not prohibit access to performances. Tickets for performances in the UK are priced across affordable ranges (between £10 and £85) which reflect the regional economies where the company performs. Work is also increasingly available online. A wide range of concessions and

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

special offers are available on tickets including discounts for school groups. Access to performances are increased through a programme of children's performances, touch tours, audio description and relaxed performances.

Birmingham Royal Ballet offers free talks, open classes and activity days to support performances and membership schemes such as Birmingham Royal Ballet Friends and The Dancers' Circle give opportunities to attend talks, rehearsals and other special events that help to give a greater insight into and understanding of the work of the company.

Birmingham Royal Ballet extends its reach and accessibility through learning, engagement and participation (LEAP) work. Programmes include free ballet training for talented individuals, repertory based programmes for schools and community groups, disability led work and continuing professional development for professional dancers and teachers. Many projects include free access to a Birmingham Royal Ballet performance. Birmingham Royal Ballet continues to expand and develop how it takes work into the community; presenting it in new and unusual settings and co-creating works and performances with community groups.

Above all, Birmingham Royal Ballet believes in the importance of taking the arts to everyone and will work hard, through ballet, dance and music, to break down barriers perceived or real that prevent people from the pleasure of experiencing or engaging with the arts in its many and varied forms.

STRATEGIC REVIEW

CHARITABLE ACTIVITIES

Performance and Production

The Birmingham Royal Ballet group of companies (Birmingham Royal Ballet and its subsidiary BRB Production Services) produce and perform ballet dance and music of the highest quality ensuring access to world class performances to audiences throughout the United Kingdom as well as internationally.

BRB's artistic and performance related objectives for the 2019-20 period were to:

- Be the UK's foremost large-scale, touring classical ballet company by offering the most comprehensive touring circuit of any large scale ballet company in the UK
- Create a new mid-scale programme to attract multi-generational audiences
- Deliver a successful 2019-20 season which will support transition in artistic leadership which includes devising a 'festival season' in Summer 2020 curated by Carlos Acosta
- Create two new one act ballets through the 'Ballet Now' programme
- Support the development of emerging choreographers within BRB through creation of work for the mid-scale programme
- Return to the Royal Albert Hall for a third season of performances of The Nutcracker in December 2019
- Develop BRB's live music offer through the development of its 'Music and Dance' programme including performances at the Grand Opera House, Belfast

In 2019-20 the company gave 140 performances - 70 in Birmingham and 70 on tour in the UK (2018-19: 165 performances – 66 in Birmingham, 85 on tour in the UK and 14 internationally) with live audiences of approximately 152,000 (2018-19: 194,000); 90 % (2018-19 88 %) of performances were given outside of London.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Audiences were lower overall due to fewer UK performances and no international tours during the year. Activity can vary from year to year depending on programme choices, venue availability and funding opportunities.

The complete repertory performed during the year was:

BALLET	CHOREOGRAPHY	MUSIC
Beauty and the Beast	Sir David Bintley	Glen Buhr
Peter and the Wolf	Ruth Brill	Serge Prokofiev
Seasons in our World	Laura Day Kit Holder Lachlan Monahan	Cevanne Horrocks-Hopayian
A Sense of Time	Didi Veldman	Gabriel Prokofiev
Lyric Pieces	Jessica Lang	Edvard Grieg
Hobson's Choice	Sir David Bintley	Paul Reade
Giselle	Sir David Bintley, Galina Samsova, Jules Perrot, Jean Coralli, Marius Petipa,	Adolphe Adam
A Brief Nostalgia	Jack Lister	Tom Harrold
Nine Sinatra Songs	Twyla Tharp	Various
The Nutcracker	Peter Wright, Lev Ivanov, Vincent Redmon	Pyotr Ilyich Tcof haikovsky
Swan Lake	Peter Wright, Lev Ivanov, Marius Petipa	Pyotr Ilyich Tchaikovsky

We were delighted to resume our mid-scale tour programme in 2019 returning to Everyman Cheltenham, Royal and Dearngate, Northampton and Theatre Severn, Shrewsbury and establishing new relationships with Wolverhampton Grand Theatre and Malvern Theatres with a programme designed to appeal to multigenerational audiences. Peter and the Wolf was reimaged by BRB dancer Ruth Brill with the narration recorded by poet Hollie McNish.

The summer performances in June 2019 at Birmingham Hippodrome and Sadlers Wells Theatre were a fitting opportunity to celebrate David Bintley's remarkable 24 year tenure as Director. David created both full-length narrative and one act ballet's for BRB and we were delighted to see his creative achievements marked by a knighthood in the 2019 honours list for services to dance.

We would like to express our thanks to Marion Tait for her stewardship of artistic activity as acting Director from July 2019 until Carlos Acosta's arrival in January 2020.

During the 2019 autumn season BRB presented Ballet Black and its award winning production of The Suit as part of the mixed programme in Birmingham and London. In November 2019, BRB returned to Grand Opera House Belfast with an alternative offer to build new audiences by staging three Music and Dance concerts including a family concert.

BRB ended the calendar year by returning to the Royal Albert Hall for a third successful season of performances at the Royal Albert Hall with audience numbers of 22,869 (2018-19: 24,696).

Swan Lake was toured nationally in February and March 2020; the spectacular production proving as popular as ever. The timing of the tour was fortunate with only one week at Theatre Royal Plymouth being cancelled due to Covid 19 lockdown. All live performances from April 2020 to October 2020 were cancelled due to the Covid 19 pandemic resulting in the loss of the Director's inaugural 'Curated by Carlos' Festival in summer 2020.

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DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Bristol Hippodrome	April & May 2019	Beauty and the Beast
Everyman, Cheltenham Royal and Derngate, Northampton Theatre Severn, Shrewsbury Malvern Theatres Wolverhampton Grand	May 2019	Seasons in our World Peter and the Wolf
Birmingham Hippodrome Sadlers Wells, London	June 2019	Lyric Pieces A Sense of Time Peter and the Wolf Hobson's Choice
Birmingham Hippodrome Theatre Royal, Plymouth Sadlers Wells, London	October 2019	Giselle
Birmingham Hippodrome Sadlers Wells, London	October 2019	A Brief Nostalgia The Suit (Ballet Black) Nine Sinatra Songs
Theatre Royal, Plymouth Grand Opera House, Belfast	October & November 2019	Peter and The Wolf (as part of a series of Music and Dance Concerts in Belfast)
Birmingham Hippodrome Royal Albert Hall	November & December 2019 December 2019	The Nutcracker
Mayflower, Southampton Birmingham Hippodrome The Lowry, Salford Empire Theatre, Sunderland Theatre Royal, Plymouth (cancelled)	January to March 2020	Swan Lake

Other performances

First Steps children's performances, specially adapted performances for younger children and their families, took place in Birmingham, Bristol, Salford, Plymouth, Southampton and Sunderland. Peter and the Wolf was performed as a short family show in Plymouth (October 2019) as part of their half term week activities. The family concert in Belfast (November 2019) included 'Tubby the Tuba' and Peter and the Wolf.

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DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Public performances of the Swan Lake Dreams productions with local casts of amateur dancers of all ages performing alongside BRB dancers took place in Southampton and Birmingham (February 2020). Sadly, the Plymouth 'Dreams' performance was cancelled due to the Covid 19 lockdown in March 2020.

Relaxed performances, audio description and touch tours were held in Birmingham and on tour where these support venues own audience access and engagement strategies.

Choreographic Development

BRB's Ballet Now programme is a ground-breaking initiative furthering the tradition of creativity and innovation pioneered by Ninette de Valois which is creating ten new one act ballets and supporting thirty new artists, ten choreographers, ten composers and ten designers providing them with mentoring, resources and access to Birmingham Royal Ballet's outstanding facilities and artists. During 2019 two new works were created through this programme; A Sense of Time was premiered at Birmingham Hippodrome in June 2019 and A Brief Nostalgia, a co-production with Queensland Ballet, premiered at Hippodrome in September 2019.

BRB dancers Ruth Brill (Peter and The Wolf), Laura Day, Kit Holder and Lachlan Monaghan (Seasons in our World) created works for BRB's new midscale programme. These were premiered at Everyman, Cheltenham in May 2019.

Dancer Development

The Cadbury Dance Fellows programme continues to deliver development opportunities for ballet dancers transitioning from vocational training to work, giving them opportunities to experience working with a large company and take part in class, rehearsals and performance. In 2019-20 BRB offered student placements to 19 (2018-19: 32) graduate year students from The Royal Ballet School and Elmhurst School for Dance to enable them to be part of a professional company and have first-hand experience of all aspects of a ballet career.

Dance Hub – Birmingham

Birmingham Royal Ballet in partnership with Birmingham Hippodrome and a number of dance and cultural organisations across Birmingham are collectively committed to developing dance as a major contributor to the artistic, creative and economic life of Birmingham. The beautiful 'Dance Hub Birmingham' facility located above BRB's studios in Thorp Street officially opened in November 2019. Birmingham Royal Ballet along with Birmingham Hippodrome and DanceXchange is a member of the not-for-profit Community Interest Company (CIC) that manages the new studio facilities. Dance Hub Birmingham is an active partnership representing the region's professional dance sector, supporting the development and sustainability of the dance sector in all its diversity.

Orchestra Projects

Live music of the highest quality is integral to world-class ballet performances.

Our orchestra, The Royal Ballet Sinfonia, is the UK's only specialist ballet orchestra. It continues to thrive and develop under the directorship of Koen Kessels.

