

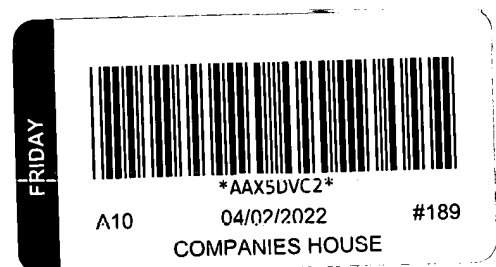
Company Registered Number 3320538

Charity Registered Number 1061012

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

Report and Consolidated Financial Statements

For the year ended 31 March 2021



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
Mr Barry Allen
Ms Jeanetta Laurence OBE
Ms Jane Hackett
Ms Sandra Crossley (appointed 01 January 2021)
Mrs Marverine Cole (appointed 01 June 2021)
Ms Shireenah Ingram (appointed 01 June 2021)
Mrs Christine Ondimu (appointed 01 June 2021)

SECRETARY

Mrs Anna Williams FCA, DChA

REGISTERED IN ENGLAND & WALES

Company Number: 3320538

Registered Charity Number: 1061012

REGISTERED OFFICE

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Birmingham
B5 4AU

BANKERS

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B2 4JU

SOLICITORS

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DWFM Reckman Solicitors
101 Wigmore Street
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BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISERS

INVESTMENT MANAGERS

Smith and Williamson
9 Colmore Row
Birmingham
B3 2BJ

AUDITOR

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

BIRMINGHAM ROYAL BALLET

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

In the 75 year history of Birmingham Royal Ballet and its predecessor companies there surely has not been a more extraordinary and challenging year than 2020-21. It is a testament to the remarkable resilience and team spirit of this wonderful company that it has not only still survived financially and artistically, but it has come through stronger. I have never been more proud to be its Chair.

When the year opened in April 2020, the country had just locked down for the first time in the face of the Covid - 19 pandemic. For a performing arts company, like BRB, that seemed like a threat to our very survival. We exist to perform in front of live, expectant audiences in theatres all round the U.K. Our musicians, our dancers, our stage and technical crews and our management and administrative staff devote their working lives to bringing great shows to stage and, through our education and outreach programmes, introducing thousands of young people a year to the joy of dance. Suddenly none of this was possible. It was a particular blow to Carlos Acosta, who had joined us as our new Director three months before and had just announced exciting plans for new programmes and repertoire, all of which had to be postponed.

But never underestimate the commitment, resilience and inventiveness of the creative arts sector. Within a few weeks our dancers and musicians were creating short new works and posting them on social media. We dug into our archives for videos of previous performances and rehearsals and put them regularly on line. We were amazed at the size and warmth of the audience reaction. When our Principal dancer, Celine Gittens, performed the Dying Swan in her front room, accompanied by our orchestra leader and principal violinist, Robbie Gibbs, playing from his home, it was viewed on social media over a million times. We were suddenly in touch again with our supporters and reaching new audiences around the world. One of the unexpected benefits of the pandemic has been the spur it has given to our digital work.

Inspired by the unflagging optimism of Carlos Acosta, we took an early decision to invest some money in a new work, which we could perform as soon as we were allowed to rehearse and perform again. It was important to us to repay the investment of public money which the Arts Council continued to invest in us despite the pandemic. The result was "Lazuli Sky" by Birmingham born choreographer, Will Tuckett, which we performed as part of a Triple Bill to much acclaim to socially distanced audiences in Birmingham in the summer and at Sadlers Wells Theatre in London in the autumn. In Birmingham, our home theatre, Birmingham Hippodrome, was sadly closed for the whole period of the pandemic. But we were able to forge a new partnership with the Birmingham Repertory Theatre, whose new Director, Sean Foley, shared the same entrepreneurial spirit as Carlos. Without the Rep, we would not have been able to perform live in Birmingham, nor to record and stream some of our performances. We are immensely grateful to them and look forward to an enduring partnership.

As we entered the autumn, we were on a roller coaster, changing plans from week to week as the pandemic began to surge again. In retrospect it was something of a miracle that we were able to perform Lazuli Sky at Sadlers Wells in October 2020, just days before the November lockdown. Our planned live performance at Birmingham Town Hall to celebrate 30 years since the company's arrival in Birmingham had to be closed to audiences at short notice and streamed on line. We did everything possible to bring Birmingham its traditional Christmas Nutcracker with plans to perform at the Utilita Arena, where a large audience could have been appropriately distanced. But with the restrictions eventually making this impossible, we decided at very short notice to film an adapted version of the Nutcracker at the Birmingham Rep and to stream it live – our first live stream to a paying audience. We then filmed a second cast performance, which we broadcast online in February 2021 at half term.

When we went into another winter lockdown after Christmas, we decided that more weeks of making plans and then cancelling them was not sustainable. We, therefore, took the decision to close the company down until we were allowed to start training and rehearsals again and to plan to be back on stage in the spring. Even then the indefatigable Carlos Acosta collaborated with award winning company, Impermanence and song writer Benjamin Scheuer to create his first digital commission for the company, Empty Stage. This short elegiac film summed up all our fears and hopes for the dance – and wider performing arts – sector. It is impossible to watch it even now without feeling moved, but also uplifted.

As a Board we met very regularly over this period online to review progress, to assess the risks to our finances and to take the necessary action to control our costs. We had two simple objectives: to keep the company in touch with our audience, performing live, when that was possible, and, on line when it was not; and secondly, to protect our financial position, so that we came out of the various lockdowns with sufficient reserves not only to return to live performances, but to begin to implement Carlos Acosta's ambitious plans for the company. I am very glad to say that we achieved both objectives, as this Annual Report demonstrates.

BIRMINGHAM ROYAL BALLET

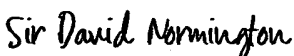
Foreword by Sir David Normington GCB, Chair of Birmingham Royal Ballet

Our financial resilience is the result of some remarkably generous financial support from the Government and the Arts Council, for which we are extremely grateful. In particular the Government's "furlough" scheme was a lifeline and enabled us to keep the company together, when we could not work or perform. But we must also thank the many friends and supporters of the company, including trust and foundations who have continued to support us financially and sometimes to increase that support substantially. This includes particularly Aud Jebsen, Charles Glanville and HSBC, whose wonderful support has enabled us to face the future with confidence.

We did everything we could during the year to keep in touch with our staff through regular online company meetings, through advice on keeping healthy and with support for individual's wellbeing. For those who were separated from their families and friends, in some cases a long way from home, these were tough times. Inevitably the pandemic caused some of our staff to reflect on their futures. Some decided to return to their homes at the other side of the world. Some took advantage of the early retirement scheme, which we were able to offer as a result of generous support from the Government's Cultural Recovery Fund. We thank them all for their contribution to the company and wish them well in the next phase of their lives. After over 50 years with the company as dancer and coach, our Assistant Director, Marion Tait, also decided to step down, although she will remain as a Rehearsal Director, continuing to contribute her unrivalled artistry and knowledge of our classics to current and future generations of dancers. Marion is an essential part of the BRB family. We are so glad that we can continue to call on her advice and support.

After such a year it is hard to find adequate words to express my gratitude for the remarkable way in which the whole company has responded to the pandemic. Thank you – just doesn't seem enough. But, nevertheless, thank you so much: to Director, Carlos Acosta and Chief Executive, Caroline Miller, whose combined inspirational leadership has kept us going, even in the most difficult times; to the whole Senior Leadership Team who coped so tirelessly with the ever changing demands on them; to every member of the company, new and longstanding, who never lost heart and bounced back so brilliantly; to all our supporters who never gave up on us; and to our audiences who came back into the theatre as soon as it was safe to do so.

