

Northern Ballet Limited

Report of the Trustees and Financial Statements

For the year ended 31 March 2021

Company information

Company Registration Number :	00947096
Charity Registration Number :	259140
Registered Office :	2 St Cecilia Street Quarry Hill Leeds LS2 7PA
Royal Patron :	HRH The Earl of Wessex
Trustees :	Sir David Wootton Mr Javaad Alipoor Ms Carol Arrowsmith Cllr Judith Blake Mr Daniel Evans (resigned 31 March 2021) Mr Jolyon Harrison Mrs Elizabeth Jackson Mr Clive Lloyd Mr Philip Keller Mrs Kyla Mullins Mr Kevin O'Hare Mr John Procter Ms Anita Rani Mr Graham Smith Mr Paul Smith
Company Secretary :	Mr Richard Coram
Artistic Director :	Mr David Nixon
Chief Executive :	Mr Mark Skipper
Bankers :	Lloyds Bank Plc 65-68 Briggate Leeds LS1 6LH
Solicitors :	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Auditors:	Grant Thornton UK LLP Statutory Auditor Chartered Accountants No 1 Whitehall Riverside Leeds LS1 4BN

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Chairman's Report

For the second year running the Report of the Trustees – and the accompanying financial statements – are dominated by the effects of the Covid-19 pandemic. As I said last year, not many activities are less susceptible to social distancing than ballet: not merely theatres shut and our own building inaccessible for a long period, with everyone obliged to “work from home”, but the act of dance involves close contact with others, necessitating the creative development of ways of working within the rules and the precautions so that the company was ready to perform when performance was possible while everyone involved “stayed safe”.

It is with great pride, therefore, that I report that every element of the company has continued its activities in whatever way possible: our dancers, orchestra, Academy, Learning, our digital programme, our support and administrative teams, all have combined to remain engaged and cohesive so that the entire company is in good shape and ready for whatever comes next: our digital work, for example, has attracted over two million views in 60 countries, taking us to many new audiences. I write this just after we have successfully opened with David Nixon's *Dangerous Liaisons* in Leeds and ahead of the world premiere of Drew McOnie's *Merlin* later this month, and in the knowledge that student numbers in the Academy are strong and our online classes have expanded.

You will read later in this report of the very small number of performances we were able to stage in the year reported on; since then we have had short seasons in three venues in June 2021 – at the Leeds Grand we gave the last performance there before lockdown, in March 2020, and the first there after lockdown, in June 2021 - and we are now embarked on our autumn season, to the great joy of all within the company, and our many benefactors, donors and supporters.

Credit for all this rightly goes to all within the company, many of whom have had to endure difficult working arrangements but have persevered. I have particular words of praise and congratulations to David Nixon, our Artistic Director, and Mark Skipper, our Chief Executive, who have shown great leadership, creativity and imagination in working through an unpredicted, unpredictable and constantly changing situation: no-one should underestimate the complexities of rehearsal schedules for more than one ballet concurrently with dancers arranged in separate bubbles to keep everyone safe. My thanks to all.

Thanks and appreciation too to Central Government, in particular to DCMS, and to Arts Council England for their awareness of the effects of the pandemic on the performing arts, their resulting policies and their financial support, without which none of what I describe above would have been possible. The Treasury's Job Retention Scheme, the Government's Cultural Recovery Fund and the additional grant from ACE have enabled us to keep anyone's financial loss to a minimum. The supportive attention and constructive advice of the ACE representatives working with Northern Ballet have been similarly invaluable, and greatly appreciated.

Perhaps the most significant single event for the company in recent times is the retirement in December 2021, announced in May, of David Nixon, our longest serving Artistic Director, after 20 hugely successful years of artistic leadership. David took the legacy of Christopher Gable and built on it to transform Northern Ballet into the internationally renowned, commercially thriving company it is, recognised around the world for artistic excellence. David's talent as an artistic leader and the loyalty and dedication he has created in his dancers are shown by the cohesion and performance levels which the company has maintained during the pandemic and are now evident as we resume performing. We are very grateful to David for all he has done.

Chairman's report (continued)

I am grateful too to my board colleagues for all their attention and diligence in the company's interest, and to all our benefactors, donors and supporters, who have recognised the affect on the company of the pandemic and responded magnificently to our appeals for support: donations, especially from individuals and from trusts and foundations, are very strong: thankyou!

Our next task is to persuade audiences to come out in person to see us perform live in the numbers in which they did before the pandemic, or greater. They will, but it will take time.

David Wootton

Sir David Wootton
Chair
December 2021
14/12/2021

Report of the trustees (continued)

(incorporating the Strategic Report)

Trustees report

The Trustees of Northern Ballet Limited ('Northern Ballet' or 'the Company') are pleased to present their annual report together with the consolidated financial statements of the Group for the year ended 31 March 2021 which are prepared to meet the requirements for a report of the trustees and accounts under the Companies Act 2006.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: SORP (FRS102) (section edition October 2020). The Group comprises Northern Ballet Limited and its subsidiaries Info Display Limited, Northern Ballet Productions Limited and Northern Ballet Theatre Company (Property) Limited. Info Display Limited is a non-charitable leaflet distribution company for the arts and heritage sector. Northern Ballet Productions Limited is a non-charitable company which develops and produces ballets for theatre and cinema. Northern Ballet Theatre Company (Property) Limited is dormant.

COVID19

On the 23rd of March 2020 as a result of the emerging COVID19 pandemic the UK entered an initial period of national lockdown, cutting short our Spring tour and marking the beginning of a period of unprecedented uncertainty and disruption to both business and personal life across the globe.

