

Company Registered Number 03320538

Charity Registered Number 1061012

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

Report and Consolidated Financial Statements

For the year ended 31 March 2023

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 06 July 2022)
Mr Barry Allen
Ms Jeanetta Laurence OBE
Ms Jane Hackett (resigned 1 August 2023)
Ms Sandra Crossley
Mrs Marverine Duffy
Ms Shireenah Ingram
Mrs Christine Ondimu
Councillor Des Hughes (appointed 06 December 2022)

SECRETARY

Ms Anna Williams FCA, DChA (resigned 1 September 2023)
Mr Christopher Rogriguez FCCA (appointed 1 September 2023)

REGISTERED IN ENGLAND & WALES

Company Number: 3320538

Registered Charity Number: 1061012

REGISTERED OFFICE

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BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISERS

INVESTMENT MANAGERS

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BIRMINGHAM ROYAL BALLET

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

After two extraordinary years of disruption due to the Covid pandemic, 2022/23 was the year in which we finally got back on track. We never want to go back to the stress and anxiety of that period but we learned a lot about resilience and flexibility. We made huge leaps forward in our use of digital media and our online presence. We understood how much we meant to our audiences and how much our audiences and loyal supporters meant to us. We felt as though we had come out stronger and we were ready to soar – and that is what we began to do in 2022/23.

In a wonderful year of achievement, I want to pick just five of my personal highlights, which, I believe, demonstrate the breadth of our ambition.

The first highlight was our artistic programme. In two great triple bills, *On Your Marks* and *Into the Music*, our Director, Carlos Acosta, was at last able to realise in full his ambition to bring us new ballets, new choreographers and ballets rarely seen in the UK.

On Your Marks was part of the Commonwealth Games arts festival and it was like firing the starting gun for the Games. There was an exuberant version of *24* danced with our friends at Acosta Danza, but the evening will be remembered for Juliano Nunes's *Interlinked*, a beautiful new ballet which touched the heart and will surely remain long in our repertoire. Our dancers went on to dance in the opening ceremony of the Games, the start of ten days of celebration in Birmingham and a great showcase for our home city.

Into the Music, performed to critical acclaim in the autumn, included Jiri Kylian's elegiac *Forgotten Land*, Uwe Scholz's *Seventh Symphony* and a new ballet, *Hotel* by Morgann Runacre - Temple and Jessica Wright. This was a terrific triple bill with something for everyone: glorious music played wonderfully by the Royal Ballet Sinfonia; great classical technique; a rare chance to see a work by one of the masters of modern ballet; innovation in the fusion of film and dance; and quirky humour - who will ever forget Tzu- Chao Chou and Beatrice Parma as the sinister hoteliers in *Hotel*?

Secondly, we honoured Sir Peter Wright, our former Director and the inspiration behind so many of our great classics, with the title of Founding Director Laureate of Birmingham Royal Ballet. We then performed three of his greatest productions: *Coppelia*, *The Nutcracker* and *Swan Lake*. In each we were reminded of Sir Peter's supreme ability to create narrative ballets of drama, beauty and visual impact. We have performed *Swan Lake* many times but, as we toured the country with it in the winter of 2023, audiences seemed to discover it anew. From Plymouth to Edinburgh, they stood and cheered both dancers and musicians.

The third highlight of the year was our £1 million refurbishment of our iconic production of *The Nutcracker*. This was Sir Peter Wright's gift to Birmingham when the company moved to the city in 1991 and after 30 years it needed a makeover with new sets, lighting and costumes, but without changing the fundamentals of the original production. On a memorable opening night in November we were joined by John Macfarlane who designed the original production and oversaw the refurbishment; plus Peter Wright and lighting genius, David Finn. Our *Nutcracker* glowed and sparkled afresh. The audiences were delighted. It had surely never looked better.

Fourth, we launched our junior company, BRB2. This fulfils Carlos Acosta's ambition – on the model of some international ballet companies – to provide opportunities to young dancers straight out of ballet school. We welcomed the first five dancers in autumn 2022; seven more will join in 2023 bringing the full complement to 12. It is a brilliant idea and provides a unique opportunity for talented young dancers both to gain experience with the main company and to dance front of stage each Spring in their own show. The first cohort is exceptionally talented and have caught the eye already. They opened to a standing ovation and critical acclaim in their own show, *Carlos Acosta's Classical Selection*, in Northampton on 25 April 2023.

Nurturing talent in children and young people is, of course, not new to BRB; it's in our DNA. So my fifth and final highlight from the year is the great celebration in April 2022 of 25 years of Dance Track at the Birmingham Rep with many of the former children and their families who had participated in the programme since it started. 3,200 children aged 6 to 11 have been through the programme over those years. Many have had their lives transformed and their confidence and well-being built. Some of the best have gone on to train at top ballet schools like Elmhurst and The Royal Ballet School. It was fitting that Birmingham's own Oscar Kempsey-Fagg, who was introduced to ballet by Dance Track, performed at the 25th anniversary celebrations and then was offered a place in BRB2 on stage by Carlos. It was a wonderful moment. Special thanks go to members of our LEAP team who are the inspiration behind the programme and whose enthusiasm for instilling young children with a love of ballet is undiminished 25 years on. Here's to the next 25.

BIRMINGHAM ROYAL BALLET

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

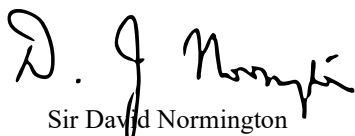
In any year there are leavers, who go with our affection and best wishes, but are too numerous to mention individually in a foreword of this kind. There is, however, one leaver who deserves a special mention and that is Marion Tait, who stepped down from the company after over 50 years as a dancer, a repetiteur and Assistant Director. Marion has for so many years been the heart and soul of the company, a wonderful dancer and a mentor and inspiration to generations of dancers. We hope to see her back from time to time to help us with the classics. But I want to put on record here our grateful thanks for all she has done for us and to send her our love.

I could write all day about our wonderful company and the amazing dance and music we have performed this year to around 140,000 people. But, as Chair, my responsibility is above all to ensure that we have the sustainable financial underpinning for our ambitious plans and programmes. Because of the investment in the Nutcracker we report later a deficit. This was, however, planned and we drew on our carefully husbanded reserves and the generosity of many donors for an investment, which we hope to recoup over many Christmases.

With costs rising the financial outlook remains very challenging. We rely heavily on the Arts Council's generous support without which we would not be able to perform ballet of the highest quality and scale around the UK. Following a major application process, brilliantly managed by our CEO, Caroline Miller returning from sick leave, we received the good news of renewed Arts Council funding for the three years up to 2026. In truth the news was bitter sweet. On the one hand we are extremely grateful to be in receipt of substantial public funding, particularly when some of our friends in London were facing major cuts. On the other hand, the settlement means that by 2026 we will have had standstill public funding for the best part of ten years, putting a significant squeeze on our income.

We are determined to do everything we can, despite the financial pressures, to fulfil our commitment to tour world-class classical ballet to the widest possible audiences. Unlike some others we have no plans to cut back on our touring but we are looking for every possible way to cut costs. We have lots of great ambitions for the future and we will do our best to fulfil them if we can. We are immensely grateful to everyone who supports us – our major donors, our friends, our corporate supporters and many trusts and foundations. We could not look to the future with confidence without you.

Finally, to Carlos and Caroline, to the BRB Board and to all my good friends and colleagues in BRB – the dancers, the musicians, the technical and administrative staff – thank you for another amazing year. It is a joy to be chair of Birmingham Royal Ballet. You are a constant inspiration.



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 2023.

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.

BRB Trading Limited is a wholly owned subsidiary of Birmingham Royal Ballet. The principal activity of the company is raising funds for Birmingham Royal ballet through trading services including commercial sponsorship, retail sales and other trading activity which are associated with ballet, arts and culture but would not be classed as primary purpose for the charity.

