

Company Registered Number 3320538

Charity Registered Number 1061012

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

Report and Consolidated Financial Statements

For the year ended 31 March 2022



BIRMINGHAM ROYAL BALLET

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BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir David Normington (Chair)
Mr Ian Squires
Mr Michael Elliott
Ms Deborah Spence
Ms Hemma Patel
Mr Anthony Coombs
Councillor Carl Rice (resigned 6 July 2022)
Mr Barry Allen
Ms Jeanetta Laurence OBE
Ms Jane Hackett
Ms Sandra Crossley
Mrs Marverine Duffy (appointed June 2021)
Ms Shireenah Ingram (appointed June 2021)
Mrs Christine Ondimu (appointed June 2021)

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

Level Law
20-22 Sheldon Street
London
WC2H 9JJ

BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISERS

INVESTMENT MANAGERS

Evelyn Partners (formerly Smith and Williamson)
9 Colmore Row
Birmingham
B3 2BJ

AUDITOR

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

BIRMINGHAM ROYAL BALLET

Foreword by Sir David Normington GCB, Chair of Birmingham Royal Ballet

I wrote in my foreword to the 2020/21 annual report that there had never been a more challenging year in the 75 year history of Birmingham Royal Ballet and its predecessors. Well, the 2021/22 year ran it close: this was the second year in which the Covid pandemic continued to disrupt the company's plans. It required all our resilience, determination and ingenuity to get back on stage and to begin to implement our Director, Carlos Acosta's, much delayed artistic programme.

After several months of closure at the beginning of 2021, our first programmes in 2021/22 were a bold statement of Carlos's intent: a Triple Bill with three ballets new to Birmingham Royal Ballet, two of them new creations addressing contemporary themes; plus a return of David Bintley's much loved Cinderella. With the Birmingham Hippodrome still closed because of Covid, both programmes were performed at the Birmingham Rep in front of masked, socially distanced, but enthusiastic, audiences. Later in the summer, we took Cinderella to Plymouth - another bold statement, this time of our determination, despite Covid, to return to some of our loyal audiences around the country as soon as practicable. None of this was straightforward – to say the least. With David Bintley's help we reduced the grand scale of his Cinderella so that it did not need so many technical and stage staff; and in Birmingham our orchestra played in a separate space away from the auditorium. Our dancers were divided into bubbles to reduce the chance of Covid infections sweeping through the whole company.

Our triple bill opened, fittingly, with *City of a Thousand Trades*, our tribute to the people from many parts of the world who had built the great City of Birmingham. It was partnered with Daniela Cardim's *Imminent*, a story of how people cope with change; and Goyo Montero's beautiful and elegiac *Chacona*. We also took this triple bill to Sadlers Wells theatre in the autumn where Goyo Montero added a new pas de deux to *Chacona*, which was danced by Carlos and Alessandra Ferri with unsurpassed artistry. One feature of this triple bill was that some of our talented musicians from the Royal Ballet Sinfonia played on stage. In *City of a Thousand Trades* our timpanist and percussionist were high on a platform at the back of the stage, playing some of the implements with which the City was built.

By early autumn the Hippodrome was open again. Our autumn programme in Birmingham was built around different versions of the *Romeo and Juliet* story, enabling Carlos to continue his plans for interspersing the great classics with ballets new to BRB and to U.K. audiences. The programme included Macmillan's *Romeo and Juliet* with its great Prokofiev score; and Eduard Klug's *Radio and Juliet* danced to the iconic music of Radiohead. Both were wonderfully and memorably danced. We took *Romeo and Juliet* to Plymouth for a second visit to our good and enterprising friends at the Theatre Royal, where some of our younger dancers made fine debuts in the leading roles.

Covid infections began to spread again across the country as we began our traditional pre Christmas *Nutcracker* season at the Hippodrome. We decided to mount an adapted version of our Royal Albert Hall version in order to maintain some social distancing back stage. This also enabled us to continue the refurbishment of our traditional *Nutcracker* with a promise that we would bring it back, sparkling and bright, in 2022. Although we completed our Birmingham season, we took the decision jointly with the Royal Albert Hall to cancel our London season between Christmas and New Year because of the resurgence of the pandemic. This was a financial blow as well as being hugely disappointing for our audiences.

Despite everything we ended the 2021/22 year with a triumphant and joyful production of Carlos's own *Don Quixote*. Although first produced originally for the Royal Ballet, Carlos created a new version for Birmingham Royal Ballet, which, unlike the Royal Ballet version, could be taken on tour. There were new sets, including a memorable windmill, new costumes and new orchestrations vividly played by the Royal Ballet Sinfonia. It opened in Southampton to standing ovations which continued as we took the production to Birmingham, Manchester, Sunderland and Plymouth. In Birmingham we were thrilled to be joined for two performances by Royal Ballet stars, Marianella Nunez and Vadim Muntigirov in the principal roles.

BIRMINGHAM ROYAL BALLET

Foreword by Sir David Normington GCB, Chair of Birmingham Royal Ballet

There were increasing cast changes as Covid struck the company and at the start of our week in Manchester we did not have enough fit dancers to get the show on stage. At one point Laura Day put on beard, hat and trousers at short notice and gave an unforgettable account of Sancho Panza. It seemed to sum up the indomitable spirit of the company in this Covid dominated year.

I have written mainly so far about the dancers and musicians because they are the ones we see giving the live performances which is what BRB is ultimately all about. But of course that is only part of our story. For every production there is a large unseen team behind the scenes, leading the rehearsals, looking after the company's health and well being, lighting and dressing the productions, contracting the producers and creators, marketing the programmes, raising the money from our donors and supporters, making or commissioning the wigs and the costumes and so on and so on. Putting on five ballets new to BRB, including a completely new full length ballet, would be demanding in any year; in a year when the country was still grappling with Covid, it was sometimes close to a miracle that the shows actually got on stage. On the opening night of Don Q we were all cheering not just the brilliant dancers and musicians but all the people in the company who had risen to the challenge and made it possible. I am immensely grateful to all of them.

Some other unsung heroes are our LEAP team who throughout the pandemic kept alive our mission to open up the world of ballet and music to children and young people and make our skills and expertise available to the community in Birmingham and the West Midlands. As this report describes they managed to deliver over 600 sessions, many of them online, in 2021/22 to 11,500 people. Our dancers with learning difficulties in our Freefall company were particularly badly affected by the lockdowns and the weekly online sessions were a lifeline. Thank you to everyone who made this possible.

We have learned a lot during the Covid lockdowns about how to reach audiences with digital content online. This provides us with new ways of engaging with our audiences and building audience recognition worldwide. It remains an important priority for the next phase of BRB's development.

We could not have survived the two Covid years without the support from the Government through the furlough scheme and the cultural recovery fund; from the Arts Council; and from the many private individuals, trusts and foundations, who often advanced their payments and changed the conditions of grant to ensure that we had the necessary cash flow and the resources we needed to plan future programmes. Jayne Francis, Birmingham's Cabinet member for education and culture, with her colleagues at the City Council, took immense trouble to check in with us regularly to ensure we were coping. There were some heart-warming moments, particularly on the opening night of the Nutcracker, when some of our longest-standing friends and supporters, made a point of coming back into the theatre to express their support for the company. We are grateful to them all. The support for the arts – and for BRB – in this period was exceptional.

Despite this, it was a challenging year financially with the company reporting an operating deficit of over £1.75 million – one of the largest in its history. This was partly planned. It was always our intention to try to conserve resources during 2020/21 (when we made a surplus) in order to invest in new productions, like Don Quixote, and to continue with the rebuilding of our traditional Nutcracker. However the continuing prevalence of the pandemic meant that audiences throughout the year were disappointing and performances at the Royal Albert Hall were cancelled, so that our income was well below our expectations.

There are, therefore, some challenges ahead. We have great ambitions to widen our repertoire, to raise our international reputation and to continue to take great ballet with live music across the U.K. We want to step up our outreach, to attract new audiences and to give many more young people in Birmingham and beyond the opportunity to learn new skills and gain employment in the creative industries. But this requires investment at a time when public funding is falling in real terms, audiences have not yet returned to pre-Covid levels and costs are rising steeply.

BIRMINGHAM ROYAL BALLET

Foreword by Sir David Normington GCB, Chair of Birmingham Royal Ballet

We are determined not to miss the opportunity presented to us by having Carlos Acosta as our Director. We believe we can be the model for how a major performing arts organisation can flourish outside London and in the process make a major contribution to the economic, social and cultural life of city, region and country. So the question is, can we find the resources we need by containing our own costs, by growing our audiences and by raising more money from our supporters; and will the people, businesses and institutions of Birmingham and the West Midlands get behind us in this great endeavour?

My final words of thanks go to Carlos Acosta, to our Chief Executive, Caroline Miller, to Anna Williams (who acted as CEO during Caroline's illness) and to everyone in the company who showed such remarkable resilience and flexibility during another challenging year. I am truly grateful to them all.

DocuSigned by:

Sir David Normington

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Sir David Normington

Chair of the Board

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 2022.

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 is theatrical production for some co-productions and co-presentations such as The Nutcracker at the Royal Albert Hall. Due to covid the company did not trade during the years to 31 March 2021 and 31 March 2022.

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 - 4.

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 culture, fundraising, marketing and communications, general management and financial management.

Directors' Interests in Related Bodies

Body

Governors of the Royal Ballet

Director

Sir David Normington

Jeanetta Laurence OBE

Birmingham City Councillors

Councillor Carl Rice (resigned 06 July 2022)

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:

- over-all strategy and planning including setting strategy and plans to respond to Arts Council England's National Portfolio Organisation funding programme.
- 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, Carlos Acosta, is responsible for artistic vision and 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 one representative (usually a Councillor) to be a member 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 and training 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 to discuss subjects such as artistic policy, business strategy and governance. An extended Board meeting was held on 23 February 2022 to discuss Arts Council England's 'Let's Create' strategy and BRB's forthcoming application for funding 2023 – 2026.