In addition to performances with Birmingham Royal Ballet, the Royal Ballet Sinfonia undertook the following work:

- Performances with San Francisco Ballet at Sadlers Wells (May 2019)
- An Evening of Music and Dance at Symphony Hall, Birmingham and Warwick Arts Centre – February 2019
- A number of recording sessions including Music of Gregory Rose (November 2019)

Musicians from the Sinfonia continue to support professional development for graduating musicians from Birmingham Conservatoire and the Royal Academy of Music, specifically in strings, brass and woodwind. The opportunities include mock auditions, shadowing and observing rehearsals and playing with the Sinfonia during rehearsal processes.

BRB and the Royal Ballet have continued their important work on training and mentoring conductors for dance with Thomas Jung performing with both companies during his second year as Constant Lambert Conducting Fellow.

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DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Audience Reach and Growth

Audience Development objectives for 2019-20 were to:

- Continue to work with key venue partners on long-term audience development
- Increase first time attendance in Birmingham
- Continue and develop the programme of events for distinct audiences such as families with very young children (First Steps) and individuals with sensory needs
- Continue to develop free access events including open days and festival presentations in Birmingham and on tour

We returned to all our main partner venues throughout the year and were particularly pleased to work with Birmingham Hippodrome, Mayflower Southampton and Theatre Royal Plymouth on the Swan Lake Dreams project. Other initiatives for audience development and growth included the new mid-scale tour format (May 2019) presenting work aimed at multigenerational audiences and the Music and Dance shows at Grand Opera House Belfast provide an accessible entry point to ballet music and dance. There were 5,539 first time bookers (2018 – 5,349) for The Nutcracker at Birmingham Hippodrome. First Steps audiences remained stable at 6,954 (2018-19: 6,844).

Public and open access events in Birmingham and on tour reached an estimated 5,000 individuals through:

- Audience Open Days – before Saturday matinees in Birmingham and on tour offering a range of family friendly activities and insights
- Discovery Days – opportunities to discover more about productions from behind the scenes
- Community dance workshops – from one off projects for groups of all ages to the Ballet What's That programme
- Pre-performance talks and open class on stage

Engagement and Participation

Offering opportunities to connect with Birmingham Royal Ballet through learning, engagement, access and participation (LEAP) programmes is one of the ways in which the company can take ballet and associated activities out beyond the traditional theatre presentations making ballet, dance, drama and music accessible art forms for everyone.

Our LEAP objectives for the year were to:

- Deliver an exciting and innovative learning programme both in Birmingham and on tour (nationally and internationally) by offering opportunities to at least 12,500 participants of all ages and backgrounds per annum through inclusive, enjoyable and empowering experiences
- Establish a third high profile and high impact performance programme through a partnership of venues and other cultural and community organisations to enable amateur participants of any age to create and perform a version of Swan Lake with professional artists in Birmingham, Southampton and Plymouth.
- Create a new Freefall film
- Recruit a new cohort BRB Ambassadors

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DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

BRB's LEAP (Learning, Engagement, Access and Participation) team delivered over 900 sessions to more than 20,000 participants during 2019-20.

Targeted engagement and participation activity included:

- Schools workshops including a growing partnership with Al Furqan Muslim faith school with weekly classes for years 1 and 5
- Ballet training including the longer term 'Dreams' programme for 718 participants across all touring areas
- Workshops for older people including outreach workshops in London in partnership with the Royal Albert Hall
- 281 children aged 8-11 attended workshops to identify talented children to perform with BRB at the Royal Albert Hall
- 'First Steps' ballet classes in partnership with Birmingham Hippodrome

BRB's LEAP Team delivered its third and most ambitious large-scale participatory performance project, Swan Lake Dreams' inspired by and ultimately coinciding with the performances of Swan Lake in Spring 2020. More than 500 dance students of all ages auditioned and 200 students progressed to train and rehearse with professional ballet dancers and create a version of Swan Lake for performance in Southampton, Birmingham and Plymouth (Plymouth sadly cancelled due to Covid 19). The performance in Birmingham was to live music provided by the Royal Birmingham Conservatoire Symphony Orchestra

A limited number of funded places were available to give opportunities to those who would otherwise be unable to participate.

BRB has three, longer term engagement projects:

- **Dance Track** - BRB's talent development programme for primary school children. Dance Track is key in the work BRB does to encourage arts participation across all ages, genders and backgrounds, opening up the art-form to children and families who otherwise may not engage. More than 2,500 children from 46 primary schools took part in dance workshops. 70% of children come from black or minority ethnic (BME) backgrounds. In 2019/20 there were 145 children participating in the regular free ballet training programme 16 students being accepted onto the associate programmes of either Elmhurst Ballet School or The Royal Ballet School Junior Associates. All Dance Track students are offered the opportunity to study for Arts Award Discover.
- **Freefall Dance Company (talented adults with severe learning difficulties)** - Freefall Dance Company is an ensemble of highly gifted dancers with severe learning disabilities. Freefall gave two public performances and has continued its teacher training workshops with University of Birmingham on inclusive practice and disability awareness. Freefall extended its successful film programme with **Freefall: After Bach** a collaboration between Freefall, David Bintley and award winning dance film maker Ross MacGibbon with a piece of existing Freefall repertory reimagined for camera which has been viewed online around 500,000 times. We are particularly proud that in February 2020 three members of Freefall worked with BRB in Belfast as part of a 'Disability and Dance' outreach programme (further to BRB performances in the City in November 2019). The Freefall artists delivered a CPD sessions for local freelance dance artists broadening experience and building confidence in working with people with a learning disability. It was the first time the three artists had worked outside of Birmingham and for two of them, the first time on a plane. It was a remarkable achievement and testament to the skills confidence gained through Freefall.
- **LEAP Ambassadors** - (formerly BRB Ambassadors) programme was re-launched in September 2019 as a FREE yearlong residency with BRB for young people aged 16-25 with limited access to ballet, the arts, culture and education. The focus of the programme was to provide young people with

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

the skills needed to create, take part in and contribute to community arts projects in the future. 6 successful candidates who attended monthly group sessions led by arts industry professionals to gain insight and experience across a wide range of activities from project management to fundraising to support an individual training programme for each participant. Unfortunately, the 'Celebration' event to show case the participants' achievements had to be postponed due to Covid 19.

FINANCIAL REVIEW

Birmingham Royal Ballet's primary financial objective for the period was to maintain general, unrestricted reserves (excluding capital reserves) at a minimum £1,000,000 with a target to grow to £1,500,000.

The group results for the period are set out in the financial statements on page 30 onwards.

The period to 31 March 2020 ended with a deficit on activities including the endowment fund of £348,472 (2018-19 surplus £169,016) giving total accumulated reserves of £5,944,788 (2018-19 £6,293,260).

The (deficit)/surplus analysed across funds was as follows:

- General unrestricted funds - deficit (£69,525)
- Restricted funds – surplus £45,108
- Endowment funds deficit (£324,055)

Un-restricted reserves, excluding the capital reserve for the refurbishment of BRB's Thorp Street premises, presently stand at £1,396,204 which is in accordance with our stated reserves policy as outlined on page 22 of this report. Total unrestricted reserves are £3,463,962 (2018-19: £3,533,487) including the designated capital refurbishment reserve of £2,067,758 (2018-19: £2,176,588).

Raising Funds

Primary objectives 2019-20 were to

- Appoint a new Development Director
- Review BRB's membership schemes to create a programme that builds engagement, affinity and loyalty
- Develop BRB's corporate support programme
- Grow income from philanthropic trusts and foundations to support organisational development

As in previous years our principal funding sources are:

- Arts Council England – £7,891,000 (2018-19: £7,891,000) revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering performances and activities including touring nationally, middle scale touring, audience development activity and our learning and outreach programme.
- Birmingham City Council – £154,000 (2018-19: £200,000) revenue funding to contribute towards BRB's core operating costs and the costs of delivering performances and learning and outreach activities primarily in Birmingham.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Core revenue funding from our major revenue funders, Arts Council England and Birmingham City Council, accounted for 52% of total income (2018-19: 54%).

Arts Council England funding for the next three years is committed as follows:

2020-21 - £8,036,000

2021-22 - £7,891,000

2022-23 - £7,891,000

We re-launched BRB Friends and Dancers Circle programmes in autumn 2019. These programmes are vital in terms of building affinity with our supporters and offering insight into the company as well as generating income to support activity.

We welcomed Matt Freeman as Development Director in November 2019 to help BRB build its income from philanthropic giving to support the ambitious artistic vision of Carlos Acosta. We were delighted to secure support from HSBC for activity in 2020.

Total income from donations, membership schemes and other fundraising activity during the year was £1,246,280 (2018-19: £1,128,539) of which donations (including legacies) from private individuals were £547,054 (2018-19: £557,264) and income from trusts and foundations for the year was £699,226 (2018-19: £571,275).