Over the course of 202 our fears were realised as we lost the Spring and Autumn tours and the revenue that this would bring; positively however several potential avenues of financial support were announced and accessed, from 1st March 2020 to 31st October 2021 we have received £1.8m from the UK-wide Job Retention Scheme (JRS), £0.5m from Arts Council England (ACE) and been allocated £1.12m from the Department for Culture, Media and Sport (DCMS) Cultural Recovery Fund (CRF). Our executive team have worked collaboratively and extensively to maximise the benefit that could be obtained from these schemes and we are extremely grateful that the opportunities for support were provided by ACE and DCMS and that our executive team have successfully been able to access these funds.

At Northern Ballet we operate with a large staff team of almost 140 people and a wider group of freelancers, many of whom have worked with us for a large number of years. We were delighted to be able to maintain our staffing levels and honour existing agreements to work with our cohort of freelancers, minimising the financial impact the loss of our Spring and Autumn tours have had on them and furthermore, helping ensure that when we are able to tour again we will once again be able to draw on their efforts and expertise.

In addition to the formalised support that we have been able to access we are extremely grateful for the ongoing support from our benefactors and patrons, many of whom have increased or brought forward support despite the ongoing impact to their own personal situations. Our Development team have worked exhaustively alongside our Communications team, driving the donations to both our "Pay as you feel" and "Donate to Create" appeals.

The support that we received during the first six months of the year enabled us to position ourselves to take advantage of any easement in the local and national restrictions. As a result of this we were able to stage two weeks of performances in October 2020 at the Leeds Playhouse showcasing our revival of *Dangerous Liaisons* alongside a mixed programme of our previous work and a new piece from Kenneth Tindall. These performances were fantastically received by our audiences but just as importantly by our Dancers and wider organisation, they gave us a prescient reminder of what the organisation is continually working towards and why

we are here which was easy to forget during the long period of furlough, uncertainty and struggles for everyone.

Towards the Summer of 2020 the UK started to see significant easing of restrictions and confidence returning to the arts sector and it was with this confidence we scheduled a mini-tour across Salford, Leeds and London performing Swan Lake, Dangerous Liaisons and a new mixed programme showcasing works by Amaury Lebrun and Dennis Volpi alongside excerpts from our previous works of 1984 and Jane Eyre.

It was through the financial support of all of those organisations and individuals who generously gave to Northern Ballet through 2020/21 that we are able to get back in the theatre at every possible opportunity and a testament to them alongside the spirit of the company.

As a board of trustees now building towards 2022 we are delighted that through the efforts of the entire Northern Ballet family we are well positioned to take advantage of opportunities as they arise from life returning to “normal” and most importantly of all we look forward to showcasing the abilities of our fantastic dancers, musicians and the efforts of staff from across our organisation. For additional details of our forecast for the organisation during 2022 please see the Going Concern section on page 16.

Objectives and activities of Northern Ballet

The objects of the Company can be summarised as follows:

- To produce and perform ballets
- To advance education in the arts

The Company is a narrative classical ballet company which tours extensively throughout the UK and, when the opportunity arises, overseas. From its home in Leeds it provides classical ballet training and learning experiences to the community as a whole. Its home since 2010 has been a seven studio dance centre in the heart of Leeds with a studio dance theatre, the Stanley and Audrey Burton Theatre.

Alongside our main and children’s ballet tours we also work with schools and children in the local area, offering collaborative projects and introductions to Ballet for many as well as more formal Ballet education.

In shaping Northern Ballet's objectives for the year and planning Northern Ballet's activities, the Trustees have considered the Charity Commission's guidance on public benefit, in particular the guidance on public benefit and the charging of fees. The Company relies on box office income, grants and income from fees and sponsorship to cover its operational costs. In setting the level of ticket prices, fees, charges and concessions, the Trustees give careful consideration to the accessibility of all activities for those on low incomes.

In the year 2020/21, 59% of tickets sold (2019/20 – 57%) across the main tour, children’s ballets and our performances in the Stanley and Audrey Burton Theatre were at a concessionary rate.

Activities of Northern Ballet in the year

Performances

The Company performed only one full length production of Dangerous Liaisons alongside a mixed programme comprising of excerpts from previous productions and Kenneth Tindall’s State of Mind.

Artistic Values

Northern Ballet is aware that artistic tastes are not the same for everyone and that, when addressing some of the more challenging themes, the productions might give rise to offence. The Company takes the views of audiences very seriously and, without compromising the integrity of the programme, it seeks to respect the diverse ethnicity, faith, sexual orientation and lifestyle of its audience.

Children's Ballets

The disruption caused by COVID unfortunately led to the first time in 8 years that we had been unable to perform our Children's Ballets. Looking to the future we are excited to be debuting Pinocchio in December 2021. Choreographed by our own junior soloist Gavin McCaig we are all looking forward to the festive period.

Digital Projects

The restrictions to in-person performances gave added impetus to our digital work and this was fantastically showcased by our "Pay as you Feel" digital season which included a number of new pieces alongside existing performances which were offered for free for the first time through our website.

In early 2021 we were fortunate enough to be awarded £600,000 of restricted income by the Garfield Weston Foundation allowing us to invest in our digital equipment and future digital seasons across the 2021/22 year. This investment alongside the burgeoning skills of our in house production team gives us the capabilities to capture our own full-scale performances digitally for the first time.

Volunteers

Northern Ballet uses volunteers where possible for performances in the Stanley and Aubrey Burton Theatre at Quarry Hill. This enables Northern Ballet to utilise the experience and passion of our supporters to deliver an enhanced experience for attendees. There have been no volunteers utilised during 2020/21.