BIRMINGHAM ROYAL BALLET

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

The primary governance and organisational objectives for the period were to:

- Reviewing the governance framework for BRB including Board skills and sub-committee structure to ensure scrutiny of key activity and risk
- Negotiate new dancers & musicians' contracts including media agreement buy out for filming / broadcast rights
- Improving environmental performance through the reduction of office space occupied by the organisation and reducing transport through hybrid working

We were delighted to welcome Marverine Cole, Shireenah Ingram and Christine Ondimu as Board members in June 2021.

Marverine Cole is a radio and television presenter and news reporter from Birmingham and Director of the BA (Hons) Journalism course at Birmingham City University and works with the Sir Lenny Henry Centre for Media Diversity, an independent body working to achieve accurate representation of all sections of society across contemporary UK media.

Shireenah Ingram is an Actor, Presenter and Songwriter who began her performance career in 2012. Shireenah's relationship with BRB began as the youngest participant in and star of Channel 4's *Ballet Hoo, Ballet Changed My Life* and now she comes full circle to take her place as the youngest member on the Board.

Christine Ondimu is an experienced Banking professional who is passionate about workplace inclusion. Christine is a qualified Lawyer working as a Diversity & Inclusion Manager at HSBC UK.

As Board membership has increased in diversity we have made some important steps in increasing organisational understanding and developing our policies and strategies around equality, diversity and inclusion

On 7 June 2021, BRB partnered with Kauma Arts to host a free panel discussion on diversity in dance, the artform today, heritage and the workforce for dance professionals in the West Midlands. The event was an open invitation to representatives from across the dance sector in the West Midlands to join a panel of experts in a conversation about diversity in the industry with the aim of addressing issues, overcoming challenges and working out solutions to effect positive change in the region.

On 25 February 2022, BRB hosted a talk by the Black British Ballet project to celebrate and document the careers of Black dancers and choreographers in British ballet. The project aims to interview every Black British ballet professional from the last century to create a film and a dedicated website that showcases their achievements and experiences. The Celebration of Black British Ballet was a free event that included a short film screening a panel discussion with including former BRB ballet teacher and coach Julie Felix and BRB principal dancer Tyrone Singleton.

BRB is developing its thinking and approach to increasing diversity within the field of classical music. We are delighted to welcome Amira Campbell, a classical music student from Birmingham University, who will be supporting our work in this area.

BRB has also taken the first steps in the development of a 'Creative Academy' by undertaking research funded by the Calouste Gulbenkian Foundation to focus on opening up access to jobs and careers in the creative industries for a new generation in partnership with other Birmingham based arts organisations including Birmingham Rep and CBSO.

As we endeavour to return to a more settled programme of work post-pandemic, our expectation is that all Board members should sit on at least one sub-committee or contribute relevant experience and expertise to support activity as required. With new members joining in a still disrupted year, it was important that they had an opportunity to establish their understanding of the organisation before finalising new committee membership and structures in 2022-23.

Contract negotiations have commenced through Equity and Musicians Union and will continue through to 2023.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

BRB monitors its environmental performance through Julie's Bicycle creative green tools. BRB has reduced its carbon footprint by reducing the office space it occupies and through adapting performances to reduce their scale for transport. In 2021-22 this included Cinderella and The Nutcracker.

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. A wide range of concessions and special offers are available on tickets including discounts for school groups. Access to live performances is supported 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.

Access to performance, engagement and participation activity is amplified through Birmingham Royal Ballet's growing digital offer which includes both free and paid for content which can range from a brilliant still images to made for digital films like *Empty Stage*. Whatever the format, BRB's digital content shares the same production values and striving for excellence that drives all of BRB's artistic work. Digital production is no longer limited to 'show marketing' but is part of the artistic and cultural aims of the Company and based on fundamental principles to 'Entertain, Educate or Inspire'

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.

BIRMINGHAM ROYAL BALLET

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

STRATEGIC REVIEW

CHARITABLE ACTIVITIES

Performance and Production

The Birmingham Royal Ballet group of companies (Birmingham Royal Ballet and its subsidiaries BRB Production Services and BRB Trading) 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 2021-22 period were to:

- Prepare detailed programme plans to 31 March 2023
- Launch Carlos Acosta's first full performance season with *Curated by Carlos Festival* at The Rep in June 2021
- Return to Birmingham Hippodrome in autumn 2021 for a season of programmes based on *Romeo and Juliet*
- Present an adapted and spectacular version of *The Nutcracker* at Birmingham Hippodrome in 2021 whilst the beautiful sets for BRB's flagship production of Sir Peter Wright's *Nutcracker* are being rebuilt for presentation in 2022.
- Returning to the Royal Albert Hall for a fourth season of performances of *The Nutcracker* in December 2021
- Premiere and tour a new production of *Don Quixote* in February 2022

In 2021-22 the company gave 100 performances; 61 in Birmingham and 39 on tour across the UK (2020-21: 8 in Birmingham and 5 in London of which 3 performances were behind closed doors due to covid and broadcast either live or video on demand). Live audiences were approximately 82,000 (2020-21: 2,400) plus estimated digital audiences of 2,000 (2020-21: 12,775) for live or video on demand performances.

The complete repertory performed during the year was:

BALLET	CHOREOGRAPHY	MUSIC
City of a Thousand Trades	Miguel Altunaga	Mathias Coppens
Imminent	Daniela Cardim	Paul Englishby
Chacona (extended at Sadlers Wells with new pas de deux)	Goyo Montero	Johann Sebastian Bach
Cinderella	Sir David Bintley	Sergei Prokoviev
Romeo and Juliet	Sir Kenneth Macmillan	Sergei Prokoviev
Romeo + Juliet	Rosie Kay	Hector Berlioz
Radio and Juliet	Edward Clug	Radiohead
The Nutcracker	Lev Ivanov Sir Peter Wright Sir David Bintley	Pyotr Ilyich Tchaicovsky
Don Quixote	Carlos Acosta	Ludwig Minkus arr. Hans Vercauteren

BIRMINGHAM ROYAL BALLET

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

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Birmingham Repertory Theatre	June 2021	Curated by Carlos – City of 1000 Trades, Imminent, Chacona
Birmingham Repertory Theatre Theatre Royal Plymouth	June & July 2021	Cinderella
Birmingham Hippodrome Theatre Royal Plymouth	October 2021	Romeo and Juliet
Birmingham Hippodrome	October 2021	R&J Reimagined R+J by Rosie Kay Dance Company Radio and Juliet
Sadlers Wells Theatre	November 2021	Curated by Carlos City of 1000 Trades Imminent Chacona extended
Birmingham Hippodrome	November & December 2021	The Nutcracker
The Mayflower, Southampton Birmingham Hippodrome The Lowry, Salford Sunderland Empire Theatre Royal Plymouth	February & March 2022	Don Quixote

Building on our success and experience gained in 2020 of how to take a major live show on tour in the UK, BRB was eager to return to live performance after the hiatus of another lockdown period in early 2021. Working once again with our colleagues from The REP we worked together to present an ambitious performance season comprising an all new contemporary triple bill 'Curated by Carlos' including two world premieres and an adapted version of Sir David Bintley's much loved Cinderella, which also toured to Plymouth in July 2021. Given restrictions still in force, the company continued to work in bubbles to minimise the risk of infection. This complex logistical puzzle was a huge achievement, brilliantly devised and delivered by BRB's Ballet Staff and Company Management teams.

The triple bill comprised City of a Thousand Trades, co-produced with The Rep, as a celebration of Birmingham and the migrant communities that have built the city, Daniela Cardim's Imminent which was postponed from 2020 as part of the Ballet Now programme and Spanish choreographer **Goyo Montero**'s thrillingly physical work **Chacona**, set to electrifying music by J.S. Bach. Other than a limited number of solo musicians on stage, the live music for the programme was broadcast from 'the Door' theatre space to ensure a safe performance space for the Royal Ballet Sinfonia.

With the relaxing of restrictions over summer 2021, BRB was delighted to the main stage at our home theatre, Birmingham Hippodrome in autumn 2021 with a programme inspired by Romeo and Juliet. We performed Sir Kenneth MacMillan's passionate Romeo and Juliet with Prokofiev's glorious score performed live by the Royal Ballet Sinfonia; back in the orchestra pit at last. We also performed a contemporary programme, Carlos Curates: R&J Reimagined which saw Rosie Kay Dance Company's Romeo + Juliet, with Royal Ballet Sinfonia playing Berlioz' score, presented alongside BRB's premiere of Romanian choreographer Edward Clug's *Radio and Juliet*, set to the music of Radiohead.

BIRMINGHAM ROYAL BALLET

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

In October 2021, BRB returned to Sadler's Wells with *Curated by Carlos*, restaged for non-socially distanced performances which included Carlos Acosta and ballet superstar Alessandra Ferri performing a newly commissioned 10 minute duet as part of Goyo Montero's *Chacona*.

Christmas 2021 was celebrated with a return of *The Nutcracker*. Our initial plan had been to present a version which included the famous 'Red Room' sets that had been rebuilt over summer 2021. However, due to the risk of rising infection rates over the winter, in early August 2021 we made the bold decision to adapt the Royal Albert Hall presentation for Birmingham Hippodrome. This was an innovative response to ensure we could still present a magical Christmas show and mitigate against infection. The orchestra were positioned above the stage on the platform build for use at Royal Albert Hall and spectacular projections filled the whole proscenium arch and boxes giving the feeling of sitting inside the set itself. The new star of the show was BRB's new state of the art, energy efficient lighting rig generously funded by Garfield Weston Foundation. The rig is lighter and easier to transport, reduces set up and focussing time, uses technology that enables a greater range of lighting effects and importantly, the LED lights use a fraction of the energy of old tungsten light bulbs. The rig was visible to the audience in *Nutcracker* and the moving lights with changing colours formed a beautiful arc above the stage.