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's mission is to reach out and move people with great ballet and music. We will tour world-class classical ballet to the widest possible audience in the UK and internationally; create new works that reflect the world we live in; and release the creative potential in people of all ages and backgrounds.

In fulfilling our mission we will:

- Be bold and inspiring in our artistic vision; performing the great classical ballets alongside new works telling stories reflecting today's society
- Bring exceptional artists and creatives together, creating work of scale and ambition which both entertains and helps us reflect on our own lives and those around us
- Provide opportunities for young people to realise their creative potential and pursue careers in the performing arts
- Build a "digital stage" to connect with new and global on-line audiences
- Pursue diversity, equity and inclusiveness in every thought and action
- Invest in the creativity and wellbeing of our talented and passionate team
- Be ambassadors for our home city of Birmingham

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	Director
Governors of the Royal Ballet	Sir David Normington Jeanetta Laurence OBE
Birmingham City Councillors	Councillor Carl Rice (resigned 06 July 2022) Councillor Des Hughes (appointed 06 December 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:

- strategic decision making 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 fulfilled the role of the Audit Committee until November 2022
- **The Audit and Risk Committee** – responsible for the oversight of the external audit and auditors including agreeing scope and fees and receiving auditors report and annual report and accounts. Advising the Board any actions required to ensure that the organisations risk profile and risk management procedures remain effective. Advising the Board on any actions to maintain the effective governance of the organisation in line with statutory, funders and Charity Commission requirements.
- **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.

BIRMINGHAM ROYAL BALLET

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

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.

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

- 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

In November 2022 we started to formalise the split between the work of F&GP Committee and a fledgling Audit and Risk Committee (which was formally constituted in May 2023). The focus of the November 2022 meeting was on the progress of 2022 audit and review of BRB's risk register.

We prioritised pay during 2022-23 settling a 4% pay award from 1 October 2022 followed by a 5% uplift from 1 April 2023 in recognition of the rising cost of living for all staff. We have agreed media payments for the broadcast of Don Quixote in cinema and on BBC i-player and for City of 1000 Trades on Marquee TV

We were delighted to establish a new BRB Equality, Diversity and Inclusion Staff Group in early 2023. This has been driven by BRB Digital Apprentice Henry McNabb supported at a senior level by Claire Owen (HR Director) and Board member Christine Ondimu an expert on diversity and inclusion in the workplace through her role at HSBC. Further to organising BRB's participation in Birmingham Pride in September 2022 Henry has been our champion for diversity

'Being part of the Pride project introduced me to the many conversations taking place right across the organisation, all considering BRB's approach to the challenges of equality, diversity and inclusivity both within the Company and across our sector. In all of these discussions, the one thing everyone recognised was that to actually make a difference, we need to listen to all of the amazingly diverse voices already working here at BRB.'

The group will have an internal focus, initially looking at

- What current data say about how diverse we are
- Action plans for addressing gaps and changes in recruitment strategy
- Updating BRB's EDI policy
- The transparency of BRB EDI journey including stats on website and plans, progress on plans
- Training & educations for staff on EDI, dignity at work, etc

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 2022-23 this included Coppelia and Swan Lake. The newly refurbished Nutcracker sets are made of lighter more durable materials which means they will outlast the 30 year life of the original sets and are easier to transport.

BIRMINGHAM ROYAL BALLET

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

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 and 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 Limited and BRB Trading Limited) 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 2022-23 period were to:

- 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 was 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'

2022-2023 financial year was the second year of major investment in new and new to BRB programmes; critical 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*.

Returning to a full programme of live performance, distribution through touring and face to face participation and engagement activity was the driving force behind plans for 2022-23 with the theme of connecting and re-connecting was central to the 2022-23 period.

In 2022-23 the company gave 100 performances; 54 in Birmingham and 46 on tour across the UK (2021-22: 100 performances; 61 in Birmingham and 39 on tour). Live audiences were approximately 139,000 (2021-22: 82,000) plus estimated digital audiences of 90,000 (2021-22: 2,000) for broadcast or video on demand performances.

The complete repertory performed during the year was:

BALLET	CHOREOGRAPHY	MUSIC
Interlinked	Juliano Nunes	Luke Howard
Lazuli Sky	William Tuckett	John Adams
'24'	Jorge Crecis	Vincenzo Lamangna
Coppelia	Marius Petipa	Leo Delibes
Forgotten Land	Jiri Kylian	Benjamin Britten
Hotel	Morgann Runacre-Temple	Mikael Karlsson
Seventh Symphony	Uwe Scholz	Ludvig van Beethoven
The Nutcracker	Lev Ivanov, Sir Peter Wright, Vincent Redmon	Pyotr Ilyich Tchaikovsky
The Nutcracker at The Royal Albert Hall	Lev Ivanov, Sir Peter Wright, Vincent Redmon, Sir David Bintley	Pyotr Ilyich Tchaikovsky
Swan Lake	Lev Ivanov, Marius Petipa, Sir Peter Wright	Pyotr Ilyich Tchaikovsky

BIRMINGHAM ROYAL BALLET

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

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Royal Concert Hall, Nottingham Birmingham Rep	May 2022	An Evening of Music and Dance Family Dance and Music
Birmingham Hippodrome	June 2022	On Your Marks
Sadlers Wells Theatre, London	July 2022	Don Quixote
Theatre Royal, Plymouth Birmingham Hippodrome	October 2022	Coppelia
Birmingham Hippodrome Sadlers Wells Theatre, London	October 2022	Into the Music
Birmingham Hippodrome Royal Albert Hall	November & December 2022	The Nutcracker
Mayflower Southampton Birmingham Hippodrome The Lowry, Salford Sunderland Empire Theatre Royal, Plymouth Festival Theatre, Edinburgh	January to March 2023	Swan Lake

We opened the year with adapted versions of our popular ‘An Evening of Music and Dance’ shows at the Royal Concert Hall, Nottingham and The REP to test different formats for encouraging new audiences to enjoy ballet and orchestral music. This included a new family format for Music and Dance aimed at multi-generational groups. The shows proved more challenging to sell than pre-covid but we will continue to look at how we develop this format which can offer variety and is adaptable to a range of venues.

23-25 of June the company presented the *On Your Marks!* Triple bill as part of the Birmingham International Dance Festival 2022. *On Your Marks!* celebrated and marked the occasion of the Commonwealth Games in Birmingham. The programme was technically very challenging but highlighted the skill and versatility of the company. *On your Marks!* consisted of a new piece by choreographer Juliano Nunes *Interlinked*, Jorge Cesis’ *24*, and Will Tuckett’s *Lazuli Sky*. *Interlinked* received a great response from audiences and critics alike and we were delighted to welcome 12 dancers from Acosta Danza who joined BRB in performing *24*. The collaboration with Acosta Danza produced some incredibly energetic and exciting performances that were greatly enjoyed by audiences and all of the dancers involved.

BRB brought *Don Quixote* to Sadler’s Wells week commencing 4th July for six performances and it was the first time that Sadler’s Wells Theatre had presented a production of that ballet. Despite the limited amount of time to re-rehearse Don Q, the company performed exceptionally to enthusiastic audiences.

In early August 2022, 12 dancers from BRB participated in a performance at the Opening Ceremony for the Commonwealth Games in Birmingham choreographed by Corey Baker. It was wonderful for BRB to be connected with the City of Birmingham and the Commonwealth Games for such a high-profile event.

Autumn performances commenced September 2022 in Plymouth with six shows of *Coppelia*. At the suggestion of the show’s creator Sir Peter Wright, Act 3 was performed in the Act 1 sets to help reduce transport requirements on tour.