We have been successful in growing grant income and would like to acknowledge the support of the following trusts and foundations that have supported Birmingham Royal Ballet during 2019-20:

Arts Society Birmingham
Baron Davenport's Charity
Birmingham Common Good Trust
Bite Size Pieces
Cecil King Memorial Foundation
David Laing Foundation
D'Oyly Carte Charitable Trust
Dumbreck Charity
Ensix Charitable Trust
George Fentham Birmingham Charity
GJW Turner Trust
Grey Court Trust
H Steven and P E Wood Charitable Trust
Helen Rachael Mackaness Charitable Trust
Henry James Sayer Charity
IMI Plc Charitable Appeals Committee
John Feeney Charitable Trust
Langdale Trust
Limoges Charitable Trust
Marsh Christian Trust
Michael Bishop Foundation
Noël Coward Foundation
Oak Foundation
Provincial Grand Lodge of Warwickshire
Quayle Charitable Trust
Rowlands Trust
Royal Opera House Benevolent Fund
RPS Drummond Fund
S & D Lloyd Charity
St Jude's Trust
St Thomas' Dole Charity
Stanley Picker Trust
The Alan Woodfield Charitable Trust

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DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

The Alison Hillman Charitable Trust
The Bayfield Charitable Trust
The Boshier-Hinton Foundation
The Brian Shaw Memorial Trust
The Britford Bridge Trust
The Calleva Foundation
The Charles Brotherton Trust
The Charlotte Bonham-Carter Charitable Trust
The Chatwin Trust
The Derrill Allatt Foundation
The Eric W Vincent Trust Fund
The Foyle Foundation
The George Henry Collins Charity
The Goodenough Charitable Trust
The Gordon Edwards Charitable Trust
The Grimmitt Trust
The Hawthorne Charitable Trust
The Idlewild Trust
The James Frederick and Ethel Anne Measures Charity
The John S Cohen Foundation
The John Thaw Foundation
The Keith Coombs Trust
The Kirby Laing Foundation
The Linbury Trust
The Loppylugs and Barbara Morrison Charitable Trust
The Lord Austin Trust
The M K Rose Charitable Trust
The Mercers' Company
The Michael Marsh Charitable Trust
The Oakley Charitable Trust
The Pat and Barbara Bennett Charitable Trust
The Patricia Routledge Charitable Trust
The Peter and Teresa Harris Charitable Trust
The PRS Foundation Open Fund for Organisations
The Roughley Trust
The RVW Trust
The Saintbury Trust
The Sir Robert Gooch Trust
The Sterry Family Foundation
The Sylvia Adams Charitable Trust
The Uncle Bill Trust
The Vandervell Foundation
The W.E.D. Charitable Trust
Vic-Wells Association

Charitable Activities

Income from charitable activities in 2019-20 was £5,160,680 (2018-19: £5,254,331). This includes a reduction in box office income from box office and performance fees to £3,442,351 (2018-19: £3,773,609) as a result of lower performance numbers on tour in the UK and no international touring. Performance activity will vary from year to year depending on programme, venue availability and international opportunities.

Birmingham Royal Ballet received Theatre Tax Credit income of £731,474 in respect of 2018-19 (against an initial estimate of £562,510), and it is estimated that Theatre Tax Credit for 2019-20 will be in the region of £740,000. The Theatre Tax Credit regime is a positive recognition of the contribution that both commercial and subsidised theatre

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

makes to the economy and will help BRB to continue its commitment to investment in both new works and major revivals.

Expenditure on charitable activities in the year was £14,861,650 equivalent to 96% of total expenditure (2018-19: £14,713,763 equivalent to 96% of total expenditure). Whilst performance numbers were lower, BRB invested in new work for the midscale tour, two one act ballets funded from the Ballet Now programme and the large scale Swan Lake Dreams project.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Lockdown in March 2020 meant the loss of the whole of the summer season including Carlos Acosta's inaugural 'Curated by Carlos' festival to celebrate his first season as Director. BRB is one of the few dance companies in the UK to return to a programme of live and digital performance at any scale from autumn 2020. The expectation is that socially distanced performances will continue until at least April 2021. Despite the limitations on available venues and reduced audience numbers BRB has been able to invest in new work and perform to critical acclaim over autumn 2020 as well as present performances of an adapted version of The Nutcracker at Birmingham REP, which was performed and filmed behind closed doors. A performance was livestreamed on 18 December 2020 and was then available 'on demand' to 25 December 2020.

It is vital that BRB can continue to perform as the company cannot mothball highly skilled dancers and musicians without irreparably losing talent and skills. The present plans to return to live performance whilst social distancing continues are based on reducing costs of performances by adapting productions including The Nutcracker in Birmingham - (December 2020) and Cinderella (May 2021) to deliver high quality and spectacular productions whilst ensuring running costs are commensurate with expected income; enabling BRB to fulfil its charitable and funded remit. BRB has significantly extended access to audiences through growing a successful and varied online programme of free and pay per view performances, events and behind the scenes access.

Looking forward to the financial year to 31 March 2022, Arts Council England (ACE) have confirmed that they want National Portfolio Organisations (NPO) to focus on plans that support their resilience and sustainability. The next NPO funding round is postponed for a year until 2022-23. This means that BRB has confirmed funding through to 31 March 2023 subject to meeting its ongoing funding conditions. BRB is well placed for the challenges of a new funding round with the appointment of a new, high profile Director whose programming is gaining international recognition as well as a rating of 'strong' for the Creative Case for Diversity in 2020 which is a critical achievement for securing future funding.

BRB is an industry leader in managing a return to work, rehearsals and performances in the present Covid risk environment. BRB representatives have been actively involved in developing the government approved protocols and roadmap for the theatre industry returning to live performance both behind closed doors and with live audiences.

Financial modelling for the period to 31 March 2022 assumes a reduced staff head count and lower overhead costs through a restructuring programme supported by a Culture Recovery Fund (CRF) grant of £500,000 in the period to 31 March 2021.

Outline programme plans for the period to 31 March 2022 are in place and financial modelling is based on 2019-20 levels of income and attendance if social distancing measures are lifted in theatres. This is, in the view of the Board, appropriate and reasonable based on the planned programme and audience behaviour. We know, both from our own experience of sold out socially distanced shows over autumn 2020 and supported by sector research, that audiences are keen to return to watch live performance. Furthermore BRB has used the period from April 2020 to keep in touch with its most loyal supporters and build new audiences through a growing digital offer including both open access and pay per view programmes resulting in a tenfold growth in social media engagement. BRB implemented a new CRM system in 2020 to build closer relationships with patrons, participants and audiences and develop metrics to inform decisions to broaden the diversity of our audiences. The CRF funding will support BRB's audience development and loyalty programme.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Various downside scenarios have been modelled, including prolonged social distancing and no return to live performances in 2020/21. If social distancing measures remain in place, further to the experience of autumn and winter programming in 2020, BRB has demonstrated that programmes and productions can be adapted to reduced performance costs. In a prolonged social distancing scenario, the financial modelling indicates a limited deficit of around £109,000 for 2021-2022 would be manageable within the stated reserves policy.

The Directors continue to take all available steps to maintain sufficient resources in order that Birmingham Royal Ballet can continue and based on projections and available information, have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due and therefore have prepared the financial statements on a going concern basis.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

RISK MANAGEMENT

Birmingham Royal Ballet has a comprehensive strategic business plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Directors review the plan regularly and it is updated annually. As part of this process, the Directors have implemented a risk management strategy, which comprises:

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The review of risks for 2019-20 identified key strategic risks as follows:

High Risk areas in 2019-20	Resolutions/actions during 2019-20 to reduce risk level
Embedding the 'Creative Case for Diversity' within BRB programmes and activity as a key funding requirement from Arts Council England	The appointment of Carlos Acosta as Director and programme plans for 2019-20 onwards marked a step change in Birmingham Royal Ballet's response to this funding requirement and has been rated as 'strong' against Arts Council England's criteria for the Creative Case for Diversity .
Income growth being outpaced by inflation of costs	BRB's fundraising team has been strengthened through the appointment of a Development Director to drive growth in philanthropic giving.
Key Person Dependency	The appointment of the new Director and Development Director have strengthened BRB's Senior Leadership Team

The ongoing impact of the Covid 19 pandemic on the long-term stability of the performing arts sector means that income risks are likely to be increased by a changeable post-pandemic environment. This includes assessing the impact of an extended period of closure into 2021 for many of BRB's partner venues as well as the impact of reductions in disposable income for ticket buyers and donors.

The following mitigations are in place to protect the organisation against loss of income during and after the Covid 19 pandemic:

- Culture Recovery Funding award of £500,000 to support the cost of organisational restructuring to reduce overheads in the future as well as to support investment in audience development and loyalty

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

- Use of the Corona Virus Job Retention Scheme (Furlough) flexibly for up to 87% of staff from April 2020
- VAT payment postponed to 2021
- Pay and recruitment freeze including pay reductions for senior staff and across the wider organisation some pay elements converted to annual leave or waived in recognition of protection of core salary through the period to December 2020
- Reduction of office space to make permanent savings from 2021 onwards.
- A commitment to reducing salaries and overheads by £1m from 2021
- The possibility of liquidating up to £500,000 of catalyst endowment to support investment in critical activity if required. ACE have confirmed that they would not expect to withhold permission for liquidating funds from the portion of the fund originally contributed by ACE
- BRB has secured HSBC support at £200k unrestricted funding for 2020/21 and a donation of £350k from a private philanthropist to support Carlos Acosta's first season as Director
- Monitoring cash carefully which in combination with funding and anticipated income is sufficient to cover commitments to 31 December 2021. This is further supported by a £300,000 overdraft facility to cover short term fluctuations in cash flow

The risk management process has been a vital tool in assisting the Board and Senior Leadership Team in setting out the actions and controls necessary to help manage the major risks identified above thus ensuring successful outcomes in high-risk areas of activity.

PLANS FOR FUTURE PERIODS

The appointment of Carlos Acosta was critical to the future of Birmingham Royal Ballet by building on the Company's inheritance and reshaping it for the 21st century. Whilst Carlos' exciting plans for his 'Curated by Carlos' Festival in Summer 2020 and original plans for a first full season from Autumn 2020 have been postponed due to the Covid 19 pandemic, BRB has continued to create art and engage with supporters and participants through digital and live events and performances.