Learning

Northern Ballet works with Education and Community groups to encourage interest and enthusiasm for dance and theatre. Much of the planned activity for the year was either cancelled or postponed due to COVID-19, although activity took place remotely and in person wherever possible.

From September 2020, activity levels increased on core projects throughout Leeds and West Yorkshire, including developing access for visually impaired patrons through providing audio descriptions of Northern Ballet's digital dance output.

The Burberry Inspire project continued to tackle social mobility and raise awareness of creative careers. Disadvantaged pupils from 3 high schools (1,200 pupils) engaged in the project, both in person and digitally, working with a dance artist, filmmaker, and set designer to create dance films and 1,400 'Creativity Kits' were sent to pupils at home during Lockdown 2.0.

Dance for Parkinson's (17) and Ability (6 participants) both continued online, each hosting 20 sessions between September and March. The Learning Department also hosted 'Breake Time Barre' workshops, enabling organisations to offer their staff a gentle, mindful movement session whilst working remotely.

Due to the cancellation of both the main-scale National Tour and the Children's Ballets, our Department staff used the time to plan for digital delivery of outreach activity for 2021/22 spring season, aiming to reach more than 3,000 people through April-July 2021.

In this challenging year, wherever possible a consistent range of Learning Programmes enabled Northern Ballet to deliver high quality experiences, engaging new audiences and developing regular attendees and participants.

The Academy

Northern Ballet's Academy provides high quality dance training for children, young people and adults catering for all levels of ability from vocational dance training to open classes for recreation and fitness.

Due to COVID the academy very swiftly moved to digital classes enabling many of our students to maintain some link to Northern Ballet and continue with their tuition and over the first six months of 2021 we welcomed back our Centre for Advanced Training students to Quarry Hill and will continue to welcome back our associates and open classes over the second half of the year

Leeds Dance Partnership

Northern Ballet host the Leeds Dance Partnership, a project funded by Arts Council England which aims to ensure that great dance is created and presented in a wide range of spaces in Yorkshire, the North and beyond, developing the art form locally, nationally and internationally. The partners include Northern Ballet, Phoenix Dance Company Limited ('Phoenix Dance'), Yorkshire Dance and Northern School of Contemporary Dance. Due to the COVID19 disruption minimal activity took place over the 20/21 year.

Info Display Limited

Info Display Limited ('Info Display') is a wholly owned subsidiary of Northern Ballet. It distributes leaflets for the arts and heritage sector in Yorkshire and Humberside. Info Display's activities are consolidated within the financial statements for the year ended 31 March 2021

Trading surpluses from Info Display's activities will be used to further the aims and objectives of Northern Ballet by a gift aid donation.

For details of Info Display's trading and net assets see Note 17 to the financial statements.

Northern Ballet Productions Limited

Northern Ballet Productions Limited is a wholly owned subsidiary of Northern Ballet. It develops and produces ballets. The activities of the company are consolidated within the financial statements for the year ended 31 March 2021. For details of Northern Ballet Productions' trading and net assets see Note 17 to the financial statements.

Northern Ballet actively explores ways to develop other activities to support its charitable aims and objectives. To this end it seeks out opportunities to hire out available studio spaces when the company are on tour and to utilise the studio theatre to the full.

Fundraising

Northern Ballet pursues a broad approach to fundraising, drawn from private giving, corporate entities alongside Trusts and Foundations. Northern Ballet benefits from the significant support provided by a wide range of individuals and entities without whose support we could not carry out the diverse range of activities we currently offer. The Development team within Northern Ballet are responsible for the fundraising activities across the organisation and we do engage third parties to carry out fundraising activities on our behalf.

All of Northern Ballets fundraising conforms to best practice within the sector as well as General Data Protection Regulations (GDPR) ensuring that individuals can opt out from any of our campaigns.

Stakeholders

Our stakeholders support our Charitable Activities. In addition to the funding received from Arts Council England and Leeds City Council (page 11), Northern Ballet raises funds from grant income, sponsorship and donations to support its vibrant programme of performances, learning activities and classical dance training.

Northern Ballet has enjoyed long term support from public entities, including through the Job Retention Scheme, Arts Council England and Leeds City Council. The combined support from public entities represents 90% (2019/20: 41%) of Northern Ballet's income in the year (See Financial Review – page 10.) This significant increase is due to the loss of significant box-office income over the year and approximately £2.4m in financial support received from public entities as a result of COVID19.

Northern Ballet is very grateful for the steadfast and increased support from their Patrons, Benefactors and Donors this year in response to the impacts of the pandemic and two very successful fundraising appeals, 'Pay As You Feel' Digital Season and 'Bring Back the Magic'. In addition, we would like to acknowledge our particular thanks for the continued partnership with Corporate Sponsor Kleinwort Hambros. Northern Ballet continues to foster strong relationships with a range of trusts and foundations who support the company and specific projects throughout each year and is very appreciative of their flexibility to changes and their continued unwavering and generous support. We would like to document our thanks to all those who have supported us in the last year with special thanks to the following organisations for their very generous donations:

- Burberry Foundation
- The Emerald Foundation
- Foyle Foundation
- Garfield Weston Foundation
- John Ellerman Foundation
- Leverhulme Trust
- The Linbury Trust
- The Liz and Terry Bramall Foundation
- Paul Hamlyn Foundation

Strategic Report

The Strategic Report incorporates the following sections: the Financial Review, the Future and Risk Management.