Birmingham Hippodrome performances opened with our ambitious *Into the Into the Music* triple bill. Each of the three new pieces in BRB’s repertoire presented unique difficulties with tight timelines to achieve the desired quality of

BIRMINGHAM ROYAL BALLET

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

performance. Morgann Runacre-Temple's *Hotel*, the eighth work in BRB's 'Ballet Now' programme, which included live projection was both interesting and entertaining. *Forgotten Land* and *Seventh Symphony* were praised for their presentation and dancer performance. Six more performances of *Coppelia* followed the triple bill, making a strong showing at the box office.

BRB's return to Birmingham Hippodrome with *The Nutcracker* in November 2022 was a triumph. The magnificent newly rebuilt and reimagined sets, designed by John McFarlane, sparkled and dazzled with an intensity of colour that had faded after 30 years use of the original sets. The performances received many five star reviews and audiences were thrilled to see our flagship production return for the first time since 2019.

It was a pleasure to be able to return to The Royal Albert Hall in 2022 after a two-year hiatus and present our magnificent version of *The Nutcracker* that was created for the venue. Audiences were strong and as enthusiastic as ever.

Our classical tour of *Swan Lake* opened with four performances in Southampton to great audience response and positive reviews following fourteen performances of *Swan Lake* at the Birmingham Hippodrome. The tour of *Swan Lake* then continued through Salford, Sunderland, Plymouth and Edinburgh. In our ambition to present the world's greatest artists on stages outside of London, Polina Semionova performed the role of Odette/Odile for two performances in Birmingham and Royal Ballet Principal Vadim Muntagirov danced the role of Prince Siegfried for two performances in Plymouth.

Music & Orchestra

BRB's orchestra the Royal Ballet Sinfonia has enjoyed a return of work and projects in addition to its BRB performance schedule

In September 2022 RBS was the chosen orchestra for *Nureyev Legend and Legacy* at the Theatre Royal, Drury Lane; a dazzling array of highlights from Nureyev's transformative career with each piece selected to represent different aspects of his incredible life and work.

On 11th of Feb BRB returned to Birmingham Symphony Hall with an Evening of Music and Dance. This was our first visit back to Symphony Hall since 2019. The performance had a fantastic response from the audience.

The Royal Ballet Sinfonia supported the Disasters Emergency Committee's Ukraine Appeal, 23 February 2023 through a recording of a work by Mykola Lysenko for cello and string orchestra which had been performed live by the RBS in 2022. The piece was available to download for free with a requested donation to support the DEC appeal.

We welcomed Alex Hucknall, a final year undergraduate student at Royal Birmingham Conservatoire as the new Student-in-Residence with the Royal Ballet Sinfonia for 2023. Alex Hucknall said: "*Having seen the BRB productions and been taught by some of the orchestra's brass players, it has long been an ambition of mine to work with them.*"

Charlotte Politti continued in her second year as Constant Lambert Conducting Fellow working on productions including *Coppelia*, *The Nutcracker* and *Swan Lake*.

Digital production

Some highlights of our digital, film and broadcast programme include

A Broadcast of *Don Quixote* in cinemas during October 2022 and subsequently available on BBC iplayer

Selection to participate in Bloomberg Philanthropies Digital Accelerator programme which will enable Birmingham Royal Ballet to explore the use of immersive technology with the first project to create a *Swan Lake* VR experience.

Audience Reach and Growth

BIRMINGHAM ROYAL BALLET

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

The primary Audience Development objectives for 2022-23 were to:

- **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 as 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.

We have exceeded our box office targets for *Swan Lake*, helping to recover some of the ticket income we didn't achieve in the autumn. Our target was to sell 44,192 tickets / £1,276,950.00 income for the tour. To date, we have sold 52,313 tickets / £1,641,795.18. (To give this context, we sold 62,461 tickets / £2,656,134.63 for *The Nutcracker* in B'ham and London).

BRB demonstrated bold new ideas when we announced a Black Sabbath ballet, with the world premiere on 15 September 2023. Carlos Acosta appeared with Tony Iommi, co-founder of Black Sabbath on BBC Radio 4's Today programme. There was a huge amount of news coverage in the UK and around the world about the announcement.

We didn't know how audiences would react, but The Hippodrome's box office was overwhelmed with people trying to buy tickets and we sold out all 7 Birmingham shows in just 3 weeks! As we had no precedent for basing the sales target for "Black Sabbath- The Ballet" our original target proved conservative. We budgeted to sell 9808 tickets for Birmingham and Plymouth's autumn performances, with an income target of £302,528. We have already sold 12,550 tickets, generating income of £385,048.41 and we still have plenty of ticket stock to sell for Plymouth to generate more income. Plus, we haven't gone on sale for our London shows at Sadler's Wells yet. On 22 February, 64% of BRB Black Sabbath bookers in Birmingham have never seen BRB before. 39% of Black Sabbath ballet bookers have never attended a show at the Hippodrome. We have ticket buyers from 13 different foreign countries including Finland, New Zealand, Australia, South Africa and the USA.

We are working to increase our local community engagement, connecting BRB with the Windrush 75th anniversary in Birmingham and the LGBTQ+ community. For World Aids Day on 1 December 2022 Celine Gittens & Brandon Lawrence performed at a multi-denominational church service. Local youth worker Simeon Moore has been helping BRB connect with community groups and invited them to watch BRB shows for the first time including *On Your Marks* and *Coppelia*.

We have increased Facebook subscribers to 152,000 (2021-22: 147,000) and Instagram subscribers to 65,000 (2021-22: 60,500)

BIRMINGHAM ROYAL BALLET

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

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 2022-23 BRB has delivered 758 LEAP sessions to around 13,072 participants.

Our LEAP objectives for the year were 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

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 was 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.

The LEAP team produced a sold out show to celebrate Dance Track's 25th anniversary. The show was presented by Carlos Acosta, BRB Board member Shireenah Ingram, Bob Parker (Director of Elmhurst) and Chris Powney (Director of the Royal Ballet School). Over 100 young people took part, including Dance Track graduates who are now studying at The Royal Ballet School and Elmhurst. A former Dance Track student who is now a member of Northern Ballet performed and at the end of the show Carlos offered a former Dance Track student, a permanent contract in BRB for next season. He is the first Dance Track student who has become a professional dancer in BRB.

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 Director of Freefall delivered classes via zoom and our priority during 2022-23 was to start welcoming the company back to BRB studios for rehearsal as the company prepares to celebrate its 21st anniversary in 2023

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. The 2022-23 cohort comprised 9 ambassadors

Our new *Nutcracker Unwrapped* schools workshops have been well received and we tested some music workshops to support this developing programme.

We resumed our popular repertoire training classes for dance students of all ages to learn variations from BRB's most famous ballets both in Birmingham and on tour.

BIRMINGHAM ROYAL BALLET

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

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 and charity results for the period are set out in the financial statements on page 30 onwards.

The period to 31 March 2023 ended with a deficit on activities including the endowment fund of £444,779 (2021-22 deficit £1,751,212) giving total accumulated reserves of £8,067,627 (2021-22 £8,512,406).

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 – £(139,361)
- Restricted funds – £81,578
- Endowment funds – £(386,996)

Unrestricted revenue reserves (excluding the capital reserve of £1,741,268 for the refurbishment of BRB's Thorp Street premises) presently stand at £2,565,975. Total unrestricted reserves are £4,307,243 (2021-22: £4,446,604) including the designated capital refurbishment reserve of £1,741,268 (2021-22: £1,850,098). General, undesignated reserves presently stand at £1,738,699 (2021-22: £1,769,230) 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 2022-23 were to

- 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

As in previous years our principal funding sources are:

- Arts Council England – £8,036,194 (2021-22: £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 (2021-22: £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 49% of total income (2021-22: 61%).