We cannot be sure what lies ahead. But we are now back on stage performing a full repertoire at a remarkably high standard to appreciative audiences. We are excited by what Carlos Acosta has planned for us and we remain determinedly optimistic.

DocuSigned by:

DS1BFE9056C04A6
David Normington

Chair

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 2021.

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 year to 31 March 2021.

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

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

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

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

The names of the Directors, Officers and Professional Advisers who served throughout the year and at the date of signing are provided on page 3 - 4.

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

Organisation

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

Directors' Interests in Related Bodies

Body	Director
Governors of the Royal Ballet	Sir David Normington Jeanetta Laurence OBE
Birmingham City Councillors	Councillor Carl Rice

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

GOVERNANCE STRUCTURE

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

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

- overall strategy and planning including setting strategy and plans to respond to Arts Council England's National Portfolio Organisation funding cycle.
- appointment of the key management personnel the Chief Executive and 'The Director'. The day-to-day management of the affairs of Birmingham Royal Ballet is delegated to the Chief Executive, Caroline Miller, who is responsible for overall organisational management. The Director, 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 members of the Board of Directors. All such nominations are approved and appointed by the Board of Directors. The Board of Directors is responsible for the appointment of a Chair.

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

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

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

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

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

BIRMINGHAM ROYAL BALLET

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

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

- Recruit new Board members with appropriate skills and knowledge to fill existing and forthcoming vacancies
- Use our knowledge and sector leadership role to develop safe working practises to ensure that BRB can safely return to the work place, rehearsal and performance during autumn 2020.
- Use the practical experience gained during autumn 2020 performances to support the re-opening of theatres and the dance sector by sharing knowledge and good practice
- Build employee engagement through regular company meetings and opportunities for staff to create digital content during the Covid 19 pandemic
- Foster a culture of equality and inclusivity including embedding the 'Dignity at Work' programme
- Improve environmental performance through the reduction of office space occupied by the organisation

After an interrupted recruitment process we welcomed Sandra Crossley (former BRB principal dancer) to the Board in January 2021 with her extensive knowledge of the company heritage and repertory as well as experience in dance education and training. Marverine Cole, Shireenah Ingram and Christine Ondimu joined the Board in June 2021 bringing skills in journalism, diversity/equality and performing arts to strengthen and diversify the Board membership.

BRB has been an industry leader in managing a return to work, rehearsals and performances. BRB representatives have been actively involved in developing the government approved protocols and the roadmap for the theatre industry returning to performance both behind closed doors and with live audiences. As one of a relatively limited number of companies to give live performances as well as tour during the covid pandemic period we have been able to share our experience and expertise directly with venue colleagues at Birmingham Repertory Theatre and Sadlers Wells Theatre.

The covid pandemic has meant that many staff have spent long periods on furlough or working at home. There have been regular company meetings online to nurture and sustain the shared endeavour not just to survive the pandemic but to develop, find new ways of sharing our art and emerge strong and fit to return to the stage with a renewed energy and ambition. The regular meetings were an opportunity to update on emerging plans and discuss the financial and business strategy for the covid period including use of furlough and recovery funding. Many BRB staff have created digital content from podcasts, playlists, music ensembles and short performances to personal moments such as dancing with children at home.

Supporting mental and physical wellbeing has been a priority throughout the year. Work has continued on developing BRB's 'Dignity at Work' framework and 'Guardians' programme. BRB's healthcare team have continued to support staff online and in person as well as implement rigorous infection control processes to ensure a safe workplace. Dancers and ballet staff returned to rehearsals in August 2020, working in discreet 'bubbles to minimise the risk of spread of infection in the company. It is a testament to the absolute dedication and commitment of all BRB artists and staff that the company has remained infection free and has delivered a range of repertory that demonstrates its full breadth and depth from classical to contemporary work.

BRB monitors its environmental performance through Julie's Bicycle creative green tools. BRB has reduced its carbon footprint by mothballing one building until its lease expired in December 2020.

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. Work is also available online. A wide range of concessions and special offers are available on tickets including discounts for school groups. Access to live performances is supported through a programme of children's performances, touch tours, audio description and relaxed performances.

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

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

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

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

STRATEGIC REVIEW

CHARITABLE ACTIVITIES

Performance and Production

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

BIRMINGHAM ROYAL BALLET

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

BRB's artistic and performance related objectives for the 2020-21 period were to:

- Plan a programme of work to ensure that the company can continue to create and distribute world-class art and continue to perform for both live and online audiences during the Covid 19 pandemic
- Mark the important transition in BRB's artistic leadership by securing alternative performance dates from 2021 onwards for the '*Curated by Carlos*' Festival, *Don Quixote* and other key works planned to launch Carlos Acosta's first full season
- Build a new creative and presenting partnership with Birmingham Repertory Theatre 'the Rep'.

Lockdown in March 2020 meant the loss of the whole of the summer season including Carlos Acosta's inaugural '*Curated by Carlos*' festival to celebrate his first season as Director. We were clear that BRB's best chance of long-term survival is to bring back performance in a staged and planned manner in order that BRB could protect its elite performance skills, earn income, foster and build audiences and supporters. BRB was one of the few dance and theatre companies in the UK to return to a programme of live and digital performance at any scale from autumn 2020.

Despite having only been in post for two months when the pandemic forced the shut-down of theatres, Carlos Acosta demonstrated his energy and leadership by refusing to be daunted and performance possibilities from local parks through to huge arenas were explored over summer and autumn 2020. Whilst many plans could not be realised, one positive and enduring legacy of the period was the new presenting and producing partnership with 'the Rep'. Without this partnership BRB would not have been able to perform in Birmingham, nor prepare productions for touring or digital relay between October 2020 and July 2021.

The announcement of BRB's programme for autumn 2020 shows was widely covered in the media as BRB was the first dance company to announce shows for live audiences. The mixed programme included a world premiere of *Lazuli Sky* which was commissioned to respond to social distancing; choreographed by Will Tuckett with projection design by Nina Dunn, one of the few female projection artists working in theatre. BRB's triple bill was a catalyst for both Sadler's Wells and Birmingham Rep deciding to re-open (albeit briefly due to the second national lockdown being announced on 5 November 2020) and were the first live shows with paying audiences in both venues since the lockdown.

On 7 November 2020, Birmingham Royal Ballet celebrated its 30th Anniversary in Birmingham with a free-streamed performance from Birmingham Town Hall including *End of Time*, *Leibestod* and *Majisimo*. The online show was a gift to the city of Birmingham to thank the city and audiences for all their support and offer a message of hope at a time when people were not able to enjoy live performances.

Throughout the first lockdown and into autumn 2020 BRB's enduring ambition was to be able to present *The Nutcracker* for Christmas. Birmingham Repertory Theatre, once again, stepped up to the challenge and working in partnership, Carlos Acosta and Sean Foley, Artistic Director 'The Rep', worked together to present a new adaptation of *The Nutcracker* using existing scenic elements, props and costumes alongside projections by Nina Dunn to create a version suitable for a smaller stage and cast. The plan was to present 13 live performances at Birmingham Rep but further to Tier 4 announcement on 2 December the decision was taken to make a for-digital version of *The Nutcracker at The Rep*. With two performances recorded and one live-streamed on 18 December 2020 which was available on demand until 24 December 2020, *The only live performance of The Nutcracker in the UK in 2020*. *The Nutcracker* enabled BRB to continue support vocational training for dancers with students from Elmhurst School for Dance forming one bubble of 'Snowflakes'.