Financial review:

Trading

Results for the year ended 31 March 2021 are shown in the Consolidated Statement of Financial Activities on page 21. The assets and liabilities as at 31 March 2021 are shown in the Consolidated Balance Sheet on page 22. The financial statements should be read in conjunction with their related notes, which appear on pages 25 to 47 and have been prepared in accordance with relevant law and the Charities Statement of Recommended Practice (FRS 102) October 2020 edition.

In summary, Group net incoming/(outgoing) resources for the year were £2,309,845 (2020: (£1,184,642) including £2,380,740 (2020: (£1,142,871)) relating to the Company. Within this value, £131,813 (2020: £131,813) represents the net outgoing movement on The Building Project Fund within restricted reserves (note 25). All funding received to support the Quarry Hill building was placed in the restricted fund and is matched by the asset constructed.

The annual depreciation cost for the Quarry Hill building of £134,141 will be charged against the restricted fund over 99 years.

Northern Ballet generated approximately 10% (2020: 59%) of its income from operations a significant drop due to the reduced activity levels resulting from COVID19 and could not exist without the support of Arts Council England and Leeds City Council.

The table below sets out the key fundraising income received in the year.

Group Fundraising Income - Major Funders and Others

	2021	2020	Increase/ (decrease)
	£'000	£'000	£'000
Arts Council England – National Portfolio	3,169	3,112	57
Arts Council England – Other	500	326	174
Leeds City Council	200	200	-
COVID 19 Support	692	-	692
Job Retention Scheme	1,771	86	1,685
Performances and Touring	1,037	1,341	(304)
	7,369	4,979	2,390

The Trustees believe that our usual Key Performance Indicators are not relevant to our activities during 2020/21 due to the exceptional nature of the year as a result of COVID19 but the results are included below:

	2021	2020	Increase/ (decrease)
Average Theatre Occupancy Main Tour	75%	73%	2%
Number of UK Performances on Main Tour	8	135	(127)
Number of UK Children's Performances	-	108	(108)
Ticket Yield – Main Tour	£24	£30	(£6)
Ticket Yield – Children's Ballets	-	£6	(£6)
Income			
% Public Funding	90%	41%	42%
% Generated Income	10%	59%	(42%)

Pricing policy

To view our programme and for fuller details of ticket prices and discount terms and conditions visit our web site www.northernballet.com. Ticket prices range from £2 to £65 with significant discounts available for children, schools, groups and concessions.

The Future:

Activities for 2021/22

Over the end of May and early June 2021 we conducted a “mini-tour” comprising of a week in Salford, a week in London and two weeks in Leeds. As the company moves into the autumn we expect to carry out a full-scale tour around the UK as we return to our typical levels of activity.

There is a risk that should the touring situation resulting from COVID19 deteriorate some or all may be lost but the organisation are confident at present that whilst audience numbers may be reduced we will be able to have the national reach we would expect to have.

Funding

The current Arts Council England four-year funding agreement, which runs to 31 March 2022, awarded annual funding of £3,112,000. Through the second half of 2021 we have been awarded grants from both Arts Council England and the Cultural Recovery Fund in excess of £1.8m helping to negate the approximately £1.5m of lost Box Office revenue as a result of the COVID19 outbreak and subsequent restrictions.

In addition to these grant awards Northern Ballet has also made full use of both the Job Retention Scheme and Job Support scheme where possible.

Risk Management:

General

The Trustees have given consideration to the major risks to which the Group is exposed and satisfied themselves that systems or procedures are established to manage those risks. The Trustees have in place a formal risk management process to assess risks and implement risk management strategies. A risk register identifies the types of risks the Group faces, prioritises them in terms of likelihood of occurrence and potential impact and identifies the means of mitigating those risks. The Risk Register is created by the senior management team and reviewed by the Trustees bi-annually at the Finance and General Purposes Committee meetings. Using the framework of the Business Plan to 2022 the risk register considers governance, charitable and trading activities, external factors and compliance with law and regulations. The following key risks have been identified.

Charitable Risk

The business plan aims to develop the use of digital media to engage with current, new and existing audiences. There is a risk that the General Data Protection Regulations' (GDPR) restrictions on collecting data will significantly limit the Group's ability to develop and maintain audiences. This has been mitigated by the creation of a GDPR Working Group under which data management is reviewed and a new membership scheme has been created.

The business plan aims to deliver quality, sustainable arts programmes, the Charity carries out a broad programme of work with children and vulnerable adults; as a result there is an inherent risk of a child protection failing. The Charity has mitigated this risk by creating a Safeguarding Committee and a Safeguarding Policy which is ratified by the Board of Trustees. All employees working with children and vulnerable adults receive Child Protection Screening.

External Risk

The business plan aims to review and develop internal IT systems to ensure excellence and efficiency. The Charity recognises that there is a risk that a data breach may occur as a result of a malicious action. Northern Ballet mitigates these risks by maintaining IT systems, protective software and staff training.

Financial Risk

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved through available cash balances and a strong relationship with its bank Lloyds Bank plc.

Credit risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is managed by rigorous management of cash flow and detailed budgeting. The Trustees review cash flow at each board meeting.

The Development team maintain close contact with all donors and sponsors providing ongoing reassurance over pledged donations or sponsorships and their likelihood of receipt. This provides confidence over fundraising targets and “early-warning” should pledges be withdrawn.

Other trade debtors include theatres, corporate sponsors, rental space hire and academy fees. Contractual agreements between theatres, corporate sponsors and space rental set the limits for these debtors. The Financial Manager reviews all outstanding debtors on a regular basis and prompt action is taken to ensure recovery of any outstanding debt.