We were fortunate that our Birmingham *Nutcracker* performances finished in the first half of December 2021 and we managed to complete the full run. Rising cases of the Omicron variant of covid decimated Christmas shows across the UK and it was with great regret that Birmingham Royal Ballet and Royal Albert Hall decided to postpone the December 2021 performances to December 2022.

Welcoming the new-year with renewed ambition we set to work on world premiere of a new production of Carlos Acosta's *Don Quixote* sets by award winning designer Tim Hatley, projections by Nina Dunne and a re-orchestration of the Minkus score by Hans Vercauteren. The biggest ballet show in terms of sets, dancers, crew and orchestra to go on UK tour since the pandemic began. An explosion of Spanish sunshine, spectacular dance and vivacious comedy had its world premiere at Southampton Mayflower, before touring to Birmingham, Salford, Sunderland and Plymouth. We welcomed ballet superstars Marianela Núñez and Vadim Muntagirov of the Royal Ballet to perform with BRB in *Don Quixote* at Birmingham Hippodrome. This was an incredibly rare chance to see two of the best dancers in the world perform outside London. Notwithstanding the ongoing battles with fluctuating covid rates (which still continue), we completed the long tour with the loss of only three performances in Salford; we would like to thank our colleagues at The Lowry for their support and understanding.

There were many incredible premieres and performances by BRB dancers throughout *Don Q* tour. The Board would like to thank the whole company for their versatility and dedication for changing roles and learning adapted choreography to keep the show on the road.

Orchestra

We were delighted that our orchestra 'The Royal Ballet Sinfonia' was the chosen orchestra for a fundraising gala for the eight British ballet companies at Royal Albert Hall in June 2021. The spectacular gala was organised and hosted by Dame Darcey Bussell.

The Sinfonia recorded *Cinderella* and the *Curated by Carlos* programmes as a contingency to protect the shows should players be absent due to covid. They also recorded music for LEAP's 'Orchestra in a Box' project.

Professional Development

BRB offers opportunities for artists to develop their professional careers

During 2021-22 students from Royal Ballet School, Elmhurst School for Dance, English National Ballet School and Central School of Ballet have performed roles in *Cinderella*, *Romeo and Juliet*, *The Nutcracker* and *Don Quixote*. Working alongside BRB dancers and gives students important work experience and insight into the adaptability, resilience and professionalism required for a career in classical ballet.

Three longstanding members of the Company. Jonathan Payn, Laura Day and Rory Mackay moved to new roles of Assistant Répétiteur, assisting the Director, Assistant Director and Ballet Staff by teaching class, directing rehearsals and taking on responsibilities including rehearsal scheduling and rehabilitation coaching. All three continue to perform as principle character artists including an unexpected and brilliant premier by Laura Day the role of Sancho Panza due to covid absences; personifying the 'can do' spirit of the company.

BIRMINGHAM ROYAL BALLET

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

BRB has continued working with the Royal Opera House to develop the specialist skills of conducting for dance through the Constant Lambert Conducting Fellowship. We were delighted to welcome Charlotte Politi as our 2021-22 fellow.

In January 2022, BRB established a Student in Residence partnership with the Royal Birmingham Conservatoire (part of Birmingham City University). The scheme will initially work with one student per annum to develop the selected student's performance skills. The aim is to provide intensive orchestral experience over the course of a year with the possibility of performance engagements with the Sinfonia in the future.

Audience Reach and Growth

2021-22 has been a critical moment for the Birmingham Royal Ballet. Building on successes of 2020-21 whilst emerging from the pandemic with new artistic leadership, new leadership in marketing and development, new digital audiences, a new brand and an imperative for growth of all audiences over the next five years among an ambitious artistic agenda. Whilst the disruption of covid continued throughout the financial year we laid important foundations for future success

The primary Audience Development objectives for 2021-22 were to:

- Re-structure the Brand and Marketing team and setting up new Digital team.
- Implement a new audience development strategy to re-build, grow and broaden audiences post pandemic
- Build on the success of 2020-21 investment in BRB's digital infrastructure, supported by Garfield Weston Foundation funding, and developing content to increase audiences and engagement

During 2021-22 we have been developing the 'Brand and Marketing' Team structure to an externally focused 'Sales, Marketing and Audiences' Team which includes content development, social media and film expertise. We were delighted that after a successful secondment with the team in 2020, Tom Rogers retired from dancing after 17 years and took up a new role at BRB as Digital Creative Producer, bringing ballet knowledge and creative vision in house to extend access and insight through film and digital technology. Tom has been supported in his successful career transition by the Dancers Career Development and Clore Foundation.

The planned strategy for 2021-22 had been based on rapid audience growth back to pre-pandemic levels with progress towards diversifying BRB's audiences would be ongoing and concurrent over a longer timeline. In reality, the impact of covid has continued to disrupt audiences returning and which has resulted in a review of our growth and earned income assumptions. The time horizon for returning to pre-pandemic levels in combination with change toward a more diverse audience is now based around a five year horizon. We are presently focussing on understanding the change between current and past audiences are so that we can develop targeted campaigns to re-build existing and develop new relationships.

BRB's developing digital programme sits within the *Shout Louder, Sell More Tickets* ethos that has driven much success since the arrival of Carlos Acosta as Director in January 2020. During 2021-22 BRB has continued to extend access to audiences through growing a successful and varied online programme of free and pay per view performances, events and behind the scenes access. We are confident that great content builds engagement not only to drive income growth but equally to broaden interaction and insight as part of our public benefit remit as a charity.

Some highlights of our digital, film and broadcast programme include

- **June 2021 Birmingham International Digital Dance Festival** - BRB broadcast of *City of a Thousand Trades*; an online Cinderella ballet class designed for children aged 6 – 11 years, Company Class from the stage, two dance film world premieres including *The Burning Building*, choreographed by Javier De Frutos and a new Freefall Dance Company film - *Stepping Out, Stepping Up*
- **Stepping Out, Stepping Up** - In spring 2021, Carlos Acosta proposed some music by Cuban/Iranian band Ariwo for artistic inspiration for BRB's Freefall Dance Company; BRB's company for learning disabled dancers. Having worked throughout lockdown via zoom to protect the dancers who are vulnerable to covid-19, we had to work out how to film the dancers safely. Having secured a roof terrace suitable for outdoor

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

filming each dancer was given a 30-minute solo filming slot (to minimise contact) across a day of recording. For many of the dancers - who had been shielding for over a year, it represented a first outing.

- **World Ballet Day October 2021** - BRB ran four different streams throughout the day for audiences worldwide in Australia, Japan, the UK and the Americas, presented by our dancers from those countries.
- **Curated BY CARLOS film** - November 2021; our film of the triple bill launched Sadler's Wells Digital Stage.
- **Behind-The-Scenes February 2022** - working with nine film-making students from Birmingham City University (BCU) who created a documentary, revealing the behind-the-scenes process of staging *Don Quixote*. The students were in their final year on the BA (Hons) Filmmaking course at the school of Games, Film and Animation at BCU.
- **Don Quixote** - award winning film maker, Ross MacGibbon, produced a beautiful film of the ballet, broadcast in cinema in autumn 2022.

BRB's social media strategy has focused on YouTube as its target area for growth. We have doubled our number of subscribers has doubled from 2,000 to 4,000. The focus for content has been "stories": short, attention-grabbing posts that disappear after 24 hours, allowing us to engage users with personality-led content designed for fast consumption. For example, in December 2021 BRB partnered with the Royal Academy of Dance on the #SugarCube dance challenge on Instagram and TikTok, featuring BRB dancers and the general public creating their own Cuban-inspired dance moves to a short piece of music based on *The Nutcracker*. The project received over 148,000 views.

We have increased Facebook subscribers to 147,000 (2020-21: 130,000) and Instagram subscribers to 60,500 (2020-21: 54,800)

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.

In 2021-22 BRB has delivered 604 LEAP sessions to around 11,500 participants.

Our LEAP objectives for the year were to:

- Continuing to provide classes for DanceTrack and Freefall online prior to the return of live classes which re-commenced in autumn 2021
- Recruiting a new cohort of ambassadors to start working with BRB in 2022
- Offering a programme of online classes, activities and events to provide new insights and build engagement and interactions
- Devising and testing LEAP activities focussing on music
- Undertaking research funded by Calouste Gulbenkian Foundation to inform BRB as to how it can support skills development and routes into working in theatre and creative industries

Dance Track - BRB's talent development programme for primary school children. Classes started back in BRB studios and our other Dance Track centres in Birmingham in autumn 2021. 2022 is the 25th anniversary of this programme and over the years Dance Track has touched the lives of some 36,000 primary school children in Birmingham. From relatively modest beginnings, Dance Track has now grown to operate in more than 40 Birmingham primary schools. The programme has nurtured raw dance talent in primary schools across Birmingham and had a positive, life-enriching impact on thousands of young people aged six to eight. The programme has also provided top-quality dance training to talented young people in Birmingham who might otherwise not have the opportunity to benefit from dance training.

Freefall Dance Company (talented adults with severe learning difficulties) - Freefall Dance Company is an ensemble of highly gifted dancers with severe learning disabilities. Throughout the pandemic, Lee Fisher; Artistic

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

Director of Freefall delivered classes via zoom and our priority during 2021-22 was to start welcoming the company back to BRB studios for rehearsal

LEAP Ambassadors - (formerly BRB Ambassadors) programme was re-launched in September 2019 as a FREE year long 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 the skills needed to create, take part in and contribute to community arts projects in the future. Following a successful pilot year in 19/20 and a year break due to the pandemic 2021-22 cohort of 8 ambassadors started in November 2021 for an eight month programme culminating in July 2022.

Music Programme – we are keen to ensure that music as well as dance is reflected in our LEAP offer for schools and the LEAP and music teams have researched how our present schools programme can include music. During the year the orchestra have recorded extracts for an online 'Music and Dance' presentation for schools.