The impact of the third national lockdown in January 2021 was the cancellation of the Spring 2021 tour of *Cinderella*, the May 2021 mid-scale tour and BRB's home theatre, Birmingham Hippodrome staying closed until autumn 2021. The best course of action was to set a clear plan from January 2021 through until the end of the season July 2021. The constant changes of plans over autumn 2020 whilst successful in delivering performances had been exhausting for staff and a definitive plan was needed to eliminate uncertainty and enable BRB to plan into 2022. It was agreed that the company would work towards re-opening for live performances with socially distanced audiences in June 2021 and rehearsals for the summer performances re-started in March 2021.

BIRMINGHAM ROYAL BALLET

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

We were delighted that Dominic Antonucci was appointed as BRB's new Assistant Director on 26 February 2021. Dominic, who has worked for BRB for more than 25 years as a dancer and then ballet master, was successful in a strong field of candidates from the UK and internationally. The announcement was warmly welcomed by the company.

Overall, in 2020-21 the company gave 13 performances - 8 in Birmingham and 5 in London of which 3 performances were behind closed doors due to covid and broadcast either live or video on demand (2019-20: 140 performances – 70 in Birmingham, 70 on tour in the UK) with live audiences of approximately 2,400 (2019-20: 152,000) plus 12,775 digital audiences for paid for live or video on demand performances.

The complete repertory performed during the year was:

BALLET	CHOREOGRAPHY	MUSIC
Lazuli Sky	Will Tuckett	John Adams
Our Waltzes	Vincente Nebrada	Teresa Carreño Salvador Llamozas Manuel Guadalajara Isabel de Maury Sofia Limonta Ramon Delgado Palacios Heraclio Fernández
Liebestod	Valery Panove	Richard Wagner
Majisimo	Jorge Garcia	Massenet
End of Time	Ben Stevenson	Serguei Rachmaninoff
The Nutcracker	Sir Peter Wright	Pyotr Ilyich Tchaikovsky

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Birmingham Rep Sadlers Wells, London	October 2020	Our Waltzes Liebestod Lazuli Sky
Birmingham Town Hall	November 2020	End of Time Liebestod Majisimo
Birmingham Rep	December 2020	The Nutcracker

Audience Reach and Growth

Audience Development objectives for 2020-21 were to:

- Use digital technology to increase audiences and engagement

BIRMINGHAM ROYAL BALLET

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

- Increase BRB's press and media profile to communicate Carlos Acosta's artistic vision and mission
- Grow a new dance and audience strategy with 'The Rep'
- Continue to work with key venue partners on long-term audience development as part of BRB's digital and live performance plans

BRB has significantly extended access to audiences through growing a successful and varied online programme of free and pay per view performances, events and behind the scenes access.

The Company's digital initiative sits within the 'Shout Louder, Sell More Tickets' strategy that has driven much success since the arrival of Carlos Acosta as Director in January 2020.

We saw a steady increase in audiences in free streamed over the summer and into the autumn:

Brief Nostalgia: 4,000 viewers; Cinderella: 15,800; Solos and Pas de Deux coaching show: 16,900. By November 2020 BRB *at 30* online show had 40,100 views.

After the success of the 'free to see' digital strategy in 2020, BRB's Board challenged the Company to deliver its first paid-for content with a recording of the new *Lazuli Sky* Triple Bill at The Rep. Working with The Space and partner venues including Sadlers Wells The Rep, Theatre Royal Plymouth, Mayflower Southampton and The Lowry Salford, a distribution strategy for the film was developed to promote the show to BRB audiences nationally. Digital Tickets went on sale in late October 20, with the show premiering on 01 November with 2,357 tickets sold in addition to the live audience.

The majority of marketing for live shows in 2021-22 used online and digital media as opposed to traditional print media. When BRB's *The Nutcracker at The REP* went on sale for in-person performances it took almost £73k in 1-day, The REP's biggest on-sale day ever. With the subsequent cancellation of the live performances in December 2020 BRB had only had two weeks to organise the filming and selling of *The Nutcracker* in time for the live streamed first show on 18 December 2020. BRB commissioned renowned dance for film-maker, Ross MacGibbon, to create both a livestream and video-on-demand version to distribute the TicketCo platform. Livestream took place on 18th December, with the VOD film running from the 19-24 December *The Nutcracker at the Rep* sold over 10,400 tickets for the livestream and video on demand running until 24 December 2020 with gross revenue of £142,000

A second cast performance was recorded to make a second film, broadcast during the February 2021 half-term break. This second film is also a learning resource for BRB's LEAP team.

Social media presence and activity grew significantly over the period with Facebook, Twitter and Instagram seeing a 33% increase in BRB page 'likes' in the period. Social media video views exceeded twenty million (459% increase) and social media engagement (reactions, comments and shares on a post) grew by 400% to almost two million.

Carlos Acosta's first major digital commission for BRB, *Empty Stage* was released on 19 February and has been incredibly successful in terms of viewing figures, and responses from online audiences, peer to peer feedback, and press coverage. The full 5 minute film has been watched over 30,000 times on youtube. "*Beautiful. Thank you. Watching this, sorting out screws and bolts in the National Theatre of Scotland Stores, having a quiet greet to myself! Waiting...just waiting...to get up and running again.*"

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. BRB's LEAP work had to go digital when the pandemic started. BRB delivered 411 structured sessions to more than 5,800 participants and created a range of online resources that were free to access.

Our LEAP objectives for the year were to:

- Continue BRB's three flagship programmes by offering an online programme during the Covid 19 pandemic

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

- Offer a programme of online classes, activities and events to provide new insights and build engagement and interactions

Dance Track - BRB's talent development programme for primary school children. Dance Track is key in the work BRB does to encourage arts participation across all ages, genders and backgrounds, opening up the art-form to children and families who otherwise may not engage. BRB re-started Dance Track classes online in summer 2020 and worked with schools to provide laptops to participants who needed them. Despite the challenges of the lock down and covid, 22 Dance Track children were offered pre-vocational training places on either the Royal Ballet School or Elmhurst junior associate programmes in November 2020.

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 has been delivering classes via zoom. This has been a lifeline for many of the 'Freefallers' when so much of their usual activity was interrupted by lockdown. *'I have to tell you Chris is really enjoying the Zoom sessions, so thank you for setting them up. It's lovely for me and Dave too, to be able to watch him dancing!'* – Parent. The dancers also created an animated film launched on Disability Awareness Day which was viewed 11,000 times.

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 six LEAP Ambassadors continued to meet online rather than in person and created a film to celebrate and share their experiences of being a LEAP ambassador. All participants achieved their Bronze Arts Award, an achievement in lockdown. A new cohort of Ambassadors will be recruited in 2021

In September 2020, LEAP partnered with Birmingham Museums Trust at Aston Hall, with a special "Ballet, What's That?" event as part of Birmingham Heritage Weekend. Sadly, this was the only live event delivered by the LEAP team in 2020-21.

BRB obtained the rights to re-broadcast for free the *Ballet Hoo: Ballet Changed My Life* series (Channel 4 – 2006). This was part of our strategy to profile and tell the story of BRB's LEAP work to a wider audience.