The strategic priorities for the period to March 2022 are to ensure that BRB emerges from the Covid 19 crisis as a resilient and sustainable organisation by:

RAISING FUNDS

- Continuing to meet the funding requirements of Arts Council England wherever possible through a revised programme of live and digital performances and LEAP activity through to 31 March 2021 as a bridge to 2021/22 and beyond in preparation for a new NPO funding round in 2023
- Securing at least one major gift to support Carlos Acosta's new artistic vision and mission
- Devising a programme of online events to enable supporters and donors to maintain their contact with the company during the Covid 19 pandemic

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

CHARITABLE ACTIVITIES:

Performance and Production

- Planning a programme of work to ensure that the company can continue to create and distribute world-class art and continue to perform for both live and online audiences during the Covid 19 pandemic
- Marking the important transition in BRB's artistic leadership by securing alternative performance dates from 2021 onwards for the 'Curated by Carlos' Festival, Don Quixote and other key works planned to launch Carlos Acosta's first full season
- Building a new creative and presenting partnership with Birmingham REP
- Returning to the Royal Albert Hall for a fourth season of performances of The Nutcracker in December 2021

Audience Reach and Development – Birmingham Royal Ballet will continue to engage with as wide and varied an audience as possible to demonstrate that ballet is an art form for all by:

- Using digital technology to increase audiences and engagement
- Increasing BRB's press and media profile to communicate Carlos Acosta's artistic vision and mission
- Growing a new dance and audience strategy with Birmingham REP
- Continuing to work with key venue partners on long-term audience development as part of BRB's digital and live performance plans

Engagement and Participation – Birmingham Royal Ballet will offer unique opportunities and high quality experiences for people of all ages and backgrounds to engage with and participate in ballet and the performing arts by:

- Continuing its three flagship programmes by offering an online programme during the Covid 19 pandemic
- Offering a programme of online classes, activities and events to provide new insights and build engagement and interactions

BRB's strategic priorities are underpinned by governance, organisational development and resilience programmes which will focus on:

GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

- Recruiting new Board members with appropriate skills and knowledge to fill existing and forthcoming vacancies
- Using our knowledge and sector leadership role to develop safe working practises to ensure that BRB can safely return to the work place, rehearsal and performance during autumn 2020.
- Using the practical experience gained during autumn 2020 performances to support the re-opening of theatres and the dance sector by sharing knowledge and good practice

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

- Building employee engagement through regular company meetings and opportunities for staff to create digital content during the Covid 19 pandemic
- Fostering a culture of equality and inclusivity including embedding the 'Dignity at Work' programme
- Improving environmental performance through the reduction of office space occupied by the organisation

FINANCIAL STABILITY

- Maintain general, unrestricted reserves (excluding capital reserves) at a minimum of £1,000,000 with a target to grow to £1,500,000 by March 2022.

KEY POLICIES

Financial Management:

- **Board authority** - the Board is responsible for agreement of Birmingham Royal Ballet's overall strategy including agreement of business plans and approval of key organisational policies to meet Birmingham Royal Ballet's legal obligations, operational requirements and/or strategy implementation. This includes approval of the Annual Budget prepared in accordance with agreed activity plans, approval of proposals for significant capital investment projects over £50,000, approval of fundraising programmes, significant changes in financial procedures and other internal controls, approval of the Annual Report, the appointment of Bankers and investment managers, approval of changes to banking arrangements and approval of the reserves, investment and remuneration policies.
- **Budget setting and control** – the Senior Leadership Team is responsible for proposing their departmental budgets based on the planned activity for the year. These departmental budgets are reviewed and combined to build a master budget for Birmingham Royal Ballet as a whole. The Chief Operating Officer and Chief Executive are responsible for proposing a final balanced budget for approval by the Board of Directors. Senior Managers are authorised to commit expenditure in accordance with their final approved budgets unless these are subject to further revision during the course of a financial year in the light of prevailing circumstances (see under financial reporting and review). All expenditure is reviewed and approved for payment by the Finance Manager or Chief Operating Officer.
- **Financial reporting and review** – A company finance report and forecast to the year-end is presented at each Board and Finance and General Purposes Committee meeting. All Senior Managers receive a copy of this finance report in addition to their individual monthly budget reports. Where significant variances against budget are identified, compensating actions are identified and agreed by the Senior Management Team. This will usually involve identifying cost savings as performing activity for the year is fixed at least a year in advance and our major sources of income are also fixed. The major financial risk that faces the organisation is a shortfall in earned income sources such as box office income and fundraising income. Both these income sources can be highly variable and are subject to a number of influences that are outside the direct control of Birmingham

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

Royal Ballet. As a result the key to financial stability is careful cost control in conjunction with growing existing income and identifying and developing new income streams.

Management remuneration

BRB is committed to paying staff fairly and in a way to attract and retain the right skills to deliver its charitable objectives.

The Board is responsible for agreeing the annual pay award for the staff as a whole and a sub-committee of the Board will be convened as necessary to consider the remuneration of the Chief Executive and The Director.

The main responsibilities of the Board in respect of remuneration are to:

- Determine the remuneration package of the key management personnel - the Chief Executive and 'The Director';
- Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account prevailing inflation rates and recommendations from the Chief Executive; and
- Approve pension arrangements and pension policy.

In determining BRB's remuneration, the Board takes into account all factors which are deemed necessary and the present remuneration policy, benefits and rewards strategy is being reviewed as part of the strategic planning process for 2018-2022 now that the NPO funding offer from Arts Council England has been received. It is our intention to develop a long term pay strategy for the period 2018 – 2022 linked to achievement of key financial objectives so that investment in our people is prioritised and protected. This reflects the fact that delivery of BRB's charitable objectives is dependent on our highly skilled performers and staff, the Company's most important asset with staff costs constituting the largest single element of charitable expenditure.

Reserves

The reserves policy was reviewed in March 2016 in the light of the prevailing funding and economic environment and was to have been reviewed by March 2020 but due to the Covid crisis the full review is due to take place by March 2021 as activities start to return and the Board can look towards longer term planning and the next NPO funding round.

The Directors have agreed that given the increasing need for financial flexibility to respond to unexpected events as well as to be able to take advantage of new opportunities that it is appropriate to maintain unrestricted reserves (excluding the Thorp Street Refurbishment reserve) at a minimum of £1,000,000 and will work towards building a maximum general undesignated reserve of £1,500,000 which is roughly equivalent to one month's running costs plus the costs of winding up of the company. At 31 March 2020 these unrestricted reserves, excluding Thorp Street Refurbishment fund, were £1,396,204.

From time to time, the Directors may set aside designated funds for specific purposes or projects.

Designated funds include:

- **Capital Grant Fund** – being funds designated for investment in major projects to purchase new or replace existing fixed assets. This fund will be used to support further investment in BRB's premises to ensure space is used to best effect and that all office work areas are of an appropriate standard.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

This fund will be used to support reconfiguration of office space to create a safe, post Covid work environment in 2020-21

- **Thorp Street Refurbishment** - being the funds relating to the Thorp Street refurbishment works. This fund is expended over 25 years from 2014/15. This fund could only be realised by disposal of the BRB Thorp Street premises which is leased by Birmingham Royal Ballet from Birmingham Hippodrome on a 125 year lease from 2001
- **Community Engagement Fund** – represents funds received from the sale of investments by Birmingham Royal Ballet Trust prior to the winding up of the Trust on 31 March 2005 to support educational activities particularly in association with dance and choreographic training. The use of these funds has been widened and re-designated to support further development of our community engagement activity in accordance with our 2015-18 Business Plan. This fund will be used to support the development of our participation and engagement programmes in Birmingham and on tour particularly in support of open access opportunities with the intention that the fund will be expended by 2025
- **New Productions Fund** - to support investment in new productions that will increase the repertory available for performances where funding is not available from private philanthropic sources. This fund will be used to support productions of new one act ballets in the NPO period to 2022.

Restricted funds - Restricted funds include donations, gifts, grants and legacies received whose use is restricted to purposes specified by the donor.

Endowment funds - Endowment funds are amounts that have been donated with the intention that they be invested to produce income, whose use is restricted to purposes specified by the donor. There is presently one endowment fund.

The Catalyst/Cadbury Family Expendable Endowment Fund for the purpose of funding dance fellowships (The Robin Cadbury Dance Fellowships) to support young dancers with teaching, training and mentoring in perpetuity. The donations received are matched by funding from Arts Council Catalyst Endowment Scheme. This endowment period is 25 years until 1 November 2037 after which the fund is expendable.

Investments:

General objectives - The cash and other investments of Birmingham Royal Ballet must be managed in such a way as to safeguard the capital value of those assets to enable Birmingham Royal Ballet to carry out its charitable purposes effectively in both the short term and over the longer term. Where possible, the value of invested assets should be enhanced so as to at least keep pace with inflation.

Short-term cash and cash contingency funds - To retain flexibility and availability of these funds, current account monies in excess of monthly operating requirements are transferred to higher rate call accounts or short-term fixed interest money market deposit accounts to maximise interest rates received. Cash investments mature on a rolling basis to ensure availability of funds and no cash investment is invested for notice periods exceeding 12 months.

Medium-term investments - Where there are surplus cash funds available for investment in excess of one year but likely to be required for expenditure within a three to five year time frame fixed interest vehicles such as gilts, bonds including index linked bonds can be considered. Investment in such vehicles should be assessed for:

- Financial return;
- Protection against inflation in addition to offering a financial return;

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

- Risk of default; and
- Tradeability in the event of the need to liquidate assets.

There are no medium term investments held by Birmingham Royal Ballet at present.

Long-term investments and endowment funds - Funds held for the long term (a minimum of three years but more likely to be in excess of five years) or as expendable endowment funds are held for the purpose of securing a financial return which can be applied in the furtherance of Birmingham Royal Ballet's charitable objects and cannot be used in a way which would erode the capital of the fund, subject to any special provisions which would allow the expenditure of capital in certain circumstances.