Skills and employability – Creative Alliance were engaged to undertake research with young adults, existing and potential stakeholders to explore and inform first steps in opening up access to jobs, training and careers for a new generation of West Midlands young people. BRB, in partnership with a group of Birmingham based cultural organisations, are working on building a more equitable Creative Industries workforce over a ten-year period. The research, funded by Calouste Gulbenkian Foundation, commenced in February 2022.

Royal Academy of Dance Partnership is a new programme announced in October 2021 and launched February 2022 for BRB work alongside RAD teachers and students. Working in Birmingham and with venue partners across the country BRB will help connect students and teachers with dancers, musicians and technical staff. The programme will create the opportunity for hundreds of students and teachers to come and experience Birmingham Royal Ballet productions live throughout 2022 both live and will harness digital technology to share activity and support RAD teaching throughout the world.

FINANCIAL REVIEW

Birmingham Royal Ballet's primary financial objectives for the period

- Grow general, unrestricted reserves (excluding capital reserves) to the equivalent of 8 weeks turnover.
- Undertake a thorough review of financial systems, controls and management information to ensure that these are fit for purpose and future proof to support BRB's artistic and financial strategy for the next 10 years

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

The period to 31 March 2022 ended with a deficit on activities including the endowment fund of £1,751,208 (2020-21 surplus £4,318,830) giving total accumulated reserves of £8,512,410 (2020-21 £10,263,618).

The year-end result reflects our agreed strategy of two years investment in new and new to BRB artistic programming celebrating the artistic vision of Director Carlos Acosta.

The deficit analysed across funds was as follows:

- General unrestricted funds - £(1,927,220)
- Restricted funds – £43,505
- Endowment funds £132,507

Unrestricted revenue reserves (excluding the capital reserve of £1,850,098 for the refurbishment of BRB's Thorp Street premises) presently stand at £2,596,510. Total unrestricted reserves are £4,446,608 (2020-21: £6,373,828) including the designated capital refurbishment reserve of £1,850,098 (2020-21: £1,958,928). General, undesignated

BIRMINGHAM ROYAL BALLET

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

reserves presently stand at £1,769,234 and our strategy for the period from 2023 – 2026 will be to rebuild these reserves back towards £2.3m in line with our stated reserve policy

Raising Funds

Primary objectives 2021-22 were to

- 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
- Submitting an application to Arts Council England for the extension of NPO funding for period to 31 March 2023. The application was submitted on 15 September 2021 and funding for 2022-23 was confirmed on 17 December 2021
- Outline strategic goals to respond to Arts Council England's 'Lets Create' strategy and deliver a full NPO application by 26 April 2022

As in previous years our principal funding sources are:

- Arts Council England – £8,036,194 (2020-21: £8,036,194) 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 – £157,850 (2020-21: £157,850) revenue funding to contribute towards BRB's core operating costs and the costs of delivering performances and learning and outreach activities primarily in Birmingham.

Core revenue funding from our major revenue funders, Arts Council England and Birmingham City Council, accounted for 61% of total income (2020-21: 60%).

Arts Council England funding for the next 3 years is committed as standstill.

Birmingham Royal Ballet received £158,936 furlough grant income from the government towards a total staff cost of £8,289,242 for the year. BRB made its final furlough grant claim for May 2021. Furlough grant income has been vital in enabling BRB to preserve vital skills to enable the company to adapt its activity, return to performance and thereby continue to thrive during the covid pandemic.

BRB was awarded £175,000 (2020-21: £500,000) from Arts Council England's first round of Culture Recovery Funding to support investment in digital content development and a contribution towards capital investment in improved and 'covid-safe' office space at BRB stores.

In February 2021, BRB had been awarded £600,000 from the Garfield Weston Foundation to support recovery from the impact of the COVID-19 pandemic. The grant was one of the largest awards and enabled BRB to invest in a state-of-the-art, energy-efficient lighting rig which was first used to spectacular effect in The Nutcracker at Birmingham Hippodrome 2021.

Total income from donations, membership schemes and other fundraising activity during the year was £1,506,476 (2020-21: £2,378,953) of which donations (excluding legacies) from private individuals were £645,988 (2020-21: £570,653).

Income from trusts and foundations for the year was £ 642,523 (2020-21: £1,510,957).

We would like to thank the following trusts and foundations that have supported Birmingham Royal Ballet during 2021-22:

Alan Woodfield Trust

Albert and Elizabeth Clark Trust

Alison Hillman Charitable Trust

BIRMINGHAM ROYAL BALLET

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

Amar-franses & Foster-Jenkins Trust
Baron Davenports Charity
Bayfield Charitable
BHSF Medical Charity and Welfare Trust
Birmingham Common Good Trust
Brian Shaw Memorial Trust
Calouste Gulbenkia Foundation
Cecil King Memorial Foundation
Charles Brotherton Trust
Chatwin Trust
Clare King Charitable Trust
David and Helen Lowe Charitable Trust
David Solomons Trust
Dumbreck Charity
Edgar E Lawley Foundation
Edward & Dorothy Cadbury Trust
Ensix Charitable Trust
Eric W Vincent Trust Fund
Eveson Charitable Trust
Garrick Charitable Trust
George Fentham Birmingham Charity
George Henry Collins Charity
GJW Turner Trust
Grantham Yorke Trust
Grey Court Trust
Hawthorne Charitable Trust
IMI Critical Engineering Trust
J Thaw Foundation
John H Cohen Foundation
Keith Coombs Trust
Langdale Trust
London Ballet Circle
London Community Foundation
Loppylugs and Barbara Morrison Charities Trust
Lord Austin Trust
M K Rose Charitable Trust
Marsh Charitable Trust
Oakley Trust
Peter and Teresa Harris Charitable Trust
Quayle Charitable Trust
Rhianna Dance SG KH London

BIRMINGHAM ROYAL BALLET

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

Richard Cadbury Charitable Trust

Roger and Douglas Turner Charitable Trust

Roughley Trust

S Sutherland Charitable Trust

Sainbury Trust

SCOPS Art Trust

Sir John Sumner's Trust

Souter Charitable Trust

Southampton Road Trust

St Jude's Trust

St Thomas Dole Charity

Sylvia Adams Trust

The Arts Society

The Aspinwall Charitable Trust

The Calleva Foundation

The Charlotte Bonham-Carter Trust

The D Oyly Carte Charitable Trust

The Edward Cadbury Charitable Trust

The Grimmitt Trust

The H Steven & PE Wood Trust

The Hawthorne Charitable Trust

The Helen Rachael Mackaness Charitable Trust

The John Avins Trust

The Michael Bishop Foundation

The Norton Foundation

The Royal Opera House Benevolent Fund

The Rix-Thompson-Rothenberg (RTR) Foundation

The Stanley Picker Trust

The Sterry Family Foundation

The Vandervell Foundation

Thistle Trust

Thriplow Charity

Trustees of S D Lloyd

Uncle Bill Trust

W.E.D Charitable Trust

Warwickshire Masonic Charitable Trust

Wilmcote Charitable Trust

Charitable Activities

Income from charitable activities in 2021-22 was £3,238,639 (2020-21: £508,405) reflecting re-opening of the theatre sector and the return to a non-socially distanced programme of performances in autumn 2021. The covid pandemic

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

continued to disrupt attendances throughout the year and our season of performances at Royal Albert Hall (December 2021) and three performances at The Lowry (March 2022) were cancelled due to covid.

Birmingham Royal Ballet received Theatre Tax Credit income of £236,574 in respect of 2020-21 (against an initial estimate of £160,000). It is estimated that Theatre Tax Credit for 2021-22 will be in the region of £900,000 as a result of the significant investment in programme during the year including the spectacular new production of Don Quixote. The Theatre Tax Credit regime remains a vital contribution to BRB's income mix and a positive recognition of the contribution that both commercial and subsidised theatre makes to the economy. Theatre Tax Credit enables BRB to continue its commitment to investment in both new works and major revivals.

Expenditure on charitable activities in the year was £14,564,635 equivalent to 96% of total expenditure (2020-21: £10,168,223 equivalent to 94% of total expenditure). 2021-22 was the first of two years' of investment in Carlos Acosta's new artistic vision including the 'Curated by Carlos' programme and Don Quixote which were both postponed from 2020 due to covid.

We have commenced a comprehensive review of processes, systems and controls to support management accountability and control through dynamic budgeting to match resource to strategic priorities and active cost control which responds to a changing economic environment. The Board have agreed to investment in a new finance system, to be implemented in the following financial year, which will improve efficiency in financial processing and give budget holders access to real time information

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.

BRB has successfully applied for NPO funding for the transitional 2022-23 financial year for funding of £8,036,000 which means that BRB has confirmed funding through to 31 March 2023. BRB is well placed to respond to the expectations of Arts Council England's new 10 year strategy, 'Let's Create'. Carlos Acosta's programming is gaining international recognition, BRB is rated 'strong' for the Creative Case for Diversity (critical achievement for securing future funding) and an emerging skills strategy will focus on talent development and routes into theatre and creative industries.

Financial modelling for the period through to 31 March 2023 is based on a second year of investment in new artistic programming supported by reserves set aside for this purpose, as outlined in the updated reserves policy, and growth in fundraising. Further to the voluntary leavers programme in 2021 organisational structure and operations will be kept under review throughout 2022 and 2023. BRB's fixed cost base is managed through contract reviews, review of vacancies prior to any recruitment. We have established a procurement programme for recurring services, programme and capital investments.

The financial strategy for the new NPO funding period 2023-26 comprises three elements to ensure cost effective, flexible and efficient delivery of BRB's complex and ambitious artistic and creative skills programme. These plans are set in a financial context of real terms funding erosion, soaring inflation and uncertain box office making 2023-26 the most financially challenging period the company has faced

- **Stabilise** – establish an affordable cost base and a leaner infrastructure by balancing fixed and variable costs to deliver BRB's response to 'Let's Create'.
- **Consolidate** – deliver core activity within agreed cost base. Driving accountability through improved financial management information systems to drive financial awareness and collective management responsibility
- **Grow** - Enhancement and amplification of activity through partnerships, co-production and fundraising. Improving return on investment by growing earned income from performances through a combination of audience growth and strategic pricing.