A number of free to view classes based on existing BRB programmes were made available online including Baby Ballet, Seated Class and Cinderella for 5-11 years well as well as pay-per-view online ballet training sessions based on *The Nutcracker* delivered by our LEAP team and filmed on stage in *The Nutcracker* sets.

FINANCIAL REVIEW

Birmingham Royal Ballet's primary financial objective for the period was to maintain general, unrestricted reserves (excluding capital reserves) at a minimum of £1,000,000 with a target to grow to £1,500,000 by March 2022.

The group results for the period are set out in the financial statements on page 31 onwards.

The period to 31 March 2021 ended with a surplus on activities including the endowment fund of £3,020,608 (2019-20 deficit £348,472) giving total accumulated reserves of £10,263,618 (2019-20 £5,944,788).

The year-end result demonstrates the success of our commitment to prioritise protection of BRB's performing capability through the pandemic as the best route to recovery by

- Finding opportunities to continue performing and earn income
- Active fundraising including Culture Recovery Funding from Arts Council England and Garfield Weston Foundation
- Use of furlough funding through the Corona Virus Job Retention Scheme

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

This has enabled BRB to protect jobs as well as designate funds for productions and performances which were postponed in 2020-21 to future periods.

The surplus analysed across funds was as follows:

- General unrestricted funds - £2,909,866
- Restricted funds – £671,095
- Endowment funds £737,869

Unrestricted reserves, excluding the capital reserve for the refurbishment of BRB's Thorp Street premises, presently stand at £4,414,490 which is in accordance with the revised reserves policy as outlined on page 23 of this report. Total unrestricted reserves are £6,373,828 (2019-20: £3,463,962) including the designated capital refurbishment reserve of £1,958,928 (2019-20: £2,067,758).

Raising Funds

Primary objectives 2020-21 were to

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

As in previous years our principal funding sources are:

- Arts Council England – £8,036,194 (2019-20: £7,891,000) revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering performances and activities including touring nationally, middle scale touring, audience development activity and our learning and outreach programme.
- Birmingham City Council – £157,850 (2019-20: £154,000) revenue funding to contribute towards BRB's core operating costs and the costs of delivering performances and learning and outreach activities primarily in Birmingham.

Core revenue funding from our major revenue funders, Arts Council England and Birmingham City Council, accounted for 60% of total income (2019-20: 52%).

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

2021-22 - £8,036,000

2022-23 - £8,036,000

Birmingham Royal Ballet received £2,777,918 furlough grant income from the government towards a total staff cost of £8,021,102 for the year. From April 2020 to July 2020 up to 87% of BRB staff were furloughed. Dancers, ballet staff and technical/wardrobe staff returned to rehearsal studios, offices and workshops from August 2020 working on a part furlough basis to the end of calendar year 2020. The second full lockdown in January 2021 led to another two months of full furlough for approximately 75% of the company. BRB made its final furlough grant claim for May 2021. Furlough grant income has been vital in enabling BRB to preserve vital skills to enable the company to adapt its activity, return to performance and thereby continue to thrive during the covid pandemic. BRB has used furlough flexibly to protect most jobs and offered a limited voluntary leavers programme to reduce core salary cost and open up opportunity to restructure.

BIRMINGHAM ROYAL BALLET

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

BRB was awarded £500,000 from Arts Council England's first round of Culture Recovery Funding (October 2021). This funding supported

- Adapted performances during Autumn and Christmas 2020
- Digital Relay *Lazuli Sky* programme, Birmingham Town Hall '*BRB at 30*' and *The Nutcracker*
- Live and digital audience development plan from July 2021 working with the TRG consultancy.
- Voluntary Leavers Scheme, completed 31 March 2021 with 14 leavers plus existing vacancies creating capacity for restructuring.

In February 2021, BRB was awarded £600,000 from the Garfield Weston Foundation to support recovery from the impact of the COVID-19 pandemic. The grant was one of the largest awards and secured against significant competition. The grant will support increase in the infrastructure and expertise to create and distribute digital content and enable BRB to invest in a state-of-the-art, energy-efficient lighting rig which will be in use by Christmas 2021.

In March 2021, BRB was awarded a further £175,000 from the second round of Arts Council England's Culture Recovery funding to support investment in digital content and capital investment in a 'covid-safe' workplace at BRB stores between April and June 2021.

Total income from donations, membership schemes and other fundraising activity during the year was £1,675,430 (2019-20: £1,246,280) of which donations (including legacies) from private individuals were £570,653 (2019-20 £547,054).

We would like to take this opportunity to acknowledge the contribution Mr Charles Glanville, former Birmingham Royal Ballet board member and longstanding supporter of BRB's Big Give Christmas appeal, for increasing his annual support of this campaign in 2020. Charles provided the entire £25,000 match funding required for the 2020 Christmas appeal. This funding enabled BRB to release the 'champion funds' generously provided by The Reed Foundation to reach £94,000 total income from the Big Give Appeal.

Income from trusts and foundations for the year was £1,510,957 (2019-20: £699,226).

We have been successful in growing grant income and would like to acknowledge the support of the following trusts and foundations that have supported Birmingham Royal Ballet during 2020-21:

Alison Hillman Charitable Trust

Austin and Hope Pilkington Trust

Baron Davenport's Charity

Bayfield Charitable Trust

Dumbreck Charity

Edgar E. Lawley Foundation

Eveson Charitable Trust

FEDORA

George Fentham Birmingham Charity

GJW Turner Trust

GNC Trust

Henry James Sayer Charity

IMI Critical Engineering Charitable Appeals Committee

Langdale Trust

BIRMINGHAM ROYAL BALLET

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

Limoges Charitable Trust
M K Rose Charitable Trust
Michael Watson Charitable Trust
OAK Foundation
Quayle Charitable Trust
Richard Cadbury Charitable Trust
Souter Charitable Trust
St Jude's Trust
St Thomas' Dole Charity
Stanley Picker Trust
The Arts Society Birmingham
The Bernard Piggott Charitable Trust
The Brian Shaw Memorial Trust
The Calleva Foundation
The Cecil King Memorial Foundation
The Charles Brotherton Trust
The Chatwin Trust
The Clore Duffield Foundation
The Foyle Foundation
The Goodenough Charitable Trust
The Grantham Yorke Trust
The Grey Court Trust
The Grimmitt Trust
The H Steven & P E Wood Charitable Trust
The Hawthorne Charitable Trust
The James Frederick & Ethel Anne Measures Charity
The John Avins Trust
The John S Cohen Foundation
The John Sumner Trust
The Kirby Laing Foundation
The Linbury Trust
The Loppylugs & Barbara Morrison Charitable Trust
The Lord Austin Trust
The Marchus Trust
The Marsh Charitable Trust
The Michael Bishop Foundation

BIRMINGHAM ROYAL BALLET

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

The Michael Marsh Charitable Trust
The Owen Family Trust
The Patricia Routledge Charitable Trust
The Peter and Teresa Harris Charitable Trust
The S and D Lloyd Charity
The Saintbury Trust
The Sterry Family Foundation
The Sylvia Adams Charitable Trust
The Vandervell Foundation
The Wilmcote Charitrust
W E Dunn Charitable Trust
The Keith Coombs Trust
The Reed Foundation
Royal Opera House Benevolent Fund

The £80,000 funding from The Linbury Trust contributed to the significant cost of filming *The Nutcracker at The Rep* and supported the cost of student dancers participating in the production.