Acceptable risk - Funds invested for the short to medium term will be held in low risk deposit accounts or fixed interest investments in order to avoid significant reductions in capital value and will be available to liquidate over a maximum of 12 months. Long term investments and endowments will be held across a mixed portfolio of investments to achieve both capital growth and return over the long term (minimum of five to seven years). It is accepted that some investments within the portfolio may be higher risk but overall the portfolio should not be exposed to more than a medium risk profile to balance the opportunity for increased investment returns against the risk of capital loss. It is accepted that the investments held for the long term are likely to see volatility over the short to medium term and may even have periods of negative return for certain asset classes.

Funds are being managed in accordance with the investment strategy agreed with Smith and Williamson and the performance of the fund to date is in line with our policy of achieving a balance between income and capital growth in accordance with the investment policy for endowment funds.

TAXATION

The Company is a charity for tax purposes and is entitled to claim charitable tax exemptions. The Company has no liability to tax on its charitable activities.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT) (continued)

This Directors Report (including the Strategic Report) was approved and authorised for issue by the Directors on 29 January 2021.

Sir David Normington
Chair of the Board

BIRMINGHAM ROYAL BALLET

TRUSTEES' RESPONSIBILITIES STATEMENT

The directors (who are also trustees of Birmingham Royal Ballet for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the directors are aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF BIRMINGHAM ROYAL BALLET

Opinion

In our opinion the financial statements Birmingham Royal Ballet (the 'charitable company') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Birmingham Royal Ballet (the 'charitable company') and its subsidiary (the 'group') which comprise:

- the consolidated statement of financial activities including income and expenditure account;
- the consolidated and parent charitable company balance sheets;
- the consolidated cash flow statement; and
- the related notes 1 to 23

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charitable 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF BIRMINGHAM ROYAL BALLET

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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 respect of these matters.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 directors' report, which includes the strategic report, prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report included within the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF BIRMINGHAM ROYAL BALLET

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters 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 anyone other than the charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Anderson FCCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

29 January 2021

BIRMINGHAM ROYAL BALLET

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including consolidated income and expenditure account) Year ended 31 March 2020

	Notes	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £	Total 2019 £
Income from:						
Grants, Donations and Legacies	3	8,625,158	840,522	-	9,465,680	9,366,575
Charitable activities:						
Performance and related activities	4	5,160,680	-	-	5,160,680	5,254,331
Other trading activities	5	791,385	-	-	791,385	702,691
Investments	6	2,221	-	68,347	70,568	64,513
Total income		14,579,444	840,522	68,347	15,488,313	15,388,110
Expenditure on:						
Raising funds	7	698,550	-	-	698,550	649,196
Charitable activities						
Production and Performance	8	13,284,744	669,464	-	13,954,208	13,865,183
Orchestra Projects	8	365,760	-	-	365,760	403,998
Education Projects	8	399,915	125,950	-	525,865	429,747
Other expenditure		-	-	15,817	15,817	14,835
Total expenditure		14,748,969	795,414	15,817	15,560,200	15,362,959
Net income/(expenditure) before investment gains and losses	10	(169,525)	45,108	52,530	(71,887)	25,151
Net gain/(loss) on investments		-	-	(276,585)	(276,585)	143,865
Net income/(loss) for the year		(169,525)	45,108	(224,055)	(348,472)	169,016
Transfers between funds		100,000	-	(100,000)	-	-
NET MOVEMENT IN FUNDS		(69,525)	45,108	(324,055)	(348,472)	169,016
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,533,487	152,979	2,606,794	6,293,260	6,124,244
Net movement in funds for the year		(69,525)	45,108	(324,055)	(348,472)	169,016
Total funds carried forward	19	3,463,962	198,087	2,282,739	5,944,788	6,293,260

BIRMINGHAM ROYAL BALLET

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including consolidated income and expenditure account) Year ended 31 March 2020

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

The net income/(expenditure) of parent charity for the year for Companies Act purposes is (£348,472) (2019: £169,016. As permitted by Section 408 of the Companies Act 2006, no separate Statement of financial activities is presented in respect of the parent charity.

See note 12 for comparative Statement of Financial Activities for the period ended 31 March 2019.

BIRMINGHAM ROYAL BALLET

BALANCE SHEETS

As at 31 March 2020

	Note	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
FIXED ASSETS					
Tangible assets	13	2,330,730	2,454,624	2,330,730	2,454,624
Investment assets	14	2,282,739	2,606,794	2,282,740	2,606,795
		<u>4,613,469</u>	<u>5,061,418</u>	<u>4,613,470</u>	<u>5,061,419</u>
CURRENT ASSETS					
Stocks	15	99,731	82,493	99,731	82,493
Debtors	16	3,219,831	3,051,757	2,526,341	2,376,522
Cash at bank and in hand		551,547	854,226	551,547	854,226
		<u>3,871,109</u>	<u>3,988,476</u>	<u>3,177,619</u>	<u>3,313,241</u>
Creditors: amounts falling due within one year	17	<u>(2,539,790)</u>	<u>(2,713,301)</u>	<u>(1,846,300)</u>	<u>(2,038,066)</u>
Net Current Assets		<u>1,331,319</u>	<u>1,275,175</u>	<u>1,331,319</u>	<u>1,275,175</u>
Total Assets Less Current Liabilities		<u>5,944,788</u>	<u>6,336,593</u>	<u>5,944,789</u>	<u>6,336,594</u>
Creditors: amounts falling after one year	18	<u>-</u>	<u>(43,333)</u>	<u>-</u>	<u>(43,333)</u>
NET ASSETS		<u><u>5,944,788</u></u>	<u><u>6,293,260</u></u>	<u><u>5,944,789</u></u>	<u><u>6,293,261</u></u>
FUNDS					
Unrestricted funds:					
General Funds	19	913,037	885,360	913,038	885,361
Designated funds	19	2,550,925	2,648,127	2,550,925	2,648,127
Restricted funds					
Endowment funds	19	198,087	152,979	198,087	152,979
		<u>2,282,739</u>	<u>2,606,794</u>	<u>2,282,739</u>	<u>2,606,794</u>
		<u><u>5,944,788</u></u>	<u><u>6,293,260</u></u>	<u><u>5,944,789</u></u>	<u><u>6,293,261</u></u>

These financial statements of Birmingham Royal Ballet registered number 3320538 were approved by the Board of Directors and authorised for issue on 29 January 2021. They were signed on its behalf by:

Sir David Normington

Chair of the Board

BIRMINGHAM ROYAL BALLET

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2020

	Notes	Total 2020 £	Total 2019 £
Cash flows from operating activities:			
<i>Net cash (used in) / provided by operating activities</i>	23	(345,706)	748,450
Cash flows from investing activities:			
Interest received		2,221	2,163
Dividends received		68,347	62,350
Purchase of property, plant and equipment		(87,010)	(97,285)
Proceeds from sale of tangible fixed asset		11,999	-
Movements in investment portfolio		47,470	(47,515)
<i>Net cash provided by / (used in) investing activities</i>		43,027	(80,287)
Net (decrease) / increase in cash and cash equivalents		(302,679)	668,163
Cash and cash equivalents at beginning of year		854,226	186,063
Cash and cash equivalents at the end of the year		551,547	854,226
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		551,547	854,226
Cash equivalents		-	-
Cash and cash equivalents		551,547	854,226

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

1. ACCOUNTING POLICIES

The principal accounting policies are set out below.

Company and charitable status

Birmingham Royal Ballet, a public benefit entity, is incorporated in the UK and registered in England and Wales as a company limited by guarantee not having a share capital. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 3.

BRB Production Services Limited is a wholly owned subsidiary of Birmingham Royal Ballet.

Basis of accounting

The financial statements are prepared under the historical cost convention, with the exception of investments which have been included at market value, in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2019)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2019 and the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

Basis of Consolidation

Group financial statements have been prepared in respect of the company and its wholly owned subsidiary undertaking BRB Production Services Ltd. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertaking are disclosed in note 14.

Preparation of financial statements - going concern basis

These accounts have been prepared on the going concern basis.

The group and company’s activities and future plans are set out in the directors’ report.

The group and company manages its activities with positive unrestricted bank balances. The company’s forecasts and projections, taking account of various downside scenarios, including prolonged social distancing and no return to live performances, show that the company should be able to continue to operate on this basis.

Revenue grant funding represents the company’s largest income stream and Birmingham Royal Ballet is dependent on the continuing financial support of Arts Council England which has confirmed its commitment to fund Birmingham Royal Ballet to 31 March 2022; committing revenue funding of £7,891,000 per annum for the period.

The directors review and manage short-term fluctuations in our other income streams: box office, commercial and development income.

The company also relies on support from other funders including individuals, trusts, foundations and corporate bodies for maintaining the high standards and diversity of its output.

Based on the above, the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

Income

Box office income, performance related fees and programmes

Box office income, performance related fees and income generated from the sale of programmes are recognised in the period of the related performances which is the point at which the charity is considered to meet the income recognition criteria (probable, entitlement and measurement) as per the accounting standards.

Donations and legacies

Donations and legacies are credited to the statement of financial activities when entitlement has passed and the income is probable to be received unless donated for a specific future period by the donor in which case income will be deferred to the relevant period.

Deferred income

Amounts invoiced in advance and other income, which is subject to conditions imposed by the donor relating to the charity's entitlement to the funds, are carried forward as deferred income in the balance sheet. Amounts are recognised as income when the services are performed or the conditions imposed by the donor are satisfied.

Grants receivable

Capital grants receivable are recognised in the year of receipt. Revenue grants receivable are recognised in the year to which the grants relate. Revenue grants received in advance of the year to which they relate are carried forward as a creditor in the balance sheet.