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

Total income from donations, membership schemes and other fundraising activity during the year was £2,079,387 (2021-22: £1,506,476) of which donations (excluding legacies) from private individuals were £878,298 (2021-22 £645,988).

Income from trusts and foundations for the year was £849,061 (2021-22: £642,523).

BIRMINGHAM ROYAL BALLET

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

We thank all the trusts and foundations that have supported Birmingham Royal Ballet during 2022-23 including:

Amar-Franses and Foster-Jenkins Trust
Austin and Hope Pilkington Trust
Baron Davenport's Charity
Bayfield Charitable Trust
BHSF Medical Charity and Welfare Trust
Birmingham Common Good Trust
Calouste Gulbenkian Foundation
City Of Birmingham Orchestral Endowment Fund
DramaLink Theatre Company
Dumbreck Charity
Ensix Charitable Trust
Eric W Vincent Trust Fund
George Fentham Birmingham Charity
GJW Turner Trust
Henry James Sayer Charity
Howard Victor Skan Charitable Trust
IMI Critical Engineering
John Feeney Charitable Trust
Langdale Trust
M K Rose Charitable Trust
Oak Foundation
Provincial Grand Lodge of Warwickshire
Quayle Charitable Trust
Richard Kilcuppe (Otherwise Field) Charity
Rogers Stirk Harbour and Partners Charitable Foundation Limited
Royal Opera House Benevolent Fund
Sabina Sutherland Charitable Trust
Scops Arts Trust
Souter Charitable Trust
St Jude's Trust
St Thomas' Dole Charity
The Alan Woodfield Charitable Trust
The Alison Hillman Charitable Trust
The Arts Society Birmingham
The Aspinwall Educational Trust

BIRMINGHAM ROYAL BALLET

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

The Bernard Piggott Charitable Trust
The Blakebank Trust
The Boshier-Hinton Foundation
The Brian Shaw Memorial Trust
The Calleva Foundation
The Cecil King Memorial Foundation
The Charles Brotherton Trust
The Chatwin Trust
The DWF Charitable Foundation
The Edgar E. Lawley Foundation
The Garrick Charitable Trust
The Geoff Hill Charitable Trust
The George Henry Collins Charity
The Gerald and Gail Ronson Family Foundation
The Grantham Yorke Trust
The Grimmitt Trust
The H Steven & P E Wood Charitable Trust
The Hawthorne Charitable Trust
The Helen Rachael Mackaness Charitable Trust
The Idlewild Trust
The James Frederick & Ethel Anne Measures Charity
The John Avins Trust
The John S Cohen Foundation
The John Thaw Foundation
The Keith Coombs Trust
The Kirby Laing Foundation
The Linbury Trust
The Loppylugs and Barbara Morrison Charitable Trust
The Lord Austin Trust
The Marchus Trust
The Marsh Charitable Trust
The Michael Bishop Foundation
The Michael Marsh Charitable Trust
The Misses C M Pearson & M V Williams Charitable Trust
The Norton Foundation
The Oakley Charitable Trust

BIRMINGHAM ROYAL BALLET

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

The Owen Family Trust
The Patricia Routledge Foundation
The S and D Lloyd Charity
The Sterry Family Foundation
The Sylvia Adams Charitable Trust
The Thistle Trust
The Uncle Bill Trust
The Vandervell Foundation
Thriplow Charitable Trust
W E Dunn Charitable Trust
William A Cadbury Charitable Trust
And those Trusts & Foundations that prefer to remain anonymous

Charitable Activities

Income from charitable activities in 2022-23 was £5,866,668 (2021-22: £3,238,639).

Birmingham Royal Ballet received Theatre Tax Credit income of £946,571 in respect of 2021-22 (against an initial estimate of £945,000). It is estimated that Theatre Tax Credit for the group for 2022-23 will be in the region of £1,818,252 as a result of the significant investment in programme during the year including the spectacular refreshed and reimaged production *The Nutcracker* and the higher rates introduced in October 2021. 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 £16,140,888 equivalent to 96% of total expenditure (2021-22: £14,564,635 equivalent to 96% of total expenditure). 2022-23 was the second of two years' of investment in Carlos Acosta's new artistic vision including the 'On Your Marks' programme as part of the Birmingham 2022 Festival, *Into the Music* and *The Nutcracker*.

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.

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.
- 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

BIRMINGHAM ROYAL BALLET

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

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 2023-2026 period for funding of £8,036,194 per annum which means that BRB has confirmed funding through to 31 March 2026. 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.

Budgets for the period through to 31 March 2024 have been approved and outline financial modelling to 2026 has been included in our 2023-2026 Business Plan.

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.

BRB's advance sales for 2023 and 2024 are strong with *Black Sabbath -The Ballet* sold out and *The Nutcracker* and *The Sleeping Beauty* tracking ahead of equivalent programmes in 2022-23.

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 2022-23 were identified as

- key person dependency
- cost and pay pressure
- uncertainty regarding box office income

BIRMINGHAM ROYAL BALLET

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

During 2022-23 BRB has successfully managed risk through a combination of:

- Prioritising pay awards and finding compensating savings elsewhere across BRB budgets
- Adapting performances to manage cost and reduce labour requirements
- Focussing our marketing and communications activities to raise awareness of forthcoming performances and maximise sales. Sales income has exceeded expectation since December 2022.

PLANS FOR FUTURE PERIODS

Our strategic plans and decision making will be driven and informed by our values which are

- Creative to the Core
- Devoted to Brilliance
- Diverse and Different
- Full of Heart

RAISING FUNDS

- Grow fundraised income from philanthropists, trusts and foundations by focusing on larger grants and donations
- Grow our number of supporters and membership income by providing an excellent experience and service.

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 2023-25

- launch BRB2 - a training pipeline for the next generation of exceptional ballet dancers and the new junior company of Birmingham Royal Ballet.
- World premiere of *Black Sabbath the ballet*
- USA tour including New York premiere of *Interlinked*
- Continue to bring the greatest stars to perform to audiences outside London

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:

- prioritising audience growth to sell more tickets to drive increased ticket revenue to bolster BRB's income.
- **3-year community engagement strategy** enabling BRB to connect and communicate with local communities to build awareness and understanding of BRB's artistic programme. This includes a strategy for low engaged audiences who have had no previous experience of ballet or even attending the theatre.
- Developing the creative potential of 3-D filming and augmented reality with the support of funding from Bloomberg Philanthropies. This includes 3D mapping of productions and immersive technology which gives audiences the opportunity to experience being side stage and on stage.

BIRMINGHAM ROYAL BALLET

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

Learning, Access, Engagement and Participation LEAP – BRB has a record of delivering excellence on stage and in education, developing diverse creative talent and providing exciting creative opportunities for the public. The company is at a turning point. In 2023 – 2026 our goal is to re-focus on the programme to take our most successful long-term artistic, education and community activities, learning from them, discussing them with the communities and partners to move onto a new level to achieve greater ambition and impact within resources available.

- Rebuild Dance Track programme to a minimum of 50 schools.
- deliver educational outreach on tour around BRB2 programmes including a new partnership from 2023 with Landmark/Sellador in Peterborough
- Celebrate Freefall's 21st Anniversary year in 2023 and BRB will present a specially curated special programme including a performance at Birmingham Hippodrome, a virtual reality film project, an academic research study and a photographic exhibition
- Expand LEAP Ambassadors
- Deliver BRB's fourth Dreams project giving dance students of all ages the opportunity to train and rehearse with professional ballet dancers and perform an adapted version of *The Sleeping Beauty*

GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

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

- Reviewing the Board work plan to respond to and monitor the new Arts Council England NPO relationship framework
- Agreeing a pay settlement for a minimum of two years
- Updating BRB's 'staff handbook' and staff induction process
- Trialling a new 'personal development review' programme

FINANCIAL STABILITY will be supported by formulating detailed financial resilience plans for 2023 – 2026 to rebuild general, unrestricted reserves (excluding capital reserves) to the equivalent of 8 weeks turnover. BRB's financial strategy will be based on 6 themes

1. Rhythm of the year and marketplace
2. Earned income and Audiences
3. Productions and Performances – maximising ROI
4. Managing salary costs
5. Commercial digital activities
6. Rebuilding general reserves

BIRMINGHAM ROYAL BALLET

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

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';
- 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.