Reserve Policy

Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned emergency and other expenditure. The reserves required by a ballet company in a period of uncertain funding may be greater than those which were required in years when funding was more certain. In the short term the Company must plan for periods with reduced income for example when it is not touring. It must also consider the longer term plan which will include investment in productions and assets which are required in order for the company to move forward into future years.

The Company’s reserve policy is to seek to hold approximately 8 weeks of planned income as cash. This target is currently £1,500,000 (2020: £1,294,333). During 20/21 the cash and short-term investments at year end equated to 187% of this target (2020: 70%) as a result of the various COVID19 and JRS support received and the lack of touring expenditure.

Northern Ballet considers it important that a charitable company should utilise its assets and resources to the full to achieve its charitable purposes. At the same time Trustees are mindful of their responsibility to ensure that Northern Ballet is a going concern. The Trustees are aware of the challenges for a charity in times of uncertain funding and consequently aim to build the Company’s resilience. An investment fund has been created into which any legacy received by Northern Ballet will be placed. Resources are managed and committed within a framework of financial planning that ensures the Company has both sufficient reserves and liquid resources to fulfil the commitments that it enters into.

The Group’s unrestricted reserves at 31 March 2021 were £2,534,930 (2020: £181,431). Total reserves for the Group were £14,975,819 (2020: £12,665,974) (note 25) of which £12,440,889 (2020: £12,484,543) is attributable to restricted reserves. Within restricted reserves a balance of £11,666,042 (2020: £11,797,855) relates to the building project fund. Group balance sheet at 31 March 2021 shows net current assets of £2,710,860 (2020: £587,195) and bank balances of £809,830 (2020: £901,956). A discussion of performance during the year can be found in the financial review section above.

Northern Ballet owns a freehold storage facility in Leeds and the surplus arising from the revaluation during the 20/21 year of this facility is included in the unrestricted revaluation reserve. Included within reserves are amounts designated by the board for allocation to new productions, these reserves were designated following the insurance receipts as a result of the flooding at our Stourton site and damage to existing productions. In addition, there is a designated reserve into which all legacy receipts are placed. These funds are then transferred into our Fixed asset Investments to provide a long-term income stream. Once placed in an investment these funds are only accessible by disposing of the investments.

Detailed analysis of the Group's reserves can be found in the Consolidated Statement of Financial Activities (page 21) and note 25 to the accounts. They are considered adequate in the context of the Group’s future plans as set out above.

Investment Policy

At 31 March 2021, Northern Ballet held investment funds to the value of £2,305,980 (2020: £65,569). £305,480 of the funds are managed by Redmayne Bentley, stockbrokers, in accordance with the policy established by the Trustees which has a defined approach to investment risk and return. The remaining £2m represents cash on short term deposit with Lloyds Bank.

Trustees

The Trustees in office throughout the year, and their interests in the ordinary shares of Northern Ballet at the relevant dates, as recorded in the register maintained by the Company in accordance with the provisions of the Companies Act, these were unchanged with all shares held by the Chairman.

The trustees are also directors of Northern Ballet within the meaning of the Companies Act 2006.

Appointment of Trustees

The Company aims to create a diverse Board with a broad mix of skills and experiences, with members drawn from a wide cross section of society. Trustees rotate on a regular basis to ensure that the board regularly receives the injection of fresh ideas and enthusiasm. The Nominations Committee monitors Trustees' skills and identifies skill gaps. Prospective Trustees are identified by search, which could include introduction, recommendation, or advertisement. Candidates are invited to meet the Nominations Committee and Senior Management Team before recommendations are made to the Board. The Induction Process ensures that all new Trustees receive a copy of the Company's governing document, statutory accounts and recent minutes of Trustees meetings together with other current printed details. Trustees are encouraged to visit Northern Ballet to get to know employees and gain a better understanding of day-to-day activities. Trustees are also encouraged to attend all new ballet productions.

Governance and Decision Making

Northern Ballet is a company limited by share capital, but where each Trustee has undertaken to contribute a maximum of £10 in the event of wind up, and is a registered charity, number 259140. The governing documents are the Memorandum and Articles of Association which were revised and adopted at the Annual General Meeting on 3 December 2014. The revised Memorandum and Articles aimed to make the governance of the Company flexible and efficient; fit for purpose as a charity. To this end all the issued shares of the Company were transferred to the Chair of the Company who holds them in trust.

The body responsible for the management of the Company is the Board of Trustees. The Board meets four times a year. It has a minimum of four members. There are sub-committees covering finance and general purposes, audit, nominations and remuneration. Trustees are appointed to the Board for generally a period of six years. Trustees are aware of the Charity Commission – Charity Governance Code's recommendations regarding the length of time The Chief Executive, Artistic Director and Company Secretary attend meetings of the board of Trustees. The Chief Executive and Artistic Director manage the day to day operations of the Company. The overall control of Northern Ballet rests with the Trustees.

Executive Remuneration

Northern Ballet's principle is to pay its executives a fair salary that is competitive within the charity sector, proportionate to the complexity of each role, and responsible in line with its charitable objectives. The Board of Trustees defines the pay policy and decides on the salaries of the Chief Executive and the Artistic Director. To do this, the Board has formed a Remuneration Committee. This committee oversees administration of the pay policy, evaluates executive performance and decides on any changes to executive pay. The committee meets at least twice a year. Details of executive remuneration are set out in note 13 to the accounts.

Related Parties

None of the Trustees receive remuneration or other benefit from their work with the Company. Trustees may make a claim for expenses incurred or professional services. Any

connection between a Trustee or senior manager of the Group with a related party must be disclosed to the full Board of Trustees.