Capital funds comprise grants/donations towards the cost of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost.

Investment income

Investment income is recognised on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure categories include salaries, depreciation and other costs as analysed in note 9.

Expenditure on raising funds is the costs associated with generating core funding grants, legacies and donations. These include any direct costs associated with these activities as well as an appropriate proportion of relevant staff costs, support costs, premises costs and depreciation.

Costs of activities for generating funds are the direct costs of our membership schemes, sponsorship and merchandising activities including direct staff costs and an appropriate proportion of support costs, premises costs and depreciation.

Costs of charitable activities include all costs relating to delivering the charitable objectives of the company as stated in the Directors' report plus an appropriate proportion of support costs, premises costs and depreciation.

Support costs include general administration, management and governance costs including allocations of Chief Executive and Chief Operating Officer salaries, HR functions, finance, IT, audit fees, certain legal fees meetings and appropriate proportion of premises costs and depreciation. These costs are necessary for delivering activities but do not directly produce or constitute the activity.

Costs (including support and governance costs) have been allocated on a direct basis whenever possible and on an appropriate alternative basis primarily based on staff numbers or relevant head count. Chief Executive and Chief Operating officer salaries have been allocated based on an estimate of time spent in relation to governance of the organisation.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

New production and revivals

The costs to the company of sets and wardrobe for new productions are charged in full to the relevant production's initial performance season. Where the performance season spans more than one financial year the costs are amortised evenly over the total number of performances of the tour.

Revival costs are written off on the first night of the relevant production's performance.

Costs incurred in the transport and set up of a production are assigned to the appropriate tour, in the year in which the tour occurred.

Prepayments for the next season are made in respect of productions to be presented in the next financial year.

Fund accounting

Unrestricted funds

Unrestricted funds are those which are expendable at the discretion of the Directors in furtherance of the objects of the charity.

Restricted funds

Restricted funds include donations, gifts, grants and legacies received whose use is restricted to purposes specified by the donor. Such purposes must be within the overall aims of the charity.

Designated funds

Designated funds are amounts which have been put aside at the discretion of the Directors and comprise funds for specific projects.

Expendable endowment fund

Endowment funds are amounts that have been donated with the intention that they be invested to produce income, whose use is restricted to purposes specified by the donor. Such purposes must be within the overall aims of the charity.

Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on a non-discounted basis.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

Tangible fixed assets and depreciation

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Office equipment	10 - 25% per annum
Computer equipment	25% per annum
Technical equipment	10 - 33.3% per annum
Premises transferred from Royal Opera House:	Written off over the remaining life of the lease

Investments

Investments are included in the financial statements at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals on a quarterly basis.

Investments in subsidiary undertakings are measured at cost less impairment.

Stocks

Stock consists of ballet shoes and merchandise for sale and are stated at the lower of cost and net realisable value.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

1. ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Employee benefits

All permanent employees of the group and company are eligible to be members of one of the following defined contribution pension schemes:

- Birmingham Royal Ballet Pension Scheme; and
- Musicians' Union Pension Scheme.

The pension costs charged to the statement of financial activities represents the amount of contributions payable by the company to the pension schemes in respect of the accounting year.

Financial instruments

Financial assets and financial liabilities are recognised when the group and company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The group and company has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group and company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

3. INCOME FROM GRANTS, DONATIONS & LEGACIES

	2020 Un- restricted funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total funds £
Arts Council England				
Revenue funding	7,891,000	-	-	7,891,000
Cross Border Touring	114,400	-	-	114,400
Digital Transformation Project	-	60,000	-	60,000
Birmingham City Council				
Revenue funding	154,000	-	-	154,000
Arts Champions	-	-	-	-
Donations				
Grants – Trusts and Foundations	175,500	523,726	-	699,226
Donations	174,236	256,796	-	431,032
Legacies	116,022	-	-	116,022
	8,625,158	840,522	-	9,465,680
	2019 Un- restricted funds £	2019 Restricted funds £	2019 Endowment funds £	2019 Total funds £
Arts Council England				
Revenue funding	7,891,000	-	-	7,891,000
Cross Border Touring Managed Funds	147,037	-	-	147,037
Birmingham City Council				
Revenue funding	200,000	-	-	200,000
Arts Champions	-	-	-	-
Donations				
Grants – Trusts and Foundations	11,000	560,275	-	571,275
Donations	174,585	254,872	-	429,457
Legacies	127,806	-	-	127,806
	8,551,428	815,147	-	9,366,575

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

4. INCOME FROM PERFORMANCE AND RELATED ACTIVITIES

	2020 Un- Restricted Funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total Funds £
Box office income	3,442,351	-	-	3,442,351
Production sales and hires	225,647	-	-	225,647
Programmes	102,698	-	-	102,698
Friends	-	-	-	-
Orchestra projects	274,173	-	-	274,173
Education	150,793	-	-	150,793
Co-production fee	41,258	-	-	41,258
Other fees and services	29,038	-	-	29,038
Theatre Tax Credit	894,722	-	-	894,722
	<u>5,160,680</u>	<u>-</u>	<u>-</u>	<u>5,160,680</u>

	2019 Un- Restricted Funds £	2019 Restricted funds £	2019 Endowment funds £	2019 Total funds £
Box office income	3,773,609	-	-	3,773,609
Production sales and hires	129,879	-	-	129,879
Programmes	103,642	-	-	103,642
Friends	31,657	-	-	31,657
Orchestra projects	372,834	-	-	372,834
Education	90,647	-	-	90,647
Co-production fee	59,946	-	-	59,946
Other fees and services	25,498	-	-	25,498
Theatre Tax Credit	666,619	-	-	666,619
	<u>5,254,331</u>	<u>-</u>	<u>-</u>	<u>5,254,331</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

5. OTHER TRADING ACTIVITIES

	2020 £	2019 £
Memberships	156,501	117,185
Sponsorship	45,428	12,100
Sale of merchandise	11,548	10,709
Commissioning Fee	577,908	562,697
	<u>791,385</u>	<u>702,691</u>

6. ANALYSIS OF INCOME FROM INVESTMENTS

	Unrestricted £	2020 Restricted £	Endowment £	Total £
Bank interest	2,221	-	-	2,221
Dividends	-	-	68,347	68,347
	<u>2,221</u>	<u>-</u>	<u>68,347</u>	<u>70,568</u>

	Unrestricted £	2019 Restricted £	Endowment £	Total £
Bank interest	2,163	-	-	2,163
Dividends	-	-	62,350	62,350
	<u>2,163</u>	<u>-</u>	<u>62,350</u>	<u>64,513</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

Activity	Activities undertaken directly £	Support costs £	Total 2020 £
Raising donations, grants and legacies	426,435	175,118	601,553
Memberships and Subscription Schemes	76,721	20,276	96,997
	<u>503,156</u>	<u>195,394</u>	<u>698,550</u>

Activity	Activities undertaken directly £	Support costs £	Total 2019 £
Raising donations, grants and legacies	412,554	145,210	557,764
Memberships and Subscription Schemes	70,535	20,897	91,432
	<u>483,089</u>	<u>166,107</u>	<u>649,196</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Activity	Unrestricted		
	Activities undertaken directly £	Support costs £	Total 2020 £
Performance and production	11,526,233	1,758,511	13,284,744
Orchestra Projects	355,622	10,138	365,760
Education Projects	353,656	46,259	399,915
	<u>12,235,511</u>	<u>1,814,908</u>	<u>14,050,419</u>

Activity	Restricted		
	Activities undertaken directly £	Support costs £	Total 2020 £
Performance and production	576,817	92,647	669,464
Orchestra Projects	-	-	-
Education Projects	111,381	14,569	125,950
	<u>688,198</u>	<u>107,216</u>	<u>795,414</u>

Activity	Unrestricted		
	Activities undertaken directly £	Support costs £	Total 2019 £
Performance and production	11,535,704	1,841,311	13,377,015
Orchestra Projects	393,551	10,447	403,998
Education Projects	218,441	37,306	255,747
	<u>12,147,696</u>	<u>1,889,064</u>	<u>14,036,760</u>

Activity	Restricted		
	Activities undertaken directly £	Support costs £	Total 2019 £
Performance and production	418,022	70,146	488,168
Orchestra Projects	-	-	-
Education Projects	148,619	25,381	174,000
	<u>566,641</u>	<u>95,527</u>	<u>662,168</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

9. ANALYSIS OF SUPPORT COSTS

	Raising funds £	Production and performance £	Orchestra projects £	Education projects £	Total 2020 £
Staff costs	67,945	580,168	2,337	14,020	664,470
Recruitment, training and development	2,878	52,874	303	1,818	57,873
Office infrastructure	74,487	328,448	2,178	13,067	418,180
Insurance	5,597	102,805	589	3,535	112,526
Premises costs	40,484	590,210	4,261	25,569	660,524
Depreciation	4,003	196,653	470	2,819	203,945
	<u>195,394</u>	<u>1,851,158</u>	<u>10,138</u>	<u>60,828</u>	<u>2,117,518</u>

Governance costs included in the above amount to £188,864 in 2019-20 (2018-19: £166,503)

2019 Comparatives

	Raising funds £	Production and performance £	Orchestra projects £	Learning projects £	Total 2019 £
Staff costs	66,574	660,413	2,665	15,987	745,639
Recruitment, training and development	3,753	83,036	469	2,815	90,073
Office infrastructure	53,898	291,504	2,078	12,474	359,954
Insurance	4,479	99,101	560	3,359	107,499
Premises costs	33,283	569,964	4,160	24,962	632,369
Depreciation	4,120	207,439	515	3,090	215,164
	<u>166,107</u>	<u>1,911,457</u>	<u>10,447</u>	<u>62,687</u>	<u>2,150,698</u>