BIRMINGHAM ROYAL BALLET

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

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 reflatting 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.

Other designated funds include:

- **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 2026.

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.

BIRMINGHAM ROYAL BALLET

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

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.

This Directors Report (including the Strategic Report) was approved and authorised for issue by the Directors on:



Sir David Normington
Chair of the Board

Date:

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.

Auditor

We have been appointed under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Disclosure of information to auditor

In so far as the directors are aware:

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

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

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

Opinion

We have audited the financial statements of Birmingham Royal Ballet (the “parent charitable company”) and its subsidiaries (the “group”) for the year ended 31 March 2023 which comprise of the Group and Charity Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related Notes to the Financial Statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and parent charitable company’s affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

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 (incorporating the directors’ report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees’ report (incorporating the directors’ report) has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 they 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 Charitable Company and Group'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 Charitable Company or to cease operations, or have no realistic alternative but to do so.

Our 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the charitable group's regulatory and legal correspondence. We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charitable group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising environmental, health and safety and employment legislation, and, in the current climate, Covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

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

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charitable group to commit fraud. Our risk assessment procedures included: enquiry of trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud and reading Board minutes. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that restricted income is incorrectly recognised within unrestricted income; and
- subjective accounting estimates.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias; and
- testing the recognition of income and in particular that it was appropriately recognised or deferred.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charity'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 Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Flintoff
Azets Audit Services Limited

Julie Flintoff (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Date: *6/12/23*

Chartered Accountants
Statutory Auditor

8 Pittman Court
Pittman Way
Preston
United Kingdom
PR2 9ZG

BIRMINGHAM ROYAL BALLET

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including consolidated income and expenditure account)

Year ended 31 March 2023

	Notes	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £	Total 2022 £
Income from:						
Grants, Donations and Legacies	3	9,583,172	564,054	-	10,147,226	9,910,675
Charitable activities:						
Performance and related activities	4	5,866,668	-	-	5,866,668	3,238,639
Other trading activities	5	485,334	-	-	485,334	163,781
Investments	6	2,422	-	74,380	76,802	79,271
Total income		15,937,596	564,054	74,380	16,576,030	13,392,366
Expenditure on:						
Raising funds	7	616,345	-	-	616,345	651,959
Charitable activities						
Production and Performance	8	14,962,107	480,476	-	15,442,583	14,065,376
Orchestra Projects	8	149,936	-	-	149,936	37,679
Education Projects	8	529,113	2,000	-	531,113	441,480
Other expenditure		-	-	17,256	17,256	20,100
Total expenditure		16,257,501	482,476	17,256	16,757,233	15,216,594
Net income/(expenditure) before investment gains and losses	10	(319,905)	81,578	57,124	(181,203)	(1,824,228)
Net gain/(loss) on investments		-	-	(263,576)	(263,576)	73,016
Net income/(loss) for the year		(319,905)	81,578	(206,452)	(444,779)	(1,751,212)
Transfers between funds	18	180,544	-	(180,544)	-	-
NET MOVEMENT IN FUNDS		(139,361)	81,578	(386,996)	(444,779)	(1,751,212)
RECONCILIATION OF FUNDS:						
Total funds brought forward		4,446,604	912,687	3,153,115	8,512,406	10,263,618
Net movement in funds for the year		(139,361)	81,578	(386,996)	(444,779)	(1,751,212)
Total funds carried forward	18	4,307,243	994,265	2,766,119	8,067,627	8,512,406

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.

See note 12 for comparative Statement of Financial Activities for the period ended 31 March 2022.

BIRMINGHAM ROYAL BALLET

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Including charity income and expenditure account) Year ended 31 March 2023

	Notes	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £	Total 2022 £
Income from:						
Grants, Donations and Legacies	3	9,583,172	564,054	-	10,147,226	9,910,675
Charitable activities:						
Performance and related activities	4	6,210,620	-	-	6,210,620	3,238,639
Other trading activities	5	92,873	-	-	92,873	97,114
Investments	6	2,422	-	74,380	76,802	79,271
Total income		15,889,087	564,054	74,380	16,527,521	13,325,699
Expenditure on:						
Raising funds	7	616,345	-	-	616,345	651,959
Charitable activities						
Production and Performance	8	14,939,321	480,476	-	15,419,797	13,998,709
Orchestra Projects	8	149,936	-	-	149,936	37,679
Education Projects	8	529,113	2,000	-	531,113	441,480
Other expenditure		-	-	17,256	17,256	20,100
Total expenditure		16,234,715	482,476	17,256	16,734,447	15,149,927
Net income/(expenditure) before investment gains and losses	10	(345,628)	81,578	57,124	(206,926)	(1,824,228)
Net gain/(loss) on investments		-	-	(263,576)	(263,576)	73,016
Net income/(loss) for the year		(345,628)	81,578	(206,452)	(470,502)	(1,751,212)
Transfers between funds	18	180,544	-	(180,544)	-	-
NET MOVEMENT IN FUNDS		(165,084)	81,578	(386,996)	(470,502)	(1,751,212)
RECONCILIATION OF FUNDS:						
Total funds brought forward		4,446,604	912,687	3,153,117	8,512,408	10,263,620
Net movement in funds for the year		(165,084)	81,578	(386,996)	(470,502)	(1,751,212)
Total funds carried forward	18	4,281,520	994,265	2,766,121	8,041,906	8,512,408

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

BALANCE SHEET As at 31 March 2023

	Note	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
FIXED ASSETS					
Tangible assets	13	2,713,077	2,804,250	2,713,077	2,804,250
Investment assets	14	2,766,119	3,153,115	2,766,121	3,153,117
		<u>5,479,196</u>	<u>5,957,365</u>	<u>5,479,198</u>	<u>5,957,367</u>
CURRENT ASSETS					
Stocks	15	79,202	95,476	79,202	95,476
Debtors	16	4,483,382	2,766,718	4,052,428	2,833,385
Cash at bank and in hand		281,971	1,222,898	256,165	1,222,898
		<u>4,844,555</u>	<u>4,085,092</u>	<u>4,387,795</u>	<u>4,151,759</u>
Creditors: amounts falling due within one year	17	<u>(2,256,124)</u>	<u>(1,530,051)</u>	<u>(1,825,087)</u>	<u>(1,596,718)</u>
Net Current Assets		<u>2,588,431</u>	<u>2,555,041</u>	<u>2,562,708</u>	<u>2,555,041</u>
Total Assets Less Current Liabilities		<u>8,067,627</u>	<u>8,512,406</u>	<u>8,041,906</u>	<u>8,512,408</u>
Creditors: amounts falling after one year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u><u>8,067,627</u></u>	<u><u>8,512,406</u></u>	<u><u>8,041,906</u></u>	<u><u>8,512,408</u></u>
FUNDS					
Unrestricted funds:					
General Funds	18	1,738,699	1,769,230	1,712,976	1,769,230
Designated funds	18	2,568,544	2,677,374	2,568,544	2,677,374
Restricted funds	18	994,265	912,687	994,265	912,687
Endowment funds	18	2,766,119	3,153,115	2,766,121	3,153,117
		<u>8,067,627</u>	<u>8,512,406</u>	<u>8,041,906</u>	<u>8,512,408</u>

These financial statements of Birmingham Royal Ballet registered number 3320538 were approved by the Board of Directors and authorised for issue on 23/11 2023. They were signed on its behalf by:



Sir David Normington
Chair of the Board

Company Registration Number: 03320538

BIRMINGHAM ROYAL BALLET

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2023

	Notes	Total 2023 £	Total 2022 £
Cash flows from operating activities:			
<i>Net cash (used in)/provided by operating activities</i>	22	(929,760)	(2,466,549)
Cash flows from investing activities:			
Dividends, interest and rents from investments		76,802	79,271
Proceeds from the sale of fixed assets		-	-
Purchase of fixed assets		(211,390)	(856,722)
Proceeds from the sale of investments		371,167	117,596
Purchase of investments		(247,746)	(177,087)
<i>Net cash flows (used in) by investing activities</i>		(11,167)	(836,942)
Net (decrease)/increase in cash and cash equivalents		(940,927)	(3,303,491)
Cash and cash equivalents at beginning of year		1,222,898	4,526,389
Cash and cash equivalents at the end of the year		281,971	1,222,898
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		281,971	1,222,898
Cash equivalents		-	-
Cash and cash equivalents		281,971	1,222,898

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

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 BRB 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 2024; 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 2023

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 2023

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 2023

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	4%/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.