Trustees Responsibilities Statement

The Trustees (who are also directors of Northern Ballet Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

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

The Trustees 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.

Internal Controls

The Trustees have overall responsibility for the system of internal control for the Group.

Internal Control processes implemented by the Trustees are as follows:

- A comprehensive annual planning and budgeting process, which is approved by the Board of Trustees. Reports are made to the Board of Trustees at each meeting, which compare actual results against the phased budget and forecast.
- Production of a detailed business plan which is regularly reviewed.
- An Audit Committee which holds meetings at least twice a year. The Audit Committee reports directly to the Board of Trustees.
- Delegation of authority and segregation of duties.
- Identification and management of risk

Going concern

As primarily a touring company Northern Ballet are in a unique position within the Arts. As touring provides Box Office receipts from each venue so to it produces a range of costs due to equipment hire, additional staffing and marketing costs amongst others. The contribution derived from our tours throughout the year is dependent on the venues and repertoire performed, with a typical year bringing in box office income to cover those direct costs of operating the tour and a contribution to touring staff salaries. However, for many venues touring is a net cost to the company and in reducing the locations being toured to it is possible to reduce the overall financial outlay to the organisation.

A number of steps were taken to reduce costs relating to the cancelled tours which mitigated the loss of ticket revenue and alongside the Government announced Job Retention Scheme and Self-Employed Income Support Scheme all of our staff and Freelancers were able to be supported at existing salary/fee levels during the period with no current redundancies or job losses.

In total Northern Ballet received over £2.4m in support linked to COVID19 through the Cultural Recovery Fund and the Job Retention scheme

Budgeting for the 22/23 year has been conducted assuming a return to normal audience sizes and no expectations of disruptions to performances. In the absence of other available data, the Board considers unlikely that were there to be material disruption to business activities that would not be offset by a return of the financial support that has been present during 2020/21.

Currently Northern Ballet are awaiting formal confirmation from Arts Council England of the roll-forward core funding for the 2022/23 year which is due to be announced in early 2022. It is considered very unlikely that this award will not be made but should the award be materially different from the previous award this would have a significant impact on our activities and the resources available. Mitigating actions such as withdrawal of touring activities through 2022/23 can be implemented as required to ensure the organisation remains a going concern.

In their consideration of going concern, the Trustees have also given specific regard to the Company's pension arrangements. Northern Ballet is a participant in a multi-employer Defined Benefit Pension Scheme - The Pension Scheme for Administration and Technical Staff in the Arts.

After making enquiries, the Board has a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months after the date on which the report and financial statements are approved. For this reason, it continues to adopt the going concern basis of preparation in the financial statements.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the charitable company receives notice under section 488(1) of the Companies Act 2006.

David Wootton

Sir David Wootton
Chair
14/12/2021



Independent auditor's report to the members of Northern Ballet Limited

Opinion

We have audited the financial statements of Northern Ballet Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities (including Consolidated Income and Expenditure account), the Consolidated and Company balance sheets, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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 charity'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.

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.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Report of the trustees (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Report of the trustees (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the trustees (incorporating the Strategic Report).

Matters on which we are required to report by exception

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

- adequate and sufficient 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's 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.

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement [**set out on page...**], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, and the sector in which it operates. We determined that the following laws and regulations were most significant;
- financial reporting legislation (Charities SORP (October 2019) and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102); and
- legal framework, including Companies Act 2006 and the Charities Act 2011.

The engagement team remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit;

- We understood how the Group is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
- The Group's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and

- The Group's control environment including the adequacy of procedures for authorisation of transactions
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the corporation operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Deborah Watson BSc (Hons) FCA
 Senior Statutory Auditor
 for and on behalf of Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
 Leeds
 15/12/2021

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Northern Ballet Limited
Financial statements for the year ended 31 March 2021

Consolidated statement of financial activities
(including consolidated income and expenditure account)

	Note	Unrestricted funds £	Restricted funds £	2021 £	2020 £
INCOME					
Income from donations and legacies	3	5,108,929	489,117	5,598,046	4,979,262
Income from trading activities	4	315,978	-	315,978	794,849
Income from charitable activities	6	522,464	21,468	543,932	2,634,233
Income from Job Retention Scheme	32	1,770,998	-	1,770,998	
Investment income	5	-	-	-	4,818
Total income		7,718,369	510,585	8,228,954	8,413,162
EXPENDITURE					
Expenditure on raising funds					
Fundraising	7	298,015	-	298,015	334,221
Building		299,108	23,726	322,834	159,499
Leaflet distribution		300,527	-	300,527	332,599
		897,650	23,726	921,376	826,319
Expenditure on charitable activities					
Touring	8	4,739,049	508,101	5,247,150	8,960,208
Academy (classical training)	8	313,490	22,412	335,902	401,343
		5,052,539	530,513	5,583,052	9,361,551
Total expenditure		5,950,189	554,239	6,504,428	10,187,870
Taxation					
Theatre tax relief income		514,957	-	514,957	594,385
Tax credit/(charge) on profit on ordinary activities		-	-	-	-
		514,957	-	514,957	594,385
Other recognised gains					
Fair value gain on investments	17	20,362	-	20,362	(4,319)
Revaluation gains		50,000	-	50,000	-
		70,362	-	70,362	(4,319)
Net (expenditure)/income		2,353,499	(43,654)	2,309,845	(1,184,642)
Reconciliation of funds					
Total funds brought forward	25	181,431	12,484,543	12,665,974	13,850,616
Total funds carried forward	25	2,534,930	12,440,889	14,975,819	12,665,974

All the results are derived from continuing operations.

The consolidated statement of financial activities includes all gain and losses recognised in the year.