BIRMINGHAM ROYAL BALLET

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

Programme plans for the period to 31 March 2023 have been finalised and plans through to 2025 are well progressed enabling BRB to return to longer planning timelines which will support cost control by reducing the reactive decision making required during the covid pandemic.

Should earned income be lower than anticipated due to ongoing uncertainty reducing audience confidence in combination with inflationary pressures, the Board will consider requesting permission from Arts Council England to use a portion of the ACE Catalyst Funding, which contributed the match funding for BRB's Catalyst/Cadbury Family Endowment, to support financial resilience as outlined in Culture Recovery Funding guidelines.

The Directors continue to take all available steps to maintain sufficient resources in order that Birmingham Royal Ballet can continue. Based on projections and available information, the Directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of signing these financial statements 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 plans regularly. 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 primary risks during 2021-22 was the ongoing impact of the covid pandemic on the long-term stability of Birmingham Royal Ballet and the wider performing arts and theatre sector. These were identified as

- Organisational structure appropriate to deliver BRB's mission and vision in the short to medium term. The most immediate risks being key person dependency and staff burn out compounded by labour shortages particularly in technical skills
- Impact of covid on audiences and earned income assumptions
- Managing a covid safe workplace for staff, contractors and visitors as new variants emerge
- Risk of losing shows due to covid
- Income growth outpaced by inflation of costs. These include additional costs arising from covid management as well as general inflation

During 2021-22 BRB has successfully managed risk through a combination of:

- Corona Virus Job Retention Scheme to fund salary cost and protect jobs in the early part of the year whilst restrictions remained in place
- Supporting and increasing staff capacity through short term contracts recognising that covid has driven complexity into or increased the time required for many activities and tasks
- Culture Recovery funding to fund digital content development
- Managed return to performing activity to maintain performance capability and earn income
- Maintaining and adapting infection management protocols throughout the year to limit infection risk balanced with the need to encourage all staff back into the workplace on a regular basis

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

- Adapting performances to manage cost and reduce labour requirements whilst earned income potential was reduced due to social distancing requirements

PLANS FOR FUTURE PERIODS

2022 / 2023 financial year is crucial for the successful embedding of Carlos Acosta's vision for Birmingham Royal Ballet, and for the company to transition its plans to deliver Arts Council England's new strategic plan, *Let's Create*.

BRB has been one of the most successful organisations in maintaining a programme of live and digital performance and activity. However, ballet as art form relies at its heart on a live relationship with audiences and participants to thrive and connect. Returning to a full programme of live performance, distribution through touring and face to face participation and engagement activity is the driving force behind plans for 2022-23.

The theme of connecting and re-connecting is central to the 2022-23 period. The start of calendar year 2022 through to March 2023 will be the first period where activity reflects the scale of artistic ambition and distribution that would have been typical of BRB pre-pandemic.

The strategic priorities for the period to March 2023 are to ensure that BRB continues to be a resilient and sustainable organisation which is structured and resourced to :

RAISING FUNDS

- Deliver a full NPO application by 26 April 2022 and achieve a successful outcome through confirmation of funding in November 22. This funding was duly confirmed in November 2022.
- Increase fundraising targets

CHARITABLE ACTIVITIES:

Performance and Production – we will perform and tour extensively presenting a range of programmes from large-scale classical ballets to adapted accessible programmes accompanied by high quality orchestral music to ensure audiences have the opportunity to attend live performance scale and quality, wherever they live.

The primary objectives for 2022-23

- Prepare detailed programme plans to 30 June 2024 and outline plans through to 2025-26
- Raise the quality and profile of BRB by working with different choreographers that artistically stretch our dancers and offer audiences programmes ranging from classical, heritage and contemporary repertoire
- Work with leading creative artists to create new work including commissioning new music or orchestral arrangements for ballet
- Develop our 'Music and Dance' programme as an accessible and varied showcase for our artform. This includes programmes aimed at schools and families.
- Perform as part of the Commonwealth Games' Opening Ceremony in July 2022 which will be televised to a world-wide audience
- Progress the integration of digital culture through a cost-effective production to deliver both show-promotional content and innovative creative content to 'Entertain, Educate and Inspire'

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:

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

- **Re-building audiences to pre-pandemic levels over the next three years** - The work will be informed by the audience growth strategy from the programme of work with TRG funded initially through Culture Recovery Funding.
- **Growing new audiences for dance across the country** - Our strategy for the 2022-23 season will be based on data informed decisions to engage, attract and retain audiences as well allowing us to test, measure, adapt, respond and listen to audiences more intently. There will be an active drive to grow BRB's marketing and customer database.
- **Building and grow relationships with young people in Birmingham** - We know from previous research that BRB's core audience in Birmingham is made up of 5% under age 30, however 30% of the Birmingham population is age 30 and under. We are looking at how we can use both the younger age group of BRB dancers, new work and targeting use of unsold tickets to build affinity amongst younger attenders.

Learning, Access, Engagement and Participation LEAP – 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. Priorities for the future are to:

- Re-engage and re-connect with participants and stakeholders across BRB's LEAP programme to get back to a regular programme of 'in-person' workshops and classes by September 2022
- Launch Dance Track 25 at Birmingham Rep in May 2022. A year of celebration and re-engagement with Dance Track Alumni; gathering stories and anecdotes of the impact the programme has had on the lives of the students and their families
- Re-establish a full programme of 'wrap around' events including pre-performance talks/discussions, class on stage, insight events, audio description and touch tours by March 2023
- Plan a celebration of Freefall Dance Company at 21 and use the opportunity to consult with parents/guardians and other project stakeholders to help inform the future of the company and project
- Continue work with BRB's music team and orchestra to integrate music into BRB's LEAP activity building on our popular 'Music and Dance' programmes
- Support teaching of dance and music in primary schools through the 'Ballet Unwrapped' programme

GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

BRB's strategic priorities are underpinned by governance, organisational development and resilience strategies. These will focus on

- Reviewing the governance framework for BRB including establishment of an Audit and Risk Committee in November 2022
- Continuing negotiations to modernise artist contracts including media agreement buy out for filming / broadcast rights
- Improving environmental performance through adapting productions to reduce transport requirements

FINANCIAL STABILITY will be supported through

- Formulating detailed financial resilience plans for 2023 – 2026 to rebuild general, unrestricted reserves (excluding capital reserves) to the equivalent of 8 weeks turnover.

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DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

- Completing the review of financial systems, controls and management information and to ensure that these are fit for purpose and future proof to support BRB's artistic and financial strategy for the next 10 years

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 Director 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 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';

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

- 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 remuneration policy, benefits and rewards strategy is reviewed as part of the strategic planning process. Investing in skills and employment is a priority as delivery of BRB's charitable objectives is dependent on our highly skilled performers and staff. Staff and staff related costs constitute the largest single element of charitable expenditure.

Reserves

The reserves policy was reviewed and approved by the Board in March 2021.

The covid pandemic has brought renewed consideration to the level of reserves held by arts organisations such that the Culture Recovery Funding programme included a criteria that funding could be used for re-inflating reserves up to the equivalent of up to eight weeks'.

It was agreed that BRB's reserves policy be revised to increase our target for general, undesignated reserves to the equivalent of eight weeks turnover which is approximately £2.3m.

In addition to the increased target for general reserves it was agreed that £1.5m be set aside in designated reserves to fund activity postponed from 2020-21 as follows

- £1m – Carlos Acosta's new artistic vision including the 'Created by Carlos' programmes (Summer and Autumn 2021) and a new production of Don Quixote
- £500k – to complete the re-design and rebuild of BRB's flagship production of The Nutcracker based on John McFarlanes original designs updated for 2022. The refurbishment of 'The Red Room' has been raised through the Big Give and the additional commitment will enable BRB to complete the full production.

Other 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. 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.

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(continued)

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;
- 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 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.

BIRMINGHAM ROYAL BALLET

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

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 will step down as Birmingham Royal Ballet's Auditor at the forthcoming Annual General Meeting. A new Auditor will be appointed in early 2023

This Directors Report (including the Strategic Report) was approved and authorised for issue by the Directors on 21 December 2022.

DocuSigned by:

Sir David Normington

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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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2022 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 which comprise:

- the consolidated statement of financial activities (including summary 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 (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements, which included UK Charities Act, UK Companies Act, pensions and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty, which included regulations of the Charity Commission for England and Wales (Charity Commission).

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- completeness of grant income. To address this risk we have tested a sample of grants from source records to their supporting evidence and recorded income, and assessed the classification of the income as either restricted or unrestricted; and
- classification of funds between restricted and unrestricted. To address this risk we have tested a sample of restricted income and expenditure to their supporting evidence to assess whether they have been classified appropriately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

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 trustees' report, which includes the strategic report and the directors' 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 trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and parent charitable company and their 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 trustees' report.