Charitable Activities

Income from charitable activities in 2020-21 was £448,405 (2019-20: £5,160,680). This includes box office income for live and digital performances to £153,007 (2019-20: £3,442,351). Birmingham Royal Ballet received Theatre Tax Credit income of £849,328 in respect of 2019-20 (against an initial estimate of £740,000). It is estimated that Theatre Tax Credit for 2020-21 will be in the region of £160,000. The Theatre Tax Credit regime is a positive recognition of the contribution that both commercial and subsidised theatre makes to the economy and will help BRB to continue its commitment to investment in both new works and major revivals.

Expenditure on charitable activities in the year was £10,168,223 equivalent to 94% of total expenditure (2019-20: £14,861,650 equivalent to 96% of total expenditure).

BRB's Board approved net £250,000 investment (excluding salary costs) in the autumn programme (50% of BRB's planned artistic budget for autumn 2020). Carlos Acosta selected a flexible repertoire of new works for the company that could be covid-safe with minimal sets and costumes. *Lazuli Sky* Triple Bill was BRB's first pay-per-view filmed show and sold 2,361 online tickets at an average price of £15, generating £27,000 which was shared between BRB and venue partners who helped to promote the online presentation.

BRB has successfully reduced costs of performances by adapting productions including *The Nutcracker* in Birmingham - (December 2020) and *Cinderella* (May 2021 postponed from March 2021) to deliver high quality and spectacular productions whilst ensuring running costs were commensurate with expected income.

Other cost and cash-flow mitigations employed to protect the organisation against loss of income during and after the Covid 19 pandemic:

- VAT payment postponed to 2021
- Pay and recruitment freeze including pay reductions for senior staff and across the wider organisation some pay elements converted to annual leave or waived in recognition of protection of core salary through the period to December 2020
- Reduction of office space to make permanent savings from 2021 onwards.

BIRMINGHAM ROYAL BALLET

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

- A structured review of costs with the aim to reduce organisational overheads including core salary costs by £1m.

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.

Looking forward to the financial year to 31 March 2022, Arts Council England (ACE) have confirmed that they want National Portfolio Organisations (NPO) to focus on plans that support their resilience and sustainability. The next full NPO funding period will start from 1 April 2023. BRB has successfully applied for NPO funding for the transitional 2022-23 financial year for funding of £8,036,000 which means that BRB has confirmed funding through to 31 March 2023. BRB is well placed to respond to the expectations of Arts Council England's new 10 year strategy, 'Let's Create'. Carlos Acosta's programming is gaining international recognition, BRB is rated 'strong' for the Creative Case for Diversity (critical achievement for securing future funding) and an emerging skills strategy will focus on talent development and routes into theatre and creative industries.

Financial modelling for the period through to 31 March 2023 anticipates a two years of investment in artistic programming supported by reserves set aside for this purpose, as outlined in the updated reserves policy, and growth in fundraising. Further to the voluntary leavers programme in 2021 there will be some organisational restructuring. This includes the Brand and Marketing team to establish a clear distinction and focus on earned income and audience growth with a separate team to focus on digital content creation and distribution. BRB's fixed cost base actively managed including contract reviews, review of vacancies prior to any recruitment and reduction in leased office space.

BRB also secured a significant culture recovery grant of £600,000 from Garfield Weston Foundation to fund capital investment in a new efficient lighting rig and digital infrastructure.

Programme plans for the period to 31 March 2022 have been finalised and plans to 31 March 2023 are well progressed. Modelling for 2021-22 includes reduced income assumptions based on some uncertainty around returning to theatres in autumn and winter 2021. To support different audience choices we have maintained a number of socially distanced performances during autumn 2021

Should earned income be lower than anticipated due to ongoing uncertainty reducing audience confidence in combination with inflationary pressures, the Board will consider requesting permission from Arts Council England to use a portion of the ACE Catalyst Funding, which contributed the match funding for BRB's Catalyst/Cadbury Family Endowment, to support financial resilience as outlined in Culture Recovery Funding guidelines. The Directors continue to take all available steps to maintain sufficient resources in order that Birmingham Royal Ballet can continue and based on projections and available information, have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due 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

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The primary risk during 2020-21 was the impact of the covid pandemic on the long-term stability of Birmingham Royal Ballet and the wider performing arts and theatre sector. This includes assessing the impact of an extended period of closure into autumn 2021 for many of BRB's partner venues as well as the impact of varying audience confidence, changing disposable income, supply chain disruption and inflation into 2022.

During 2020-21 BRB has successfully managed risk through a combination of:

- Corona Virus Job Retention Scheme to fund salary cost and protect jobs
- Culture Recovery funding
- Managed return to performing activity to maintain performance capability of the company and earn income
- Moving activity online to maintain contact and affinity with existing supporters and to create opportunity to engage with new audiences
- Cost management including a limited voluntary leavers scheme

PLANS FOR FUTURE PERIODS

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

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

RAISING FUNDS

- Continuing to meet the funding requirements of Arts Council England wherever possible through a revised programme of live and digital performances and LEAP activity through to 31 March 2021 as a bridge to 2021-22 and beyond in preparation for a new NPO funding round in 2023
- Submitting an application to Arts Council England for extension the extension of NPO funding for period to 31 March 2023. The application was submitted on 15 September 2021 and funding for 2022-23 was confirmed on 17 December 2021
- Outline strategic goals to respond to Arts Council England's 'Lets Create' strategy and deliver a full NPO application by 26 April 2022

CHARITABLE ACTIVITIES:

Performance and Production

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

BIRMINGHAM ROYAL BALLET

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

- Returning to the Royal Albert Hall for a fourth season of performances of *The Nutcracker* in December 2021
- Premiere and tour a new production of *Don Quixote* in February 2022

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:

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

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

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

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

GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

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

FINANCIAL STABILITY

- 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

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 Manager or Chief Operating Officer.
- **Financial reporting and review** – A company finance report and forecast to the year-end is presented at each Board and Finance and General Purposes Committee meeting. All Senior Managers receive a copy of this finance report in addition to their individual monthly budget reports. Where significant variances against budget are identified, compensating actions are identified and agreed by the Senior Management Team. This will usually involve identifying cost savings as performing activity for the year is fixed at least a year in advance and our major sources of income are also fixed. The major financial risk that faces the organisation is a shortfall in earned income sources such as box office income and fundraising income. Both these income sources can be highly variable and are subject to a number of influences that are outside the direct control of Birmingham 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.

BIRMINGHAM ROYAL BALLET

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

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 with a priority to invest in skills and employment. This reflects the fact that delivery of BRB's charitable objectives is dependent on our highly skilled performers and staff, the Company's most important asset and staff costs constituting the largest single element of charitable expenditure.

Reserves

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

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

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

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

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

Other designated funds include:

- **Capital Grant Fund** – being funds designated for investment in major projects to purchase new or replace existing fixed assets. This fund will be used to support further investment in BRB's premises to ensure space is used to best effect and that all office work areas are of an appropriate standard. This fund will be used to support re-configuration of office space to create a safe, post Covid work environment in 2020-21
- **Thorp Street Refurbishment** - being the funds relating to the Thorp Street refurbishment works. This fund is expended over 25 years from 2014/15. This fund could only be realised by disposal of the BRB Thorp Street premises which is leased by Birmingham Royal Ballet from Birmingham Hippodrome on a 125 year lease from 2001
- **Community Engagement Fund** – represents funds received from the sale of investments by Birmingham Royal Ballet Trust prior to the winding up of the Trust on 31 March 2005 to support educational activities particularly in association with dance and choreographic training. The use of these funds has been widened and re-designated to support further development of our community engagement activity in accordance with our 2015-18 Business Plan. This fund will be used to support the development of our participation and engagement programmes in Birmingham and on

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT (INCLUDING THE STRATEGIC REPORT)

(continued)

tour particularly in support of open access opportunities with the intention that the fund will be expended by 2025

- **New Productions Fund** - to support investment in new productions that will increase the repertory available for performances where funding is not available from private philanthropic sources. This fund will be used to support productions of new one act ballets in the NPO period to 2022.