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.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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.

3. INCOME FROM GRANTS, DONATIONS & LEGACIES

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
Charity and group						
<i>Arts Council England</i>						
Revenue funding	8,036,194	-	8,036,194	8,036,194	-	8,036,194
Digital Transformation Project	-	-	-	-	40,000	40,000
Culture Recovery Fund	-	-	-	175,000	-	175,000
<i>Birmingham City Council</i>						
Revenue funding	157,850	-	157,850	157,850	-	157,850
<i>Donations</i>						
Grants – Trusts and Foundations	498,061	351,000	849,061	116,789	525,734	642,523
Donations	878,298	-	878,298	492,913	153,075	645,988
Legacies	12,769	213,054	225,823	54,184	-	54,184
<i>Job Retention Scheme</i>						
Furlough	-	-	-	-	158,936	158,936
Total	<u>9,583,172</u>	<u>564,054</u>	<u>10,147,226</u>	<u>9,032,930</u>	<u>877,745</u>	<u>9,910,675</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

4. INCOME FROM PERFORMANCE AND RELATED ACTIVITIES

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
Charity						
Box office income	3,393,011	-	3,393,011	1,968,056	-	1,968,056
Production sales and hires	118,442	-	118,442	148,500	-	148,500
Programmes	87,578	-	87,578	45,112	-	45,112
Livestream and video on demand	70,000	-	70,000	-	-	-
Orchestra projects	92,041	-	92,041	13,300	-	13,300
Education	51,943	-	51,943	46,974	-	46,974
Other fees and services	747,412	-	747,412	40,051	-	40,051
Theatre tax credit	1,650,193	-	1,650,193	976,646	-	976,646
Group						
Box office income	3,393,011	-	3,393,011	1,968,056	-	1,968,056
Production sales and hires	118,442	-	118,442	148,500	-	148,500
Programmes	87,578	-	87,578	45,112	-	45,112
Livestream and video on demand	70,000	-	70,000	-	-	-
Orchestra projects	92,041	-	92,041	13,300	-	13,300
Education	51,943	-	51,943	46,974	-	46,974
Other fees and services	235,401	-	235,401	40,051	-	40,051
Theatre tax credit	1,818,252	-	1,818,252	976,646	-	976,646
Charity	6,210,620	-	6,210,620	3,238,639	-	3,238,639
Group	5,866,668	-	5,866,668	3,238,639	-	3,238,639

5. OTHER TRADING ACTIVITIES

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
Charity						
Memberships	86,442	-	86,442	92,114	-	92,114
Sponsorship	6,431	-	6,431	5,000	-	5,000
Royal Albert Hall	-	-	-	-	-	-
Group						
Memberships	86,442	-	86,442	92,114	-	92,114
Sponsorship	39,763	-	39,763	71,667	-	71,667
Royal Albert Hall	359,129	-	359,129	-	-	-
Charity	92,873	-	92,873	97,114	-	97,114
Group	485,334	-	485,334	163,781	-	163,781

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

6. ANALYSIS OF INCOME FROM INVESTMENTS

	2023 Unrestricted Funds £	2023 Endowment Funds £	2023 Total Funds £	2022 Unrestricted Funds £	2022 Endowment Funds £	2022 Total Funds £
Charity and group						
Bank interest	2,422	-	2,422	1,293	-	1,293
Dividends	-	74,380	74,380	-	77,978	77,978
Total	<u>2,422</u>	<u>74,380</u>	<u>76,802</u>	<u>1,293</u>	<u>77,978</u>	<u>79,271</u>

7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	2023 Activities Undertaken Directly £	2023 Support Costs £	2023 Total £	2022 Activities Undertaken Directly £	2022 Support Costs £	2022 Total £
Charity and group						
Raising donations, grants and legacies	328,400	232,473	560,873	403,133	193,533	596,666
Memberships and subscription schemes	55,472	-	55,472	34,766	20,527	55,293
Total	<u>383,872</u>	<u>232,473</u>	<u>616,345</u>	<u>437,899</u>	<u>214,060</u>	<u>651,959</u>

All expenditure relates to unrestricted funds.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Unrestricted

	2023 Activities Undertaken Directly £	2023 Support Costs £	2023 Total £	2022 Activities Undertaken Directly £	2022 Support Costs £	2022 Total £
Charity						
Performance and production	12,782,198	2,157,123	14,939,321	11,604,163	1,875,692	13,479,855
Orchestra projects	138,789	11,147	149,936	27,415	10,264	37,679
Education projects	458,648	70,465	529,113	220,146	64,884	285,030
Group						
Performance and production	12,804,984	2,157,123	14,962,107	11,670,830	1,875,692	13,546,522
Orchestra projects	138,789	11,147	149,936	27,415	10,264	37,679
Education projects	458,648	70,465	529,113	220,146	64,884	285,030
Charity	13,379,635	2,238,735	15,618,370	11,851,724	1,950,840	13,802,564
Group	13,402,421	2,238,735	15,641,156	11,918,391	1,950,840	13,869,231

Restricted

	2023 Activities Undertaken Directly £	2023 Support Costs £	2023 Total £	2022 Activities Undertaken Directly £	2022 Support Costs £	2022 Total £
Charity and group						
Performance and production	418,761	61,715	480,476	451,659	67,195	518,854
Orchestra projects	-	-	-	-	-	-
Education projects	2,000	-	2,000	156,450	-	156,450
Total	420,761	61,715	482,476	608,109	67,195	675,304

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

9. ANALYSIS OF SUPPORT COSTS

	2023	2023	2023	2023	2023
	Raising Funds £	Production And Performance £	Orchestra Projects £	Education Projects £	Total £
Staff costs	84,081	763,146	4,032	25,485	876,744
Recruitment, training and development	9,288	84,303	446	2,815	96,852
Office infrastructure	49,097	445,619	2,354	14,882	511,952
Insurance	13,522	122,729	648	4,099	140,998
Premises costs	63,678	516,253	3,053	19,302	602,286
Depreciation	12,807	286,788	614	3,882	304,091
	<u>232,473</u>	<u>2,218,838</u>	<u>11,147</u>	<u>70,465</u>	<u>2,532,923</u>

Governance costs included in the above amount to £6,543.

	2022	2022	2022	2022	2022
	Raising Funds £	Production And Performance £	Orchestra Projects £	Education Projects £	Total £
Staff costs	66,855	644,603	2,598	15,590	729,646
Recruitment, training and development	4,460	100,000	565	3,388	108,413
Office infrastructure	103,222	306,664	2,101	15,906	427,893
Insurance	5,177	116,064	655	3,932	125,828
Premises costs	30,136	557,323	3,815	22,888	614,162
Depreciation	4,209	218,234	530	3,180	226,153
	<u>214,059</u>	<u>1,942,888</u>	<u>10,264</u>	<u>64,884</u>	<u>2,232,095</u>

Governance costs included in the above amount to £229,057.