Matters on which we are required to report by exception

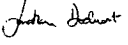
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 trustees' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jonathan Dodworth (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

21 December 2022

BIRMINGHAM ROYAL BALLET

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including consolidated income and expenditure account)

Year ended 31 March 2022

	Notes	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £	Total 2021 £
Income from:						
Grants, Donations and Legacies	3	9,032,930	877,745	-	9,910,675	13,749,892
Charitable activities:						
Performance and related activities	4	3,238,639	-	-	3,238,639	508,405
Other trading activities	5	163,781	-	-	163,781	103,523
Investments	6	1,293	-	77,978	79,271	61,521
Total income		12,436,643	877,745	77,978	13,392,366	14,423,341
Expenditure on:						
Raising funds	7	651,959	-	-	651,959	632,887
Charitable activities						
Production and Performance	8	13,546,522	518,854	-	14,065,376	9,758,478
Orchestra Projects	8	37,679	-	-	37,679	62,244
Education Projects	8	285,030	156,450	-	441,480	332,687
Other expenditure		1,613	-	18,487	20,100	14,814
Total expenditure		14,522,803	675,304	18,487	15,216,594	10,801,110
Net income/(expenditure) before investment gains and losses	10	(2,086,160)	202,441	59,491	(1,824,228)	3,622,231
Net gain/(loss) on investments		-	-	73,016	73,016	696,599
Net income/(loss) for the year		(2,086,160)	202,441	132,507	(1,751,212)	4,318,830
Transfers between funds	18	158,936	(158,936)	-	-	-
NET MOVEMENT IN FUNDS		(1,927,224)	43,505	132,507	(1,751,212)	4,318,830
RECONCILIATION OF FUNDS:						
Total funds brought forward		6,373,828	869,182	3,020,608	10,263,618	5,944,788
Net movement in funds for the year		(1,927,224)	43,505	132,507	(1,751,212)	4,318,830
Total funds carried forward	18	4,446,604	912,687	3,153,115	8,512,406	10,263,618

BIRMINGHAM ROYAL BALLET

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including consolidated income and expenditure account) Year ended 31 March 2022

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 (expenditure)/income of parent charity for the year for Companies Act purposes is £(1,751,208) (2021: £3,318,830). 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 2021.

BIRMINGHAM ROYAL BALLET**BALANCE SHEETS**
As at 31 March 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
FIXED ASSETS					
Tangible assets	13	2,804,250	2,235,397	2,804,250	2,235,397
Investment assets	14	3,153,115	3,020,608	3,153,117	3,020,609
		<u>5,957,365</u>	<u>5,256,005</u>	<u>5,957,367</u>	<u>5,256,006</u>
CURRENT ASSETS					
Stocks	15	95,474	89,041	95,474	89,041
Debtors	16	2,766,720	1,850,881	2,833,387	1,850,882
Cash at bank and in hand		1,222,898	4,526,389	1,222,898	4,526,389
		<u>4,085,091</u>	<u>6,466,311</u>	<u>4,151,759</u>	<u>6,466,312</u>
Creditors: amounts falling due within one year	17	<u>(1,530,051)</u>	<u>(1,458,698)</u>	<u>(1,596,718)</u>	<u>(1,458,698)</u>
Net Current Assets		<u>2,555,041</u>	<u>5,007,613</u>	<u>2,555,041</u>	<u>5,007,613</u>
Total Assets Less Current Liabilities		<u>8,512,406</u>	<u>10,263,618</u>	<u>8,512,408</u>	<u>10,263,618</u>
Creditors: amounts falling after one year		-	-	-	-
NET ASSETS		<u>8,512,406</u>	<u>10,263,618</u>	<u>8,512,408</u>	<u>10,263,618</u>
FUNDS					
Unrestricted funds:					
General Funds	18	1,769,230	2,587,245	1,769,230	2,587,246
Designated funds	18	2,677,374	3,786,583	2,677,374	3,786,583
Restricted funds	18	912,687	869,182	912,687	869,182
Endowment funds	18	3,153,115	3,020,608	3,153,117	3,020,608
		<u>8,512,406</u>	<u>10,263,618</u>	<u>8,512,408</u>	<u>10,263,618</u>

These financial statements of Birmingham Royal Ballet registered number 3320538 were approved by the Board of Directors and authorised for issue on 21 December 2021. They were signed on its behalf by:

DocuSigned by:

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Sir David Normington
Chair of the Board

BIRMINGHAM ROYAL BALLET**CONSOLIDATED CASH FLOW STATEMENT**
Year ended 31 March 2022

	Notes	Total 2022 £	Total 2021 £
Cash flows from operating activities:			
<i>Net cash (used in)/provided by operating activities</i>	22	(2,466,549)	4,077,097
Cash flows from investing activities:			
Interest received		1,293	5,437
Dividends received		77,978	56,084
Purchase of property, plant and equipment		(856,722)	(125,686)
Proceeds from sale of tangible fixed asset		-	3,181
Movements in investment portfolio		(59,491)	(41,271)
<i>Net cash flows (used in) by investing activities</i>		(836,942)	(102,255)
Net (decrease)/increase in cash and cash equivalents		(3,303,491)	3,974,842
Cash and cash equivalents at beginning of year		4,526,389	551,547
Cash and cash equivalents at the end of the year		1,222,898	4,526,389
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		1,222,898	4,526,389
Cash equivalents		-	-
Cash and cash equivalents		1,222,898	4,526,389

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2022

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 and BRB Trading Limited are a wholly owned subsidiaries 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 subsidiaries BRB Production Services Limited and BEB Trading Limited. 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 are cautious with the option to withdraw funding from the Endowment Fund if required. The recent announcement (October 2021) of an increase in the rate of Theatre Tax Relief 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 2023; committing revenue funding of £8,036,000 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, being at least 12 months from the date of signing these financial statements. 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 2022

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 2022

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 2022

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	5% - 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 2022

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 2022****3. INCOME FROM GRANTS, DONATIONS & LEGACIES**

	2022 Un- restricted funds £	2022 Restricted funds £	2022 Endowment funds £	2022 Total funds £
Arts Council England				
Revenue funding	8,036,194	-	-	8,036,194
Cross Border Touring	-	-	-	-
Digital Transformation Project	-	40,000	-	40,000
Culture Recovery Fund	175,000	-	-	175,000
Birmingham City Council				
Revenue funding	157,850	-	-	157,850
Other	-	-	-	-
Donations				
Grants – Trusts and Foundations	116,789	525,734	-	642,523
Donations	492,913	153,075	-	645,988
Legacies	54,184	-	-	54,184
Coronavirus Job Retention Scheme				
Furlough	-	158,936	-	158,936
	<u>9,032,930</u>	<u>877,745</u>	<u>-</u>	<u>9,910,675</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2022

	2021 Un- restricted funds £	2021 Restricted funds £	2021 Endowment funds £	2021 Total funds £
Arts Council England				
Revenue funding	8,036,194	-	-	8,036,194
Cross Border Touring	-	-	-	-
Digital Transformation Project	-	-	-	-
Culture Recovery Fund	500,000	-	-	500,000
Birmingham City Council				
Revenue funding	157,850	-	-	157,850
Other	2,500	-	-	2,500
Donations				
Grants – Trusts and Foundations	573,950	937,007	-	1,510,957
Donations	431,248	139,405	-	570,653
Legacies	191,820	2,000	-	193,820
Coronavirus Job Retention Scheme				
Furlough	-	2,777,918	-	2,777,918
	9,893,562	3,856,330	-	13,749,892

4. INCOME FROM PERFORMANCE AND RELATED ACTIVITIES

	2022 Un- Restricted Funds £	2022 Restricted funds £	2022 Endowment funds £	2022 Total Funds £
Box office income	1,968,056	-	-	1,968,056
Production sales and hires	148,500	-	-	148,500
Programmes	45,112	-	-	45,112
Livestream and Video on Demand	0	-	-	0
Friends	0	-	-	0
Orchestra projects	13,300	-	-	13,300
Education	46,974	-	-	46,974
Co-production fee	0	-	-	0
Other fees and services	40,051	-	-	40,051
Theatre Tax Credit	976,646	-	-	976,646
	3,238,639	-	-	3,238,639

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022**

	2021	2021	2021	2021
	Un- Restricted Funds	Restricted funds	Endowment funds	Total Funds
	£	£	£	£
Box office income	37,706	-	-	37,706
Production sales and hires	55,344	-	-	55,344
Programmes	-	-	-	-
Livestream and Video on Demand	115,301	-	-	115,301
Friends	-	-	-	-
Orchestra projects	24,650	-	-	24,650
Education	5,826	-	-	5,826
Co-production fee	-	-	-	-
Other fees and services	250	-	-	250
Theatre Tax Credit	269,328	-	-	269,328
	<u>508,405</u>	<u>-</u>	<u>-</u>	<u>508,405</u>

5. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Memberships	92,114	103,523
Sponsorship	71,667	-
Sale of merchandise	-	-
Commissioning Fee	-	-
	<u>163,781</u>	<u>103,523</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2022**6. ANALYSIS OF INCOME FROM INVESTMENTS**

	2022			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Bank interest	1,293	-	-	1,293
Dividends	-	-	77,978	77,978
	<u>1,293</u>	<u>-</u>	<u>77,978</u>	<u>79,271</u>

	2021			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Bank interest	5,437	-	-	5,437
Dividends	-	-	56,084	56,084
	<u>5,437</u>	<u>-</u>	<u>56,084</u>	<u>61,521</u>

7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

Activity	Activities undertaken directly £	Support costs £	Total 2022 £
Raising donations, grants and legacies	403,133	193,533	596,666
Memberships and Subscription Schemes	34,766	20,527	55,293
	<u>437,899</u>	<u>214,060</u>	<u>651,959</u>

Activity	Activities undertaken directly £	Support costs £	Total 2021 £
Raising donations, grants and legacies	392,475	185,601	578,076
Memberships and Subscription Schemes	33,183	21,628	54,811
	<u>425,658</u>	<u>207,229</u>	<u>632,887</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2022**8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

Activity	Unrestricted		
	Activities undertaken directly £	Support costs £	Total 2022 £
Performance and production	11,670,830	1,875,692	13,546,522
Orchestra Projects	27,415	10,264	37,679
Education Projects	220,146	64,884	285,030
	<u>11,918,391</u>	<u>1,950,840</u>	<u>13,869,231</u>

Activity	Restricted		
	Activities undertaken directly £	Support costs £	Total 2022 £
Performance and production	451,659	67,195	518,854
Orchestra Projects	-	-	-
Education Projects	156,450	-	156,450
	<u>608,109</u>	<u>67,195</u>	<u>675,304</u>

Activity	Unrestricted		
	Activities undertaken directly £	Support costs £	Total 2021 £
Performance and production	7,624,215	1,831,046	9,455,261
Orchestra Projects	51,430	10,814	62,244
Education Projects	184,006	44,581	228,587
	<u>7,859,651</u>	<u>1,886,441</u>	<u>9,746,092</u>

Activity	Restricted		
	Activities undertaken directly £	Support costs £	Total 2021 £
Performance and production	248,044	55,173	303,217
Orchestra Projects	-	-	-
Education Projects	83,797	20,303	104,100
	<u>331,841</u>	<u>75,476</u>	<u>407,317</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2022**9. ANALYSIS OF SUPPORT COSTS**

	Raising funds £	Production and performance £	Orchestra projects £	Education projects £	Total 2022 £
Staff costs	66,855	644,603	2,598	15,590	729,646
Recruitment, training and development	4,461	100,000	565	3,388	108,413
Office infrastructure	103,222	306,664	2,101	15,906	417,493
Insurance	5,177	116,064	655	3,932	125,829
Premises costs	30,136	557,323	3,815	22,888	614,161
Depreciation	4,209	218,234	530	3,180	226,153
	<u>214,060</u>	<u>1,942,887</u>	<u>10,264</u>	<u>64,884</u>	<u>2,232,095</u>

Governance costs included in the above amount to £ 229,057 in 2021-22 (2020-21: £222,962).