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

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

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

Investments:

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

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

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

- Financial return;
- Protection against inflation in addition to offering a financial return;
- Risk of default; and
- Tradeability in the event of the need to liquidate assets.

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

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

Acceptable risk - Funds invested for the short to medium term will be held in low risk deposit accounts or fixed interest investments in order to avoid significant reductions in capital value and will be available to liquidate over a maximum of 12 months. Long term investments and endowments will be held across a mixed portfolio of investments to achieve both capital growth and return over the long term (minimum of five to seven years). It is accepted that some investments within the portfolio may be higher risk but overall the portfolio should not be exposed

BIRMINGHAM ROYAL BALLET

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

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.


AUDITOR

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

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

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

This Directors Report (including the Strategic Report) was approved and authorised for issue by the Directors on 26 January 2022.

DocuSigned by:

D51BFE9056C04A6...
Sir David Normington
Chair of the Board

BIRMINGHAM ROYAL BALLET

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

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

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

In so far as the directors are aware:

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

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

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2021 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception


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

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Sarah Anderson FCCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

1/26/2022

BIRMINGHAM ROYAL BALLET
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including consolidated income and expenditure account)
Year ended 31 March 2021

	Notes	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £	Total 2020 £
Income from:						
Grants, Donations and Legacies	3	9,893,562	3,856,330	-	13,749,892	9,465,680
Charitable activities:						
Performance and related activities	4	508,405	-	-	508,405	5,160,680
Other trading activities	5	103,523	-	-	103,523	791,385
Investments	6	5,437	-	56,084	61,521	70,568
Total income		10,510,927	3,856,330	56,084	14,423,341	15,488,313
Expenditure on:						
Raising funds	7	632,887	-	-	632,887	698,550
Charitable activities						
Production and Performance	8	9,455,261	303,217	-	9,758,478	13,954,208
Orchestra Projects	8	62,244	-	-	62,244	365,760
Education Projects	8	228,587	104,100	-	332,687	525,865
Other expenditure		-	-	14,814	14,814	15,817
Total expenditure		10,378,979	407,317	14,814	10,801,110	15,560,200
Net income/(expenditure) before investment gains and losses	10	131,948	3,449,013	41,270	3,622,231	(71,887)
Net gain/(loss) on investments		-	-	696,599	696,599	(276,585)
Net income/(loss) for the year		131,948	3,449,013	737,869	4,318,830	(348,472)
Transfers between funds	19	2,777,918	(2,777,918)	-	-	-
NET MOVEMENT IN FUNDS		2,909,866	671,095	737,869	4,318,830	(348,472)
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,463,962	198,087	2,282,739	5,944,788	6,293,260
Net movement in funds for the year		2,909,866	671,095	737,869	4,318,830	(348,472)
Total funds carried forward	19	6,373,828	869,182	3,020,608	10,263,618	5,944,788

BIRMINGHAM ROYAL BALLET

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including consolidated income and expenditure account) Year ended 31 March 2021

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

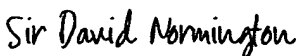
The net income/(expenditure) of parent charity for the year for Companies Act purposes is £3,318,830 (2020: (£348,472)). As permitted by Section 408 of the Companies Act 2006, no separate Statement of financial activities is presented in respect of the parent charity.

See note 12 for comparative Statement of Financial Activities for the period ended 31 March 2020.

BIRMINGHAM ROYAL BALLET**BALANCE SHEETS****As at 31 March 2021**

	Note	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
FIXED ASSETS					
Tangible assets	13	2,235,397	2,330,730	2,235,397	2,330,730
Investment assets	14	3,020,608	2,282,739	3,020,609	2,282,740
		<u>5,256,005</u>	<u>4,613,469</u>	<u>5,256,006</u>	<u>4,613,470</u>
CURRENT ASSETS					
Stocks	15	89,041	99,731	89,041	99,731
Debtors	16	1,850,881	3,219,831	1,850,882	2,526,341
Cash at bank and in hand		4,526,389	551,547	4,526,389	551,547
		<u>6,466,311</u>	<u>3,871,109</u>	<u>6,466,312</u>	<u>3,177,619</u>
Creditors: amounts falling due within one year	17	<u>(1,458,698)</u>	<u>(2,539,790)</u>	<u>(1,458,698)</u>	<u>(1,846,300)</u>
Net Current Assets		<u>5,007,613</u>	<u>1,331,319</u>	<u>5,007,613</u>	<u>1,331,319</u>
Total Assets Less Current Liabilities		<u>10,263,618</u>	<u>5,944,788</u>	<u>10,263,618</u>	<u>5,944,789</u>
Creditors: amounts falling after one year	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u><u>10,263,618</u></u>	<u><u>5,944,788</u></u>	<u><u>10,263,618</u></u>	<u><u>5,944,789</u></u>
FUNDS					
Unrestricted funds:					
General Funds	19	2,587,245	913,037	2,587,246	913,038
Designated funds	19	3,786,583	2,550,925	3,786,583	2,550,925
Restricted funds					
Endowment funds	19	869,182	198,087	869,187	198,087
	19	3,020,608	2,282,739	3,020,608	2,282,739
		<u>10,263,618</u>	<u>5,944,788</u>	<u>10,263,618</u>	<u>5,944,789</u>

These financial statements of Birmingham Royal Ballet registered number 3320538 were approved by the Board of Directors and authorised for issue on 26 January 2022. They were signed on its behalf by:

DocuSigned by:

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Sir David Normington
Chair of the Board

BIRMINGHAM ROYAL BALLET

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2021

	Notes	Total 2021 £	Total 2020 £
Cash flows from operating activities:			
<i>Net cash provided by / (used in) operating activities</i>	23	4,077,097	(345,706)
Cash flows from investing activities:			
Interest received		5,437	2,221
Dividends received		56,084	68,347
Purchase of property, plant and equipment		(125,686)	(87,010)
Proceeds from sale of tangible fixed asset		3,181	11,999
Movements in investment portfolio		(41,271)	47,470
<i>Net cash flows (used in)/ provided by investing activities</i>		(102,255)	43,027
Net increase / (decrease) in cash and cash equivalents		3,974,842	(302,679)
Cash and cash equivalents at beginning of year		551,547	854,226
Cash and cash equivalents at the end of the year		4,526,389	551,547
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		4,526,389	551,547
Cash equivalents		-	-
Cash and cash equivalents		4,526,389	551,547

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

1. ACCOUNTING POLICIES

The principal accounting policies are set out below.

Company and charitable status

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

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

Basis of accounting

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

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

Basis of Consolidation

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

Preparation of financial statements - going concern basis

These accounts have been prepared on the going concern basis.

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

The group and company manages its activities with positive unrestricted bank balances. The company's forecasts and projections are cautious and include assumptions regarding social distancing in summer 2021 and continuing for some performances in autumn 2021. The option to withdraw funding from the Endowment Fund if required and the recent announcement (October 2021) of an increase in the rate of Theatre Tax Relief show that the company should be able to continue to operate on this basis.