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2023 £	2022 £
Income (Expenditure) is stated after charging:		
Depreciation of owned assets	304,091	287,869
Rentals under operating leases	225,007	224,293
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	24,000	23,000
- Fees payable for the audit of the charity's subsidiaries	8,000	8,200
	<u>8,000</u>	<u>8,200</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

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

The average monthly number of employees for the Group and Charity was:

	2023 No.	2022 No.
Raising funds	7	7
Charitable activities	184	164
Support	17	17
	208	188
	208	188

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	7,823,747	7,266,351
Social security costs	763,833	673,006
Pension costs (including Dancers Career Development fund)	358,467	349,885
	8,946,047	8,289,242
	8,946,047	8,289,242

The aggregate remuneration above includes termination payments of £nil (2021-22: £57,536) including £nil additional pension contributions (2021-22 £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:

	2023 No.	2022 No.
£60,001 - £70,000	7	8
£70,001 - £80,000	6	4
£80,001 - £90,000	4	3
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
£250,001 - £260,000	-	1
£290,001 - £300,000	1	-
	1	-
	1	-

The key management personnel of the Group are listed on page 7. The total remuneration (including pension contributions and social security costs) of the key management personnel of the Group and Charity for the year totalled £490,773 (2021-22: £417,243).

Directors' Remuneration

No Directors received remuneration during the current or prior year. Total travel and subsistence expenses of £420 (2022: £95) were paid to a director (2022: Two directors).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

12. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 March 2022

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

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 2023

13. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Short Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2022	3,022,621	452,944	2,262,719	5,738,284
Additions	-	67,456	143,934	211,390
Disposals	(11,555)	-	(111,042)	(122,597)
	<u>3,011,066</u>	<u>520,420</u>	<u>2,295,611</u>	<u>5,827,077</u>
At 31 March 2023	<u>3,011,066</u>	<u>520,420</u>	<u>2,295,611</u>	<u>5,827,077</u>
Depreciation				
At 1 April 2022	1,071,599	426,026	1,436,409	2,934,034
Charge for the year	120,498	30,941	152,652	304,091
Disposals	(10,834)	-	(113,291)	(124,125)
	<u>1,181,263</u>	<u>456,967</u>	<u>1,475,770</u>	<u>3,114,000</u>
At 31 March 2023	<u>1,181,263</u>	<u>456,967</u>	<u>1,475,770</u>	<u>3,114,000</u>
Net book value				
At 31 March 2023	<u>1,829,803</u>	<u>63,433</u>	<u>819,841</u>	<u>2,713,077</u>
At 31 March 2022	<u>1,951,022</u>	<u>26,918</u>	<u>826,310</u>	<u>2,804,250</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

14. FIXED ASSET INVESTMENTS – GROUP AND CHARITY	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Investments listed or traded on a recognised stock exchange	2,766,119	3,153,115	2,766,119	3,153,115
Subsidiary undertakings	-	-	2	2
	<u>2,766,119</u>	<u>3,153,115</u>	<u>2,766,121</u>	<u>3,153,117</u>

	2023 £	2022 £
Investments listed or traded on a recognised stock exchange		
Market value at 1 April 2022	3,153,115	2,939,160
Additions	247,746	68,938
Disposal proceeds	(247,013)	(117,596)
Unrealised/realised investment gains/(losses)	(263,576)	73,016
Movement in cash	(124,153)	189,597
Closing value at 31 March 2023	<u>2,766,119</u>	<u>3,153,115</u>

	2023		2022	
	Market value £	% of portfolio	Market value £	% of portfolio
UK equities	707,070	26%	830,998	27%
Overseas equities	944,243	34%	1,173,676	37%
UK fixed income	243,340	9%	199,107	6%
Overseas fixed income	-	-%	67,211	2%
Alternative assets	579,388	21%	375,640	12%
UK property	226,634	8%	316,886	10%
Cash	65,444	2%	189,597	6%
	<u>2,766,119</u>	<u>100%</u>	<u>3,153,115</u>	<u>100%</u>

The historical cost of the investments is £2,308,137 (2022: £1,870,144).

	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Subsidiary undertakings				
Cost				
At 1 April 2022 and 31 March 2023	-	-	2	2
	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

14. FIXED ASSET INVESTMENTS (continued)

The company owns the entire issued ordinary share capital of BRB Production Services Limited (Company number: 09170372), incorporated and registered in England and Wales (registered office Birmingham Royal Ballet, Thorp Street, B5 4AU), whose principal activity is theatrical production.

The company owns the entire issued ordinary share capital of BRB Trading Limited (Company number: 13641651), incorporated 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 results of the Company's trading activities through its subsidiary undertakings are detailed below:

BRB Production Services Limited	2023	2022
	£	£
Turnover	703,080	-
Expenditure	(871,140)	-
Profit/(loss) before tax	(168,060)	-
Profit/(loss) after tax	-	-
Assets	599,015	1
Liabilities	(599,014)	-
Equity	1	1
BRB Trading Limited	2023	2022
	£	£
Turnover	33,333	66,667
Expenditure	(83)	(27,050)
Profit/(loss) before tax	33,250	39,617
Profit/(loss) after tax	25,723	39,617
Assets	25,807	100,001
Liabilities	(83)	(100,000)
Equity	25,724	1

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

15. STOCKS - GROUP AND CHARITY

	2023 £	2022 £
Shoes	79,202	95,476
Merchandise	-	-
	<u>79,202</u>	<u>95,476</u>

16. DEBTORS

	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Trade debtors	711,387	243,725	280,434	243,725
Other debtors	3,178,257	1,424,762	3,010,196	1,424,762
Amount owed by subsidiary undertakings	-	-	168,060	66,667
Prepayments and accrued income	593,738	1,098,231	593,738	1,098,231
	<u>4,483,382</u>	<u>2,766,718</u>	<u>4,052,428</u>	<u>2,833,385</u>

Other debtors include £63,375 (2022: £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 2023

17. CREDITORS: Amounts falling due within one year

	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Trade creditors	1,158,277	764,698	727,323	764,698
Other creditors	407,564	366,873	407,481	466,873
Amount due to subsidiary undertakings	-	-	-	-
Taxation and social security	295,482	40,700	295,482	40,700
Accruals and deferred income	394,801	357,780	394,801	324,447
	<u>2,256,124</u>	<u>1,530,051</u>	<u>1,825,087</u>	<u>1,596,718</u>

Movements in deferred income:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Balance at 1 April 2022	69,534	120,214	36,201	120,214
Amounts released during the period	(70,394)	(229,865)	(37,061)	(229,865)
Deferred in the current period	24,677	179,185	24,677	145,852
Balance at 31 March 2023	<u>23,817</u>	<u>69,534</u>	<u>23,817</u>	<u>36,201</u>

Deferred income at 1 April 2022 comprised grants, membership scheme income and donations and legacy income relating to activity in the periods to 31 March 2023.