2021 Comparatives

	Raising funds £	Production and performance £	Orchestra projects £	Education projects £	Total 2021 £
Staff costs	68,037	619,170	2,748	16,486	706,441
Recruitment, training and development	2,592	53,715	328	1,969	58,604
Office infrastructure	89,631	274,717	1,795	10,772	376,915
Insurance	5,449	112,918	690	4,139	123,196
Premises costs	37,358	615,692	4,729	28,373	686,152
Depreciation	4,162	210,007	524	3,145	217,838
	<u>207,229</u>	<u>1,886,219</u>	<u>10,814</u>	<u>64,884</u>	<u>2,169,146</u>

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2022 £	2021 £
Income (Expenditure) is stated after charging:		
Depreciation of owned assets	287,869	198,558
Rentals under operating leases	224,293	230,589
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	23,000	20,130
- Fees payable for the audit of the company's subsidiaries	8,200	3,190
	<u>534,362</u>	<u>452,467</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022****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:

	2022 No.	2021 No.
Raising funds	7	8
Charitable activities	164	159
Support	17	15
	<u>188</u>	<u>182</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	7,266,351	7,021,461
Social security costs	673,006	630,212
Pension costs (including Dancers Career Development fund)	349,885	369,429
	<u>8,289,242</u>	<u>8,021,102</u>

The aggregate remuneration above includes termination payments of £57,536 (2020-21: £332,126) including £nil additional pension contributions (2020-21 £nil). 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:

	2022 No.	2021 No.
£60,001 - £70,000	8	7
£70,001 - £80,000	4	5
£80,001 - £90,000	3	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£250,001 - £260,000	1	1

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 £417,243 (2020-21: £414,325).

Directors' Remuneration

No Directors received remuneration during the current or prior year. Total travel and subsistence expenses of £95 (2021: £nil) were paid to two directors (2021: nil directors).

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022****12. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 March 2021**

	Notes	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Income from:					
Grants, Donations and Legacies	3	9,893,562	3,856,330	-	13,749,892
Charitable activities:					
Performance and related activities	4	508,405	-	-	508,405
Other trading activities	5	103,523	-	-	103,523
Investments	6	5,437	-	56,084	61,521
Total income		10,510,927	3,856,330	56,084	14,423,341
Expenditure on:					
Raising funds	7	632,887	-	-	632,887
Charitable activities					
Production and Performance	8	9,455,261	303,217	-	9,758,478
Orchestra Projects	8	62,244	-	-	62,244
Education Projects	8	228,587	104,100	-	332,687
Other expenditure		-	-	14,814	14,814
Total expenditure		10,378,979	407,317	14,814	10,801,110
Net income/(expenditure) before investment gains and losses	10	131,948	3,449,013	41,270	3,622,231
Net gain/(loss) on investments		-	-	696,599	696,599
Net income/(loss) for the year		131,948	3,449,013	737,869	4,318,830
Transfers between funds	18	2,777,918	(2,777,918)	-	-
NET MOVEMENT IN FUNDS		2,909,866	671,095	737,869	4,318,830
RECONCILIATION OF FUNDS:					
Net movement in funds for the year		2,909,866	671,095	737,869	4,318,830
Total funds carried forward	18	6,373,828	869,182	3,020,608	10,263,618

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 2022****13. TANGIBLE FIXED ASSETS – GROUP AND CHARITY**

	Short Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2021	2,946,818	430,561	1,504,183	4,881,562
Additions	75,803	22,383	758,536	856,722
Disposals	-	-	-	-
At 31 March 2022	<u>3,022,621</u>	<u>452,944</u>	<u>2,262,719</u>	<u>5,738,284</u>
Depreciation				
At 1 April 2021	951,101	403,837	1,291,227	2,646,165
Charge for the year	120,498	22,189	145,182	287,869
Disposals	-	-	-	-
At 31 March 2022	<u>1,071,599</u>	<u>426,026</u>	<u>1,436,409</u>	<u>2,934,034</u>
Net book value				
At 31 March 2022	<u>1,951,022</u>	<u>26,918</u>	<u>826,310</u>	<u>2,804,250</u>
At 31 March 2021	<u>1,995,717</u>	<u>26,724</u>	<u>212,956</u>	<u>2,235,397</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2022

14. FIXED ASSET INVESTMENTS – GROUP AND CHARITY	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Investments listed or traded on a recognised stock exchange	3,153,115	3,020,608	3,153,115	3,020,608
Subsidiary undertakings	-	-	2	1
	<u>3,153,115</u>	<u>3,020,608</u>	<u>3,153,117</u>	<u>3,020,609</u>

	2022 £	2021 £
Investments listed or traded on a recognised stock exchange		
Market value at 1 April 2021	2,939,160	2,260,293
Additions	68,938	403,561
Disposal proceeds	(117,596)	(421,293)
Unrealised/realised investment gains/(losses)	73,016	696,599
Cash held with investment manager	189,597	81,448
Closing value at 31 March 2022	<u>3,153,115</u>	<u>3,020,608</u>

	2022		2021	
	Market value £	% of portfolio	Market value £	% of portfolio
UK equities	830,998	26%	884,368	29%
Overseas equities	1,173,676	37%	1,137,464	37%
UK fixed income	199,107	6%	290,074	10%
Overseas fixed income	67,211	2%	60,334	2%
Alternative assets	375,640	12%	291,134	10%
UK property	316,886	10%	275,786	9%
Cash	189,597	6%	81,448	3%
	<u>3,153,115</u>	<u>100%</u>	<u>3,020,608</u>	<u>100%</u>

The historical cost of the investments is £1,870,144 (2021: £1,887,876). Post year-end the value of investments has dropped to £2,812,691 at 18 November 2022.

	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Subsidiary undertakings				
Cost				
At 1 April 2021 and 31 March 2022	-	-	2	1
	<u>-</u>	<u>-</u>	<u>2</u>	<u>1</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022****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 (registered office Birmingham Royal Ballet, Thorp Street, B5 4AU), whose principal activity is theatrical production. The company did not trade during 2020 or 2021 due to the postponement of performances at Royal Albert Hall.

BRB established a new subsidiary during the year. BRB Trading Ltd, incorporated on 24 September 2021 and registered in England and Wales (registered office Birmingham Royal Ballet, Thorp Street, B5 4AU), whose principal activity is raising for BRB through trading services including commercial sponsorship, retail sales and other trading activity which are associated with ballet, arts and culture would not be classed as primary purpose for the charity.

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

BRB Trading Ltd Profit and Loss account for the year ended 31 March 2022

	2022
	£
Turnover	66,667
Cost of sales	<u>(27,050)</u>
Gross Profit	<u>39,617</u>
Gift Aid Payment	(39,617)
	<u> </u>
Profit for the financial year attributable to the equity shareholders of the Company	<u><u> </u></u>

Balance Sheet at 31 March 2022

	2022
	£
Current assets	
Debtors	100,001
	<u> </u>
Creditors: amounts falling due within one year	100,000
	<u> </u>
Net current assets	1
	<u> </u>
Shareholder' Funds	1
	<u> </u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022****15. STOCKS - GROUP AND CHARITY**

	2022 £	2021 £
Shoes	95,474	89,041
Merchandise	-	-
	<u>95,474</u>	<u>89,041</u>

16. DEBTORS

	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Trade debtors	243,725	58,494	243,725	58,494
Other debtors	1,424,764	1,339,413	1,424,764	1,279,734
Amount owed by subsidiary undertaking	-	-	66,667	59,680
Prepayments and accrued income	1,098,231	452,974	1,098,231	452,974
	<u>2,766,720</u>	<u>1,850,881</u>	<u>2,833,387</u>	<u>1,850,881</u>

Other debtors include £63,375 (2021: £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 2022**17. CREDITORS: Amounts falling due within one year**

	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Trade creditors	764,698	458,278	764,698	458,278
Other creditors	366,873	381,921	466,873	381,922
Taxation and social security	40,700	251,779	40,700	251,779
Accruals and deferred income	357,780	366,720	324,447	366,720
	<u>1,530,051</u>	<u>1,458,698</u>	<u>1,596,718</u>	<u>1,458,699</u>

Movements in deferred income:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Balance at 1 April 2021	120,214	120,180	120,214	120,180
Amounts released during the period	(229,865)	(104,180)	(229,865)	(104,180)
Deferred in the current period	179,185	104,214	145,852	104,214
Balance at 31 March 2022	<u>69,534</u>	<u>120,214</u>	<u>36,201</u>	<u>120,214</u>

Deferred income at 1 April 2021 comprised grants, membership scheme income and donations and legacy income relating to activity in the periods to 31 March 2022.

Deferred income at 31 March 2022 comprised grants, membership scheme income, sponsorship and donations relating to activity in the periods to 31 March 2023.