Revenue grant funding represents the company's largest income stream and Birmingham Royal Ballet is dependent on the continuing financial support of Arts Council England which has confirmed its commitment to fund Birmingham Royal Ballet to 31 March 2023; committing revenue funding of £8,036,000 per annum for the period.

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

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

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

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

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 2021

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 2021

Tangible fixed assets and depreciation

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

Office equipment	5% - 25% per annum
Computer equipment	25% per annum
Technical equipment	10% - 33.3% per annum
Premises transferred from Royal Opera House:	Written off over the remaining life of the lease

Investments

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

Investments in subsidiary undertakings are measured at cost less impairment.

Stocks

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Operating leases

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

Employee benefits

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

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

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

Financial instruments

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

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

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

3. INCOME FROM GRANTS, DONATIONS & LEGACIES

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

	2020 Un- restricted funds £	2020 Restricted funds £	2020 Endowment funds £	2020 Total funds £
Arts Council England				
Revenue funding	7,891,000	-	-	7,891,000
Cross Border Touring	114,400	-	-	114,400
Digital Transformation Project	-	60,000	-	60,000
Birmingham City Council				
Revenue funding	154,000	-	-	154,000
Arts Champions	-	-	-	-
Donations				
Grants – Trusts and Foundations	175,500	523,726	-	699,226
Donations	174,236	256,796	-	431,032
Legacies	116,022	-	-	116,022
	<u>8,625,158</u>	<u>840,522</u>	<u>-</u>	<u>9,465,680</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

4. INCOME FROM PERFORMANCE AND RELATED ACTIVITIES

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

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

5. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Memberships	103,523	156,501
Sponsorship	-	45,428
Sale of merchandise	-	11,548
Commissioning Fee	-	577,908
	<u>103,523</u>	<u>791,385</u>

6. ANALYSIS OF INCOME FROM INVESTMENTS

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

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

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2021**7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS**

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

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

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

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

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

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

9. ANALYSIS OF SUPPORT COSTS

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

Governance costs included in the above amount to £222,962 in 2020-21 (2019-20: £188,864).

2020 Comparatives

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

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
Income (Expenditure) is stated after charging:		
Depreciation of owned assets	198,558	203,944
Rentals under operating leases	230,589	243,125
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	20,130	19,550
- Fees payable for the audit of the company's subsidiary	3,190	3,100
- Fees payable to the company's auditor for other services:		
- Taxation services	-	4,500
	<u></u>	<u></u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2021**11. ANALYSIS OF GROUP AND COMPANY STAFF COSTS, DIRECTOR REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL**

The average monthly number of employees was:

	2021 No.	2020 No.
Raising funds	8	9
Charitable activities	159	170
Support	15	15
	<u>182</u>	<u>194</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	7,021,461	7,873,757
Social security costs	630,212	713,343
Pension costs (including Dancers Career Development fund)	369,429	391,588
	<u>8,021,102</u>	<u>8,978,688</u>

The aggregate remuneration above includes termination payments of £332,126 (2019-20: £169,125) including £nil additional pension contributions (2019-20 £28,300). 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:

	2021 No.	2020 No.
£60,001 - £70,000	7	11
£70,001 - £80,000	5	3
£80,001 - £90,000	2	4
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£250,001 - £260,000	1	-
	<u>1</u>	<u>-</u>

The key management personnel of the Group and Company are listed on page 6. The total remuneration (including pension contributions and social security costs) of the key management personnel of the Group and Company for the year totalled £414,325 (2020: £267,832).

Directors' Remuneration

No Directors received remuneration during the current or prior year. Total travel and subsistence expenses of £nil (2020: £2,038) were paid to nil directors (2020: 3 directors).

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2021**12. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 March 2020**

	Notes	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £
Income from:					
Grants, Donations and Legacies	3	8,625,158	840,522	-	9,465,680
Charitable activities:					
Performance and related activities	4	5,160,680	-	-	5,160,680
Other trading activities	5	791,385	-	-	791,385
Investments	6	2,221	-	68,347	70,568
Total income		14,579,444	840,522	68,347	15,488,313
Expenditure on:					
Raising funds	7	698,550	-	-	698,550
Charitable activities					
Production and Performance	8	13,284,744	669,464	-	13,954,208
Orchestral Projects	8	365,760	-	-	365,760
Education Projects	8	399,915	125,950	-	525,865
Other resources expended		-	-	15,817	15,817
Total expenditure	10	14,748,969	795,414	15,817	15,560,200
Net gain/(loss) on investments		-	-	(276,585)	(276,585)
Net income/(loss) for the year		(169,525)	45,108	(224,055)	(348,472)
Transfers between funds		100,000	-	(100,000)	-
NET MOVEMENT IN FUNDS		(69,525)	45,108	(324,055)	(348,472)
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,533,487	152,979	2,606,794	6,293,260
Net movement in funds for the year		(69,525)	45,108	(324,055)	(348,472)
Total funds carried forward	19	3,463,962	198,087	2,282,739	5,944,788

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 2021

13. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Short Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2020	2,998,234	427,739	1,526,810	4,952,783
Additions	40,876	2,822	81,988	125,686
Disposals	(92,292)	-	(104,615)	(196,907)
At 31 March 2021	<u>2,946,818</u>	<u>430,561</u>	<u>1,504,183</u>	<u>4,881,562</u>
Depreciation				
At 1 April 2020	930,364	380,614	1,311,075	2,622,053
Charge for the year	112,918	23,223	62,417	198,558
Disposals	(92,181)	-	(82,265)	(174,446)
At 31 March 2021	<u>951,101</u>	<u>403,837</u>	<u>1,291,227</u>	<u>2,646,165</u>
Net book value				
At 31 March 2021	<u>1,995,717</u>	<u>26,724</u>	<u>212,956</u>	<u>2,235,397</u>
At 31 March 2020	<u>2,067,870</u>	<u>47,125</u>	<u>215,735</u>	<u>2,330,730</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

14. FIXED ASSET INVESTMENTS – GROUP AND CHARITY	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Investments listed or traded on a recognised stock exchange	3,020,608	2,282,739	3,020,608	2,282,739
Subsidiary undertakings	-	-	1	1
	<u>3,020,608</u>	<u>2,282,739</u>	<u>3,020,609</u>	<u>2,282,740</u>

	2021 £	2020 £
Investments listed or traded on a recognised stock exchange		
Market value at 1 April 2020	2,260,293	2,493,967
Additions	403,561	375,542
Disposal proceeds	(421,293)	(332,631)
Unrealised/realised investment gains/(losses)	696,599	(276,585)
Cash held with investment manager	81,448	22,446
Closing value at 31 March 2021	<u>3,020,608</u>	<u>2,282,739</u>

	2021		2020	
	Market value £	% of portfolio	Market value £	% of portfolio
UK equities	884,368	29%	624,280	27%
Overseas equities	1,137,464	37%	868,250	38%
UK fixed income	290,074	10%	201,728	9%
Overseas fixed income	60,334	2%	97,828	4%
Alternative assets	291,134	10%	259,287	12%
UK property	275,786	9%	208,920	9%
Cash	81,448	3%	22,446	1%
	<u>3,020,608</u>	<u>100%</u>	<u>2,282,739</u>	<u>100%</u>

The historical cost of the investments is £1,870,144 (2020: £1,887,876). Post year-end the value of investments has increased to £3,38,631 at 11 November 2021.