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2020 £	2019 £
Net income is stated after charging:		
Depreciation of owned assets	203,944	215,164
Rentals under operating leases	243,125	242,676
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	19,550	19,000
- Fees payable for the audit of the company's subsidiary	3,100	3,000
- Fees payable to the company's auditor for other services:		
- Taxation services	4,500	-
	<u>461,119</u>	<u>479,840</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

11. ANALYSIS OF GROUP AND COMPANY STAFF COSTS, DIRECTOR REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2020 No.	2019 No.
Raising funds	9	8
Charitable activities	170	173
Support	15	15
	194	196
	194	196

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	7,873,757	7,746,960
Social security costs	713,343	717,582
Pension costs (including Dancers Career Development fund)	391,588	426,922
	8,978,688	8,891,464
	8,978,688	8,891,464

The aggregate remuneration above includes termination payments of £169,125 (2018-19: £40,480) including £28,300 additional pension contributions (2018-19 £23,000). All amounts were fully paid in cash during the year. The number of employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was:

	2020 No.	2019 No.
£60,001 - £70,000	11	10
£70,001 - £80,000	3	3
£80,001 - £90,000	4	3
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
	-	-
	-	-

The key management personnel of the Group and Company are listed on page 6. The total remuneration (including pension contributions and social security costs) of the key management personnel of the Group and Company for the year totalled £267,832 (2019: £300,110).

Directors' Remuneration

No Directors received remuneration during the current or prior year. Total travel and subsistence expenses of £2,038 (2019: £3,190) were paid to 3 directors (2019: 4 directors).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

12. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 March 2019

	Notes	Unrestricted 2019 £	Restricted 2019 £	Endowment 2019 £	Total 2019 £
Income from:					
Grants, Donations and Legacies	3	8,551,428	815,147	-	9,366,575
Charitable activities:					
Performance and related activities	4	5,254,331	-	-	5,254,331
Other trading activities	5	702,691	-	-	702,691
Investments	6	2,163	-	62,350	64,513
Total income		<u>14,510,613</u>	<u>815,147</u>	<u>62,350</u>	<u>15,388,110</u>
Expenditure on:					
Raising funds	7	649,196	-	-	649,196
Charitable activities					
Production and Performance	8	13,377,015	488,168	-	13,865,183
Orchestral Projects	8	403,998	-	-	403,998
Education Projects	8	255,747	174,000	-	429,747
Other resources expended		-	-	14,835	14,835
Total expenditure	10	<u>14,685,956</u>	<u>662,168</u>	<u>14,835</u>	<u>15,362,959</u>
Net gain/(loss) on investments		-	-	143,865	143,865
Net income/(loss) for the year		<u>(175,343)</u>	<u>152,979</u>	<u>191,380</u>	<u>169,016</u>
Transfers between funds		110,270	(110,270)	-	-
NET MOVEMENT IN FUNDS		<u>(65,073)</u>	<u>42,709</u>	<u>191,380</u>	<u>169,016</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,598,560	110,270	2,415,414	6,124,244
Net movement in funds for the year		(65,073)	42,709	191,380	169,016
Total funds carried forward	19	<u>3,533,487</u>	<u>152,979</u>	<u>2,606,794</u>	<u>6,293,260</u>

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

13. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2019	2,998,234	397,038	1,493,700	4,888,972
Additions	-	30,701	56,309	87,010
Disposals	-	-	(23,199)	(23,199)
At 31 March 2020	<u>2,998,234</u>	<u>427,739</u>	<u>1,526,810</u>	<u>4,952,783</u>
Depreciation				
At 1 April 2019	816,083	346,411	1,271,854	2,434,348
Charge for the year	114,281	34,203	55,460	203,944
Disposals	-	-	(16,239)	(16,239)
At 31 March 2020	<u>930,364</u>	<u>380,614</u>	<u>1,311,075</u>	<u>2,622,053</u>
Net book value				
At 31 March 2020	<u>2,067,870</u>	<u>47,125</u>	<u>215,735</u>	<u>2,330,730</u>
At 31 March 2019	<u>2,182,151</u>	<u>50,627</u>	<u>221,846</u>	<u>2,454,624</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

14. FIXED ASSET INVESTMENTS – GROUP AND CHARITY	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Investments listed or traded on a recognised stock exchange	2,282,739	2,606,794	2,282,739	2,606,794
Subsidiary undertakings	-	-	1	1
	<u>2,282,739</u>	<u>2,606,794</u>	<u>2,282,740</u>	<u>2,606,795</u>

	2020 £	2019 £
Investments listed or traded on a recognised stock exchange		
Market value at 1 April 2019	2,493,967	2,382,321
Additions	375,542	235,367
Disposal proceeds	(332,631)	(267,587)
Unrealised/realised investment gains/(losses)	(276,585)	143,866
Cash held with investment manager	22,446	112,827
Closing value at 31 March 2020	<u>2,282,739</u>	<u>2,606,794</u>

	2020		2019	
	Market value £	% of portfolio	Market value £	% of portfolio
UK equities	624,280	27%	755,067	29%
Overseas equities	868,250	38%	920,021	35%
UK fixed income	201,728	9%	197,374	8%
Overseas fixed income	97,828	4%	125,223	5%
Alternative assets	259,287	11%	287,947	11%
UK property	208,920	9%	208,337	8%
Cash	22,446	1%	112,827	4%
	<u>2,282,739</u>	<u>100%</u>	<u>2,606,794</u>	<u>100%</u>

The historical cost of the investments is £1,887,876 (2019: £1,844,965). Post year end, the value of investments has recovered materially and the portfolio value as at 31 December 2020 is £2,984,791.

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Subsidiary undertakings				
Cost				
At 1 April 2019 and 31 March 2020	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

14. FIXED ASSET INVESTMENTS (continued)

The company owns the entire issued ordinary share capital of BRB Production Services Ltd, incorporated and registered in England and Wales, whose principal activity is theatrical production.

The result of the Company's trading activities through its subsidiary undertaking is detailed below:

Profit and Loss account for the year ended 31 March 2020

	2020	2019
	£	£
Turnover	807,932	821,386
Cost of sales	867,587	888,409
	<u> </u>	<u> </u>
Gross Loss	(59,655)	(67,023)
	<u> </u>	<u> </u>
Operating Loss	(59,655)	(67,023)
	<u> </u>	<u> </u>
Loss before taxation	(59,655)	(67,023)
Theatre Tax Relief	59,655	67,023
	<u> </u>	<u> </u>
Profit for the financial year attributable to the equity shareholders of the Company	<u> </u> -	<u> </u> -

Balance Sheet at 31 March 2020

	2020	2019
	£	£
Current assets		
Debtors	753,146	742,260
	<u> </u>	<u> </u>
Creditors: amounts falling due within one year	753,145	742,259
	<u> </u>	<u> </u>
Net current assets	1	1
	<u> </u>	<u> </u>
Total assets less current liabilities	1	1
	<u> </u>	<u> </u>
Net assets	<u> </u> 1	<u> </u> 1
	<u> </u>	<u> </u>
Capital and reserves		
Called-up share capital	1	1
	<u> </u>	<u> </u>
	<u> </u> 1	<u> </u> 1

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

15. STOCKS - GROUP AND CHARITY

	2020	2019
	£	£
Shoes	93,864	77,027
Merchandise	5,867	5,466
	<u>99,731</u>	<u>82,493</u>

16. DEBTORS

	2020	2019	2020	2019
	Group	Group	Charity	Charity
	£	£	£	£
Trade debtors	1,587,817	1,673,513	894,327	998,277
Other debtors	1,199,186	954,793	1,139,531	887,770
Amount owed by subsidiary undertaking	-	-	59,655	67,023
Prepayments and accrued income	432,828	423,451	432,828	423,452
	<u>3,219,831</u>	<u>3,051,757</u>	<u>2,526,341</u>	<u>2,376,522</u>

Other debtors include £63,375 (2019: £63,375) in respect of a rent deposit which is due in more than one year.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

17. CREDITORS: Amounts falling due within one year

	2020	2019	2020	2019
	Group	Group	Charity	Charity
	£	£	£	£
Bank loans	43,332	72,545	43,332	72,545
Trade creditors	1,224,352	1,233,117	530,861	557,881
Other creditors	406,690	387,159	406,691	387,160
Taxation and social security	391,020	331,541	391,020	331,541
Accruals and deferred income	474,396	688,939	474,396	688,939
	<u>2,539,790</u>	<u>2,713,301</u>	<u>1,846,300</u>	<u>2,038,066</u>

Movements in deferred income (Group and Charity):

	2020	2019
	£	£
Balance at 1 April 2019	282,170	157,815
Amounts released during the period	(281,669)	(145,859)
Deferred in the current period	119,679	270,214
Balance at 31 March 2020	<u>120,180</u>	<u>282,170</u>

Deferred income at 1 April 2019 comprised membership scheme income and donations and legacy income relating to activity in the periods to 1 April 2019 and 31 March 2020.