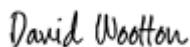
Refer to note 14 for information regarding the Charitable Company's financial activities. Refer to note 30 for full comparative Consolidated statement of financial activities.

The accompanying notes on pages 24 - 46 form part of these financial statements.

Consolidated balance sheet

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	12,274,140	12,372,450
Goodwill	16	-	-
Investments	17	305,480	65,569
		<u>12,579,620</u>	<u>12,438,019</u>
Current assets			
Investments	17	2,000,000	-
Stocks	18	26,005	10,932
Debtors	19	1,474,448	1,160,570
Cash at bank and in hand		809,830	901,956
		<u>4,310,283</u>	<u>2,073,458</u>
Creditors: amounts falling due within one year	20	<u>(1,599,423)</u>	<u>(1,486,263)</u>
Net current assets		2,710,860	587,195
Total assets less current liabilities		15,290,480	13,025,214
Creditors: amounts falling due after one year	21	(314,618)	(359,197)
Net assets		<u>14,975,862</u>	<u>12,666,017</u>
Called up share capital	24	29	29
Capital redemption reserve	25	14	14
Income funds			
Restricted funds	25	12,440,889	12,484,543
Unrestricted funds			
Revaluation reserve		356,473	306,473
Designated reserves	25	900,727	764,817
Other charitable funds		1,277,730	(889,859)
		<u>14,975,862</u>	<u>12,666,017</u>

These financial statements were approved by the Board of Trustees and signed on their behalf.



Sir David Wootton - Trustee
14/12/2021
Company number: 00947096

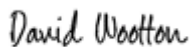
The accompanying notes on pages 24 – 46 form part of these financial statements.

Company balance sheet

	Note	2021	2020
			£
Fixed assets			
Tangible assets	15	12,270,776	12,366,233
Investments	17	411,556	171,647
		<u>12,682,332</u>	<u>12,537,880</u>
Current assets			
Investments	17	2,000,000	-
Stocks	18	26,005	10,932
Debtors	19	1,468,948	1,428,446
Cash at bank and in hand		771,204	287,454
		<u>4,266,157</u>	<u>1,726,832</u>
Creditors: amounts falling due within one year	20	<u>(1,568,982)</u>	<u>(1,221,366)</u>
Net current assets		2,697,175	505,466
Total assets less current liabilities		15,379,507	13,043,346
Creditors: amounts falling due after one year	21	(314,618)	(359,197)
Net assets		<u>15,064,889</u>	<u>12,684,149</u>
Called up share capital	24	29	29
Capital redemption reserve	25	14	14
Income funds			
Restricted funds	25	12,440,889	12,484,543
Unrestricted funds			
Revaluation reserve		356,473	306,473
Designated reserves	25	900,727	764,817
Other charitable funds		1,366,757	(871,727)
		<u>15,064,889</u>	<u>12,684,149</u>

The (deficit)/surplus after tax for the parent company for the year was £2,380,740 (2020: deficit of (£1,142,871)). A separate Statement of Financial Activities and Income and Expenditure Account for the Charity Company has not been presented because the Trustees have taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

These financial statements were approved by the Board of Trustees and signed on their behalf.



Sir David Wootton – Trustee¹⁴¹¹²¹²⁰²¹

Company number: 00947096

The accompanying notes on pages 24 - 46 form part of these financial statements.

Consolidated statement of cash flows

	2021	2020
	£	£
Net cash flow from operating activities		
Net income/(expenditure)	2,309,845	(1,184,642)
Interest receivable	-	(4,818)
Depreciation	171,913	171,497
Taxation	-	-
Fair value (gains)/losses on unlisted investments	(20,362)	4,319
Revaluation gain on property	(50,000)	-
(Increase)/decrease in stock	(15,073)	9,446
(Increase)/decrease in debtors	(393,557)	1,022,220
Decrease/(increase) in accrued income	79,679	(101,134)
(Decrease)/increase in creditors	(517,701)	(172,218)
Increase/(decrease) in deferred income	586,282	(224,962)
Net cash (outflow)/inflow from operating activities	2,151,026	(480,292)
Cash flows from investing activities		
Interest received	-	4,818
Purchase of tangible fixed assets	(23,603)	(30,576)
Proceeds/(Purchase) of current asset investments	(2,000,000)	250,000
Payments to acquire unlisted investments	(219,549)	(8,356)
Cash used in investing activities	(2,243,152)	215,886
(Decrease)/increase in cash and cash equivalents during the year	(92,126)	(264,406)
Cash and cash equivalents at the beginning of the year	901,956	1,166,362
Cash and cash equivalents at the end of the year	809,830	901,956

Net debt reconciliation

	At start of year	Cash-flows	At end of year
	£	£	£
Cash	901,956	(92,126)	809,830

Northern Ballet Limited had no debt at any point during the financial year

The accompanying notes on pages 24 – 46 form part of these financial statements.

Notes to the financial statements

1 General information

Northern Ballet Limited is a charitable company incorporated in the UK and its registered office is 2 St Cecilia Street, Quarry Hill, Leeds, LS2 7PA. The principal objects of the Company are to produce and perform ballets and to advance education in the arts.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, modified on occasion to include the revaluation of freehold property in 2021 and movements each year in the value of investments held. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (October 2020 edition) and the Companies Act 2006.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the trustees have taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Northern Ballet Limited meets the definition of a public benefit entity under FRS 102. The financial statements are presented in £ sterling.

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing the company's own financial statements, as permitted by the Charities SORP (FRS 102):

- requirements to prepare a Cash Flow statement; and
- the requirements for certain financial instrument disclosures.