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Subsidiary undertakings				
Cost				
At 1 April 2020 and 31 March 2021	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2021**14. FIXED ASSET INVESTMENTS (continued)**

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

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

Profit and Loss account for the year ended 31 March 2021

	2021	2020
	£	£
Turnover	-	807,932
Cost of sales	-	867,587
	<u> </u>	<u> </u>
Gross Loss	-	(59,655)
	<u> </u>	<u> </u>
Operating Loss	-	(59,655)
	<u> </u>	<u> </u>
Loss before taxation	-	(59,655)
Theatre Tax Relief	-	59,655
	<u> </u>	<u> </u>
Profit for the financial year attributable to the equity shareholders of the Company	<u> </u>	<u> </u>

Balance Sheet at 31 March 2021

	2021	2020
	£	£
Current assets		
Debtors	59,681	753,146
	<u> </u>	<u> </u>
Creditors: amounts falling due within one year	59,680	753,145
	<u> </u>	<u> </u>
Net current assets	1	1
	<u> </u>	<u> </u>
Total assets less current liabilities	1	1
	<u> </u>	<u> </u>
Net assets	1	1
	<u> </u>	<u> </u>
Capital and reserves		
Called-up share capital	1	1
	<u> </u>	<u> </u>

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 20211 1**15. STOCKS - GROUP AND CHARITY**

	2021 £	2020 £
Shoes	89,041	93,864
Merchandise	-	5,867
	<u>89,041</u>	<u>99,731</u>

16. DEBTORS

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Trade debtors	58,494	1,587,817	58,494	894,327
Other debtors	1,339,413	1,199,186	1,279,734	1,139,531
Amount owed by subsidiary undertaking	-	-	59,680	59,655
Prepayments and accrued income	452,974	432,828	452,974	432,828
	<u>1,850,881</u>	<u>3,219,831</u>	<u>1,850,882</u>	<u>2,526,341</u>

Other debtors include £63,375 (2020: £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 2021

17. CREDITORS: Amounts falling due within one year

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Bank loans	-	43,332	-	43,332
Trade creditors	458,278	1,224,352	458,278	530,861
Other creditors	381,921	406,690	381,922	406,691
Taxation and social security	251,779	391,020	251,779	391,020
Accruals and deferred income	366,720	474,396	366,720	474,396
	<u>1,458,698</u>	<u>2,539,790</u>	<u>1,458,699</u>	<u>1,846,300</u>

Movements in deferred income (Group and Charity):

	2021 £	2020 £
Balance at 1 April 2020	120,180	282,170
Amounts released during the period	(104,180)	(281,669)
Deferred in the current period	104,214	119,679
Balance at 31 March 2021	<u>120,214</u>	<u>120,180</u>

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

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

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

	2021 £	2020 £
Bank loans	-	-
	<u>-</u>	<u>-</u>

Bank loans are repayable as follows:

	2021 £	2020 £
Within one year	-	43,332
Between one to two years	-	-
Between two to five years	-	-
More than five years	-	-
	<u>-</u>	<u>43,332</u>

19. MOVEMENTS ON FUNDS

a) Restricted Funds (Group and Charity)

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

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2021**19. MOVEMENTS ON FUNDS (continued)**
a) Restricted Funds (Group and Charity)

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

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

The Coronavirus Job Retention Scheme was utilised when our operations were adversely affected by coronavirus (COVID-19). As a result, a large number of employees were furloughed during the financial year. A grant was received to cover a portion of their usual monthly wage costs where employees were recorded as being on furlough. The grant was received as restricted income and transferred to fund unrestricted employee costs.

The Big Give 2020 and 2019 campaign raised funds for the refurbishment of our Nutcracker sets and costumes.

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

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

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

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2021

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

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

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

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

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

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

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

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

19. MOVEMENTS ON FUNDS (continued)

c) Unrestricted, undesignated funds (Group):

	At 1 April 2020 £	Net inflows in the period £	Transfer in the period £	At 31 March 2021 £
General funds	913,037	352,027	1,322,181	2,527,245
	<u>913,037</u>	<u>352,027</u>	<u>1,322,181</u>	<u>2,527,245</u>

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

c) Unrestricted, undesignated funds (Charity):

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

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

BIRMINGHAM ROYAL BALLET**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021****19. MOVEMENTS ON FUNDS (continued)**

d) Endowment funds (Group and Charity):

	At 1 April 2020 £	Inflows in the period £	Transfer in the period £	At 31 March 2021 £
Catalyst/Cadbury Family Endowment Fund	2,282,739	737,869	-	3,020,608
	<u>2,282,739</u>	<u>737,869</u>	<u>-</u>	<u>3,020,608</u>
	At 1 April 2019 £	Outflows in the period £	Transfer in the period £	At 31 March 2020 £
Catalyst/Cadbury Family Endowment Fund	2,606,794	(224,055)	(100,000)	2,282,739
	<u>2,606,794</u>	<u>(224,055)</u>	<u>(100,000)</u>	<u>2,282,739</u>

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

19. MOVEMENTS ON FUNDS (continued)

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

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

2020 Comparatives

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

19. MOVEMENTS ON FUNDS (continued)

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

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Endowment funds £	2021 Total funds £
Investments	1	-	3,020,608	3,020,609
Cash at Bank and in Hand	3,587,509	938,880	-	4,526,389
Debtors	1,850,882	-	-	1,850,882
Stocks	89,041	-	-	89,041
Fixed Assets	2,212,595	22,802	-	2,235,397
Creditors	(1,366,199)	(692,500)	-	(2,658,699)
	<u>6,373,827</u>	<u>869,182</u>	<u>3,020,608</u>	<u>10,263,619</u>

2020 Comparatives

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

20. EMPLOYEE RETIREMENT BENEFITS

The company contributes to two group personal pension schemes. The cost to the company for the period ended 31 March 2021 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2021 £	2020 £
Birmingham Royal Ballet Pension Scheme	312,656	323,312
Musicians' Union Pension Scheme	12,036	20,911
	<u>324,692</u>	<u>344,223</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2020-21 the company contributed a total of £44,737 (2019-20: £47,365).

As of 31 March 2021 there were £62,127 outstanding contributions due in respect of the current reporting period (2020: £61,651).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2021

21. FINANCIAL COMMITMENTS – GROUP AND CHARITY

Operating lease commitments

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

	2021		2020	
	Land and buildings £	Other £	Land and buildings £	Other £
Charity				
- expiring within one year	81,750	7,087	133,750	7,087
- expiring between one and five years	-	14,092	75,000	21,180
	<u>81,700</u>	<u>21,179</u>	<u>208,750</u>	<u>28,267</u>

22. RELATED PARTY TRANSACTIONS

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

Total donations received from the directors during the year was £5,398 (2020: £34,075).

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

23. CASHFLOW STATEMENT

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

	2021 £	2020 £
Net income / (expenditure) for the year (before investment gains and losses)	3,622,231	(71,887)
Adjustments for:		
Dividends and interest receivable	(61,521)	(70,568)
Depreciation charges	198,558	203,944
Profit on the disposal of tangible fixed asset	19,280	(5,039)
Operating cash flow before movement in working capital	<u>3,778,548</u>	<u>56,450</u>
Decrease / (Increase) in stocks	10,690	(17,238)
Decrease / (Increase) in debtors	1,368,951	(168,074)
(Decrease) in creditors	(1,081,092)	(216,844)
Net cash provided by / (used in) operating activities	<u><u>4,077,096</u></u>	<u><u>(345,706)</u></u>