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2022**18. MOVEMENTS ON FUNDS**

a) Restricted Funds (Group and Charity)

	At 1 April 2021 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2022 £
Garfield Weston Foundation	600,000		(61,716)		538,284
Production and Performance	-	237,875	(237,875)		-
LEAP Projects	-	156,450	(156,450)		-
Coronavirus Job Retention Scheme	-	158,936		(158,936)	-
Skills Development Projects	-	53,284	(35,284)		18,000
Health, Wellbeing and Training	-	118,500	(118,500)		-
Nutcracker Sets & Costumes (Big Give 2021)	-	112,700			112,700
Nutcracker Sets & Costumes (Big Give 2018 - 20)	226,380	-			226,380
Digital Transformation Project (ACE)	20,000	40,000	(60,000)		-
Jerwood Centre Equipment	22,802	-	(5,479)		17,323
	<u>869,182</u>	<u>877,745</u>	<u>(675,304)</u>	<u>(158,936)</u>	<u>912,687</u>

18. MOVEMENTS ON FUNDS (continued)

a) Restricted Funds (Group and Charity)

	At 1 April 2020 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2021 £
Garfield Weston Foundation	-	600,000	-	-	600,000
Production and Performance	-	277,738	(277,738)	-	-
Education Projects	-	104,100	(104,100)	-	-
Coronavirus Job Retention Scheme - Furlough	-	2,777,918	-	(2,777,918)	-
Nutcracker Sets & Costumes (Big Give 2020)	-	96,574	-	-	96,574
Nutcracker Sets & Costumes (Big Give 2019)	119,649	-	-	-	119,649
Digital Transformation Project (ACE)	40,000	-	(20,000)	-	20,000
Nutcracker Costumes (Big Give 2018)	10,157	-	-	-	10,157
Jerwood Apparatus	16,342	-	(1,480)	-	14,862
Jerwood Ultrasound Machine	11,939	-	(3,999)	-	7,940
	<u>198,087</u>	<u>3,856,330</u>	<u>(407,317)</u>	<u>(2,777,918)</u>	<u>869,182</u>

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

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022**

The Coronavirus Job Retention Scheme was utilised when our operations were adversely affected by coronavirus (COVID-19). In 2021-22 CJRS grant income was received for April and May 2021 when some BRB employees remained on part furlough during first two month of the financial year. The grant was received as restricted income and transferred to fund unrestricted employee costs.

The Big Give 2019, 2020 & 2021 campaigns raised funds for the refurbishment of our Nutcracker sets and costumes.

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

The Digital Transformation project is funded by Arts Council England and designated funds which supports BRB's evolving and growing digital content development programme.

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

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

	At 1 April 2021 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2022 £
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	650,000	-	-	-	650,000
Thorp Street Refurbishment	1,958,928	-	(108,830)	-	1,850,098
Digital Transformation Project	379	-	(379)	-	-
New Artistic Vision	1,000,000	-	(1,000,000)	-	-
	<u>3,786,583</u>	<u>-</u>	<u>(1,109,209)</u>	<u>-</u>	<u>2,677,374</u>

	At 1 April 2020 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2021 £
Capital Grants Fund	144,263	-	-	(144,263)	-
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	500,000	650,000
Thorp Street Refurbishment	2,067,758	-	(108,830)	-	1,958,928
Digital Transformation Project	11,628	-	(111,249)	100,000	379
New Artistic Vision	-	-	-	1,000,000	1,000,000
	<u>2,550,925</u>	<u>-</u>	<u>(220,079)</u>	<u>1,455,737</u>	<u>3,786,583</u>

The Capital Grants Fund represented income designated for the acquisition of fixed assets to be used by the company for its charitable purposes with the depreciation on the underlying assets is charged to the designated fund. The fund was fully expended in 2020-21.

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 project is funded by Arts Council England and designated funds from a three year grant from the Michael Bishop Foundation which support BRB 's evolving digital strategy.

The New Artistic Vision represents income designated to support Carlos Acosta's new artistic vision including the 'Created by Carlos' programme and festival activity and the new production of Don Quixote.

18. MOVEMENTS ON FUNDS (continued)

c) Unrestricted, undesignated funds (Group):

	At 1 April 2021 £	Net outflows in the period £	Transfer in the period £	At 31 March 2022 £
General funds	2,587,245	(976,947)	158,936	1,769,234
	<u>2,587,245</u>	<u>(976,947)</u>	<u>158,936</u>	<u>1,769,234</u>

	At 1 April 2020 £	Net inflows in the period £	Transfer in the period £	At 31 March 2021 £
General funds	913,037	352,027	1,322,181	2,587,245
	<u>913,037</u>	<u>352,027</u>	<u>1,322,181</u>	<u>2,587,245</u>

c) Unrestricted, undesignated funds (Charity):

	At 1 April 2021 £	Net inflows in the period £	Transfer in the period £	At 31 March 2022 £
General funds	2,587,246	(976,947)	158,936	1,769,234
	<u>2,587,246</u>	<u>(976,947)</u>	<u>158,936</u>	<u>1,769,234</u>

	At 1 April 2020 £	Net inflows in the period £	Transfer in the period £	At 31 March 2021 £
General funds	913,038	352,027	1,322,181	2,587,246
	<u>913,038</u>	<u>352,027</u>	<u>1,322,181</u>	<u>2,587,246</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022****18. MOVEMENTS ON FUNDS (continued)**

d) Endowment funds (Group and Charity):

	At 1 April 2020 £	Inflows in the period £	Transfer in the period £	At 31 March 2021 £
Catalyst/Cadbury Family Endowment Fund	3,020,608	132,506	-	3,153,115
	<u>3,020,608</u>	<u>132,506</u>	<u>-</u>	<u>3,153,115</u>

	At 1 April 2020 £	Inflows in the period £	Transfer in the period £	At 31 March 2021 £
Catalyst/Cadbury Family Endowment Fund	2,282,739	737,869	-	3,020,608
	<u>2,282,739</u>	<u>737,869</u>	<u>-</u>	<u>3,020,608</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 2022**18. MOVEMENTS ON FUNDS (continued)**

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

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Endowment funds £	2022 Total funds £
Investments	-	-	3,153,115	3,153,115
Cash at Bank and in Hand	865,818	357,080	-	1,222,898
Debtors	2,766,720	-	-	2,766,720
Stocks	95,474	-	-	95,474
Fixed Assets	2,248,643	555,607	-	2,804,250
Creditors	(1,530,050)	-	-	(1,530,050)
	<u>4,446,605</u>	<u>912,687</u>	<u>3,153,115</u>	<u>8,512,407</u>

2021 Comparatives

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Endowment funds £	2021 Total funds £
Investments	1	-	3,020,608	3,020,609
Cash at Bank and in Hand	3,587,509	938,880	-	4,526,389
Debtors	1,850,881	-	-	1,850,881
Stocks	89,041	-	-	89,041
Fixed Assets	2,212,595	22,802	-	2,235,397
Creditors	(1,366,199)	(92,500)	-	(1,458,699)
	<u>6,373,828</u>	<u>869,182</u>	<u>3,020,608</u>	<u>10,263,619</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2022**18. MOVEMENTS ON FUNDS (continued)**

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

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Endowment funds £	2022 Total funds £
Investments	2	-	3,153,115	3,153,117
Cash at Bank and in Hand	865,818	357,080	-	1,222,898
Debtors	2,833,387	-	-	2,833,387
Stocks	95,474	-	-	95,474
Fixed Assets	2,248,643	555,607	-	2,804,250
Creditors	(1,596,718)	-	-	(1,596,718)
	<u>4,446,604</u>	<u>912,687</u>	<u>3,153,115</u>	<u>8,512,406</u>

2021 Comparatives

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Endowment funds £	2021 Total funds £
Investments	1	-	3,020,608	3,020,609
Cash at Bank and in Hand	3,587,509	938,880	-	4,526,389
Debtors	1,850,882	-	-	1,850,882
Stocks	89,041	-	-	89,041
Fixed Assets	2,212,595	22,802	-	2,235,397
Creditors	(1,366,199)	(92,500)	-	((1,458,699))
	<u>6,373,828</u>	<u>869,182</u>	<u>3,020,608</u>	<u>10,263,619</u>

19. EMPLOYEE RETIREMENT BENEFITS

The company contributes to two group personal pension schemes. The cost to the company for the period ended 31 March 2022 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2022 £	2021 £
Birmingham Royal Ballet Pension Scheme	292,837	312,656
Musicians' Union Pension Scheme	8,550	12,036
	<u>301,387</u>	<u>324,692</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2020-21 the company contributed a total of £47,470 (2020-21: £44,737).

As of 31 March 2022 there were £52,279 outstanding contributions due in respect of the current reporting period (2021: £62,127).

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2022****20. FINANCIAL COMMITMENTS – GROUP AND CHARITY****Operating lease commitments**

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

	2022		2021	
	Land and buildings £	Other £	Land and buildings £	Other £
Charity				
- expiring within one year	218,000	7,087	81,750	7,087
- expiring between one and five years	872,000	6,110	-	14,092
- expiring after five years	949,250			
	<u>2,039,250</u>	<u>13,197</u>	<u>81,750</u>	<u>21,179</u>

21. RELATED PARTY TRANSACTIONS

No Director received payment for professional or other services supplied to the charity during the year (2020: £nil).

Total donations received from the directors during the year was £nil (2020: £5,398).

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

22. CASHFLOW STATEMENT

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

	2022 £	2021 £
Net income / (expenditure) for the year (before investment gains and losses)	(1,824,230)	3,622,231
Adjustments for:		
Dividends and interest receivable	(79,271)	(61,521)
Depreciation charges	287,869	198,558
Profit on the disposal of tangible fixed asset	-	19,280
Operating cash flow before movement in working capital	<u>(1,615,632)</u>	<u>3,778,548</u>
(Increase)/Decrease in stocks	(6,432)	10,690
(Increase)/Decrease in debtors	(915,838)	1,368,951
Increase/(Decrease) in creditors	71,353	(1,081,092)
Net cash (used in) / provided by operating activities	<u><u>(2,466,549)</u></u>	<u><u>4,077,096</u></u>