Deferred income at 31 March 2020 comprised grants, membership scheme income and donations relating to activity in the periods to 1 April 2020 and 31 March 2021.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

18. CREDITORS: Amounts falling due after one year GROUP AND CHARITY

	2020 £	2019 £
Bank loans	-	43,333
	<u>-</u>	<u>43,333</u>

Bank loans are repayable as follows:

	2020 £	2019 £
Within one year	43,332	72,545
Between one to two years	-	43,333
Between two to five years	-	-
More than five years	-	-
	<u>43,332</u>	<u>115,878</u>

19. MOVEMENTS ON FUNDS

a) Restricted Funds (Group and Charity)

	At 1 April 2019 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2020 £
Cross Border Touring	-	-	-	-	-
Production and Performance	-	534,923	(534,923)	-	-
Education Projects	-	125,950	(125,950)	-	-
Nutcracker Sets & Costumes (Big Give 2019)	-	119,649	-	-	119,649
Digital Transformation Project (ACE)	-	60,000	(20,000)	-	40,000
Nutcracker Costumes (Big Give 2018)	119,521	-	(109,364)	-	10,157
Jerwood Apparatus	17,520	-	(1,178)	-	16,342
Jerwood Ultrasound Machine	15,938	-	(3,999)	-	11,939
	<u>152,979</u>	<u>840,522</u>	<u>(795,414)</u>	<u>-</u>	<u>198,087</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

19. MOVEMENTS ON FUNDS (continued)

a) Restricted Funds (Group and Charity)

	At 1 April 2018 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2019 £
Cross Border Touring	110,270	-	-	(110,270)	-
Production and Performance	-	484,106	(484,106)	-	-
Education Projects	-	174,000	(174,000)	-	-
Nutcracker Costumes (Big Give 2018)	-	119,521	-	-	119,521
Jerwood Apparatus	-	17,520	-	-	17,520
Jerwood Ultrasound Machine	-	20,000	(4,062)	-	15,938
	<u>110,270</u>	<u>815,147</u>	<u>(662,168)</u>	<u>(110,270)</u>	<u>152,979</u>

The Big Give 2019 campaign raised funds for the refurbishment of our Nutcracker sets and costumes.

The Digital Transformation project is funded by Arts Council England and designated funds which support our digital strategy.

There were a number of production and performance, engagement and education projects funded by restricted grants and donations.

The Big Give 2018 campaign raised funds for the refurbishment of our Nutcracker costumes.

The Jerwood centre purchased equipment and an ultrasound machine funded by restricted grants.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

b) Designated funds (Group and Charity) comprise amounts set aside by the Directors in respect of:

	At 1 April 2019 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2020 £
Capital Grants Fund	144,263	-	-	-	144,263
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	-	150,000
Thorp Street Refurbishment	2,176,588	-	(108,830)	-	2,067,758
Digital Transformation Project	-	100,000	(88,372)	-	11,628
	<u>2,648,127</u>	<u>100,000</u>	<u>(197,202)</u>	<u>-</u>	<u>2,550,925</u>

	At 1 April 2018 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2019 £
Capital Grants Fund	144,263	-	-	-	144,263
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	-	150,000
Thorp Street Refurbishment	2,285,418	-	(108,830)	-	2,176,588
	<u>2,756,957</u>	<u>-</u>	<u>(108,830)</u>	<u>-</u>	<u>2,648,127</u>

The Capital Grants Fund represents income designated for the acquisition of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying assets is charged to the designated fund.

The Community Engagement Fund represents amounts received following the decision to wind up Birmingham Royal Ballet Trust.

The New Productions Fund represents income designated to support major new productions that will extend the repertory available for Birmingham Royal Ballet performances.

The Digital Transformation projet is funded by Arts Council England and designated funds which support our digital strategy.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

19. MOVEMENTS ON FUNDS (continued)

c) Unrestricted, undesignated funds (Group):

	At 1 April 2019 £	Net outflows in the period £	Transfer in the period £	At 31 March 2020 £
General funds	885,360	(72,323)	100,000	913,037
	<u>885,360</u>	<u>(72,323)</u>	<u>100,000</u>	<u>913,037</u>

	At 1 April 2018 £	Net outflows in the period £	Transfer in the period £	At 31 March 2019 £
General funds	841,603	(66,513)	110,270	885,360
	<u>841,603</u>	<u>(66,513)</u>	<u>110,270</u>	<u>885,360</u>

c) Unrestricted, undesignated funds (Charity):

	At 1 April 2019 £	Net outflows in the period £	Transfer in the period £	At 31 March 2020 £
General funds	885,361	(72,323)	100,000	913,038
	<u>885,361</u>	<u>(72,323)</u>	<u>100,000</u>	<u>913,038</u>

	At 1 April 2018 £	Net outflows in the period £	Transfer in the period £	At 31 March 2019 £
General funds	841,604	(66,513)	110,270	885,361
	<u>841,604</u>	<u>(66,513)</u>	<u>110,270</u>	<u>885,361</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

19. MOVEMENTS ON FUNDS (continued)

d) Endowment funds (Group and Charity):

	At 1 April 2019 £	Outflows in the period £	Transfer in the period £	At 31 March 2020 £
Catalyst/Cadbury Family Endowment Fund	2,606,794	(224,055)	(100,000)	2,282,739
	<u>2,606,794</u>	<u>(224,055)</u>	<u>(100,000)</u>	<u>2,282,739</u>
	At 1 April 2018 £	Inflows in the period £	Transfer in the period £	At 31 March 2019 £
Catalyst/Cadbury Family Endowment Fund	2,415,414	191,380	-	2,606,794
	<u>2,415,414</u>	<u>191,380</u>	<u>-</u>	<u>2,606,794</u>

The Catalyst/Cadbury Family Endowment Fund represents donations received specifically for the purpose of funding dance fellowships to support young dancers with teaching, training and mentoring. The endowment period is 25 years until 1 November 2037 after which the fund is expendable.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

19. MOVEMENTS ON FUNDS (continued)

e) Allocations of net assets between funds (Group):

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total funds £
Investments	-	-	2,282,739	2,282,739
Cash at Bank and in Hand	381,741	169,806	-	551,547
Debtors	3,219,831	-	-	3,219,831
Stocks	99,731	-	-	99,731
Fixed Assets	2,302,449	28,281	-	2,330,730
Creditors	(2,539,790)	-	-	(2,539,790)
	<u>3,463,962</u>	<u>198,087</u>	<u>2,282,739</u>	<u>5,944,788</u>

2019 Comparatives

	2019 Unrestricted funds £	2019 Restricted funds £	2019 Endowment funds £	2019 Total funds £
Investments	-	-	2,606,794	2,606,794
Cash at Bank and in Hand	734,705	119,521	-	854,226
Debtors	3,051,757	-	-	3,051,757
Stocks	82,493	-	-	82,493
Fixed Assets	2,421,166	33,458	-	2,454,624
Creditors	(2,756,634)	-	-	(2,756,634)
	<u>3,533,487</u>	<u>152,979</u>	<u>2,606,794</u>	<u>6,293,260</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

19. MOVEMENTS ON FUNDS (continued)

e) Allocations of net assets between funds (Charity):

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total funds £
Investments	1	-	2,282,739	2,282,740
Cash at Bank and in Hand	381,741	169,806	-	551,547
Debtors	2,526,341	-	-	2,526,341
Stocks	99,731	-	-	99,731
Fixed Assets	2,302,449	28,281	-	2,330,730
Creditors	(1,846,300)	-	-	(1,846,300)
	<u>3,463,963</u>	<u>198,087</u>	<u>2,282,739</u>	<u>5,944,789</u>

2019 Comparatives

	2019 Unrestricted funds £	2019 Restricted funds £	2019 Endowment funds £	2019 Total funds £
Investments	1	-	2,606,794	2,606,795
Cash at Bank and in Hand	734,705	119,521	-	854,226
Debtors	2,376,522	-	-	2,376,522
Stocks	82,493	-	-	82,493
Fixed Assets	2,421,166	33,458	-	2,454,624
Creditors	(2,081,399)	-	-	(2,081,399)
	<u>3,533,488</u>	<u>152,979</u>	<u>2,606,794</u>	<u>6,293,261</u>

20. EMPLOYEE RETIREMENT BENEFITS

The company contributes to two group personal pension schemes. The cost to the company for the period ended 31 March 2020 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2020 £	2019 £
Birmingham Royal Ballet Pension Scheme	323,312	246,515
Musicians' Union Pension Scheme	20,911	89,429
	<u>344,223</u>	<u>335,944</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2019-20 the company contributed a total of £47,365 (2018-19: £46,336).

As of 31 March 2020 there were £61,651 outstanding contributions due in respect of the current reporting period (2019: £40,007).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

21. FINANCIAL COMMITMENTS – GROUP AND CHARITY

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases:

	2020		2019	
	Land and buildings £	Other £	Land and buildings £	Other £
Charity				
- expiring within one year	133,750	7,087	186,250	5,907
- expiring between one and five years	75,000	21,180	208,750	22,650
- expiring after five years	-	-	-	-
	<u>208,750</u>	<u>28,267</u>	<u>395,000</u>	<u>28,557</u>

22. RELATED PARTY TRANSACTIONS

No Director received payment for professional or other services supplied to the charity during the year (2019: £nil).

Total donations received from the directors during the year was £34,075 (2019: £32,665).

All transactions between charity and the subsidiary, BRB Production Services Limited, are eliminated on consolidation.

23. CASHFLOW STATEMENT

Reconciliation of net income / (expenditure) to net cash flow from operating activities:

	2020 £	2019 £
Net (expenditure) / income for the year (before investment gains and losses)	(71,887)	25,151
Adjustments for:		
Dividends and interest receivable	(70,568)	(64,513)
Depreciation charges	203,944	215,164
Profit on the disposal of tangible fixed asset	(5,039)	-
Operating cash flow before movement in working capital	<u>56,450</u>	<u>175,802</u>
(Increase) / Decrease in stocks	(17,238)	2,956
(Increase) in debtors	(168,074)	(522,863)
(Decrease) / Increase in creditors	(216,844)	1,092,555
Net cash provided by / (used in) operating activities	<u>(345,706)</u>	<u>748,450</u>