Deferred income at 31 March 2023 comprised grants, membership scheme income, sponsorship and donations relating to activity in the periods to 31 March 2024.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

18. MOVEMENTS ON FUNDS

a) Restricted Funds (Group and Charity)

	At 1 April 2022 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2023 £
Garfield Weston Foundation	538,284	-	(61,715)	-	476,569
Skills Development Projects	18,000	-	-	-	18,000
Nutcracker (Big Give 2021)	112,700	-	(112,700)	-	-
Nutcracker (Big Give 2018 - 20)	226,380	-	(226,380)	-	-
Jerwood Centre Equipment	17,323	-	-	-	17,323
Carol Barrie Legacy	-	213,054	(24,681)	-	188,373
Bloomberg Philanthropies	-	125,000	(25,000)	-	100,000
David Laing Foundation	-	91,000	(2,000)	-	89,000
Linbury Trust	-	75,000	-	-	75,000
Calouste Gulbenkian Foundation	-	50,000	(20,000)	-	30,000
Peggy Dannenbau	-	10,000	(10,000)	-	-
	<u>912,687</u>	<u>564,054</u>	<u>(482,476)</u>	<u>-</u>	<u>994,265</u>

18. MOVEMENTS ON FUNDS (continued)

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 (Big Give 2021)	-	112,700	-	-	112,700
Nutcracker (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>

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

Garfield Weston Foundation – Restricted funds are for the purchase and implementation of a new CRM system.

Skills Development Projects – Funds received for continuing skills development within the company.

Nutcracker – 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.

Jerwood Centre Equipment – Restricted funds are for the purchase of equipment and an ultrasound machine.

Carol Barrie Legacy – Funds received to support Student Award for Excellence

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

Bloomberg Philanthropies – Restricted funds were received for the Digital Transformation project which supports BRB’s evolving and growing digital content development programme.

David Laing Trust – Restricted funds were received for the charity’s education programme.

Linbury Trust – Funds to assist in establishing a new Junior Company

Calouste Gulbenkian Foundation – Funds given to research and develop the ‘College of Creativity’

Peggy Dannenbau – Restricted funds were received in support of The Carlos Acosta Syndicate

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

	At 1 April 2022 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2023 £
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	650,000	-	-	-	650,000
Thorp Street Refurbishment	1,850,098		(108,830)	-	1,741,268
	<u>2,677,374</u>	<u>-</u>	<u>(108,830)</u>	<u>-</u>	<u>2,568,544</u>

	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>

Community Engagement Fund – This designated fund represents amounts received following the decision to wind up Birmingham Royal Ballet Trust.

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

Thorp Street Refurbishment – This designated fund represents amounts spent on capital assets.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

18. MOVEMENTS ON FUNDS (continued)

c) Unrestricted, undesignated funds (Group):

	At 1 April 2022 £	Net outflows in the period £	Transfer in the period £	At 31 March 2023 £
General funds	1,769,230	(211,075)	180,544	1,738,699
	<u>1,769,230</u>	<u>(211,075)</u>	<u>180,544</u>	<u>1,738,699</u>

	At 1 April 2021 £	Net inflows in the period £	Transfer in the period £	At 31 March 2022 £
General funds	2,587,245	(976,952)	158,937	1,769,230
	<u>2,587,245</u>	<u>(976,952)</u>	<u>158,937</u>	<u>1,769,230</u>

c) Unrestricted, undesignated funds (Charity):

	At 1 April 2022 £	Net inflows in the eriod £	Transfer in the period £	At 31 March 2023 £
General funds	1,769,230	(236,798)	180,544	1,712,976
	<u>1,769,230</u>	<u>(236,798)</u>	<u>180,544</u>	<u>1,712,976</u>

	At 1 April 2021 £	Net inflows in the period £	Transfer in the period £	At 31 March 2022 £
General funds	2,587,246	(976,952)	158,936	1,769,230
	<u>2,587,246</u>	<u>(976,952)</u>	<u>158,936</u>	<u>1,769,230</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

18. MOVEMENTS ON FUNDS (continued)

d) Endowment funds (Group):

	At 1 April 2022 £	Inflows in the period £	Transfer in the period £	At 31 March 2023 £
Catalyst/Cadbury Family Endowment Fund	3,153,115	(206,452)	(180,544)	2,766,119
	<u>3,153,115</u>	<u>(206,452)</u>	<u>(180,544)</u>	<u>2,766,119</u>

	At 1 April 2021 £	Inflows in the period £	Transfer in the period £	At 31 March 2022 £
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>

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.

Included within charity endowment funds are investments in subsidiaries totalling £2 (2022: £2)

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

18. MOVEMENTS ON FUNDS (continued)

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

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Endowment funds £	2023 Total funds £
Investments	-	-	2,766,119	2,766,119
Cash at Bank and in Hand	69,971	212,000	-	281,971
Debtors	4,195,009	288,373	-	4,483,382
Stocks	79,202	-	-	79,202
Fixed Assets	2,219,185	493,892	-	2,713,077
Creditors	(2,256,124)	-	-	(2,256,124)
	<u>4,307,243</u>	<u>994,265</u>	<u>2,766,119</u>	<u>8,067,627</u>

2022 Comparatives

	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	2,766,718	-	-	2,766,718
Stocks	95,476	-	-	95,476
Fixed Assets	2,248,643	555,607	-	2,804,250
Creditors	(1,530,051)	-	-	(1,530,051)
	<u>4,446,604</u>	<u>912,687</u>	<u>3,153,115</u>	<u>8,512,406</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

18. MOVEMENTS ON FUNDS (continued)

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

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Endowment funds £	2023 Total funds £
Investments	-	-	2,766,121	2,766,121
Cash at Bank and in Hand	44,165	212,000	-	256,165
Debtors	3,764,055	288,373	-	4,052,428
Stocks	79,202	-	-	79,202
Fixed Assets	2,219,185	493,892	-	2,713,077
Creditors	(1,825,087)	-	-	(1,825,087)
	<u>4,281,520</u>	<u>994,265</u>	<u>2,766,121</u>	<u>8,041,906</u>

2022 Comparatives

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Endowment funds £	2022 Total funds £
Investments	-	-	3,153,117	3,153,117
Cash at Bank and in Hand	865,818	357,080	-	1,222,898
Debtors	2,833,385	-	-	2,833,385
Stocks	95,476	-	-	95,476
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>3,153,117</u>	<u>8,512,408</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 2023 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2023 £	2022 £
Birmingham Royal Ballet Pension Scheme	301,626	292,837
Musicians' Union Pension Scheme	6,144	8,550
	<u>307,770</u>	<u>301,387</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2022-23 the company contributed a total of £49,644 (2021-22: £47,470).

As of 31 March 2023, there were £56,154 outstanding contributions due in respect of the current reporting period (2022: £52,279).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2023

20. FINANCIAL COMMITMENTS – GROUP AND CHARITY

Operating lease commitments

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

	2023		2022	
	Land and buildings £	Other £	Land and buildings £	Other £
Charity				
- expiring within one year	218,000	7,087	218,000	7,087
- expiring between one and five years	872,000	855	872,000	6,110
- expiring after five years	731,250	-	949,250	-
	<u>1,821,250</u>	<u>7,942</u>	<u>2,039,250</u>	<u>13,197</u>

21. RELATED PARTY TRANSACTIONS

No Director received payment for professional or other services supplied to the charity during the year (2022: £nil).

Total donations received from the directors without conditions during the year was £16,615 (2022: £Nil).

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

22. CASHFLOW STATEMENT

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

	2023 £	2022 £
Net income / (expenditure) for the year (before investment gains and losses)	(444,779)	(1,751,212)
Adjustments for:		
Depreciation charges	304,091	287,869
(Gains)/losses on investments	263,576	(73,016)
Dividends, interest and rents from investments	(76,802)	(79,271)
Loss/(profit) on the sale of fixed assets	(1,529)	-
Operating cash flow before movement in working capital	<u>44,557</u>	<u>(1,615,630)</u>
(Increase)/Decrease in stocks	16,272	(6,433)
(Increase)/Decrease in debtors	(1,716,662)	(915,839)
Increase/(Decrease) in creditors	<u>726,073</u>	<u>71,353</u>
Net cash (used in) / provided by operating activities	<u>(929,760)</u>	<u>(2,466,549)</u>

All cash and cash equivalents in the current and prior year relate to cash in hand. There are no loans, overdrafts or finance leases.