2.3 Significant judgements and estimates

Northern Ballet, in the process of applying its accounting policies, is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. Estimates, judgements and assumptions affect the amounts of the assets and liabilities at the date of the accounts and the amounts of income and expenditure recognised during the reporting period.

On an ongoing basis, estimates are evaluated using historical experiences, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

There are a number of actuarial assumptions used in the quantification of the Group's defined benefit pension commitments. See below under "Defined benefit scheme" policy for further details

Property held at Wellington Mill was valued during 2021 by external surveyors and this valuation has been used to update the carrying value within the financial statements.

Income from the Job Retention Scheme has been judged to be unrestricted as no restrictions have been applied on the charitable purpose for that which they can be used.

Other judgements and estimates applied in the preparation of these accounts are as set out in the policies below. With the exception of those relating to pension commitments and Wellington Mill, none are considered to have a material impact on the accounts.

Notes to the financial statements (continued)

2.4 Going concern

As primarily a touring company Northern Ballet are in a unique position within the Arts. As touring provides Box Office receipts from each venue so it produces a range of costs due to equipment hire, additional staffing and marketing costs amongst others. The contribution derived from our tours throughout the year is dependent on the venues and repertoire performed, with a typical year bringing in box office income to cover those direct costs of operating the tour and a contribution to touring staff salaries. However, for many venues touring is a net cost to the company and in reducing the locations being toured to it is possible to reduce the overall financial outlay to the organisation.

A number of steps were taken to reduce costs relating to the cancelled tours which mitigated the loss of ticket revenue and alongside the Government announced Job Retention Scheme and Self-Employed Income Support Scheme all of our staff and Freelancers were able to be supported at existing salary/fee levels during the period with no current redundancies or job losses.

In total Northern Ballet received over £2.4m in support linked to COVI19 through the Cultural Recovery Fund and the Job Retention scheme

Budgeting for the 22/23 year has been conducted assuming a return to normal audience sizes and no expectations of disruptions to performances. In the absence of other available data, the Board considers unlikely that were there to be material disruption to business activities that would not be offset by a return of the financial support that has been present during 2020/21.

Currently Northern Ballet are awaiting formal confirmation from Arts Council England of the roll-forward core funding for the 2022/23 year which is due to be announced in early 2022. It is considered very unlikely that this award will not be made but should the award be materially different from the previous award this would have a significant impact on our activities and the resources available. Mitigating actions such as withdrawal of touring activities through 2022/23 can be implemented as required to ensure the organisation remains a going concern.

In their consideration of going concern, the Trustees have also given specific regard to the Company's pension arrangements. Northern Ballet is a participant in a multi-employer Defined Benefit Pension Scheme - The Pension Scheme for Administration and Technical Staff in the Arts. After making enquiries, the Board has a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months after the date on which the report and financial statements are approved. For this reason, it continues to adopt the going concern basis of preparation in the financial statements.

2.5 Basis of consolidation

The Group financial statements consolidate the financial statements of Northern Ballet Limited and all of its subsidiary undertakings (note 17) drawn up to 31 March each year. Acquisitions of subsidiaries are accounted for using the purchase method.

2.6 Taxation

The Company undertakes charitable activity and is not subject to corporation tax.

Info Display Limited and Northern Ballet Productions Limited, subsidiary undertakings, undertake trading activities and are subject to corporation tax. The tax expense for the year relates to the corporation tax arising in the trading subsidiaries.

2.7 Income

Income is recognised when the charity has entitlement to funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Notes to the financial statements (continued)

Income from donations and legacies

Grant income

Income from government and other grants, whether “capital” grants or “revenue” grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amounts can be measured reliably and is not deferred. Income that has been deferred is recognised when the conditions required by the deferral are met, these may be timing or activity based.

Job Retention scheme

The grant is recognised using the performance model and income is recognised when it is reasonable to expect that the grant will be received and when all related performance conditions have been met. The income is recognised in the same period as the corresponding expenditure, being the salary costs, which are recognised within various sections of the accounts.

Income from the government in the form of Job Retention Scheme grants have been split out but considered as unrestricted Income from Charitable Activities as per the guidance issued by the SORP committee as it enables Northern Ballet to maintain our staff with the aim of carrying furthering our charitable objectives.

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that the probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor’s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

Income from trading activities

Sponsorship

Where sponsorship income is received in advance of performance, its recognition is deferred and included in creditors.

Hire of Space and Facilities

Income is recognised in the period in which the service is provided.

Leaflet distribution

Income is recognised on a straight line basis over the period in which the service is provided.

Income from charitable activities

Charitable trading income represents amounts receivable by the Group for performances (box office and programme receipts) and fees for educational activities. Such income is recognised when the associated activity is undertaken.

Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

Notes to the financial statements (continued)

2.8 Expenses and irrecoverable VAT

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure on raising funds includes all costs relating to activities where the primary aim is to raise funds, along with an apportionment of support costs, as set out in note 9 to the accounts.
- Expenditure on charitable activities includes all costs relating to activities relating directly to the fulfilment of the charity's objectives, with an apportionment of support costs, as set out in note 9 to the accounts.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs relate to several activities, and include functions such as administration, building costs, payroll and accounting and are allocated across the categories of charitable activities and costs of generating funds as set out in note 9 to the accounts. Support costs relating to a single activity are allocated directly to that activity.

2.9 Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Group.

2.10 Tangible fixed assets and depreciation

Northern Ballet Limited has adopted a £1,000 capitalization threshold for individual assets, although assets of lesser value should be capitalized if they form part of a group, with a group value in excess of £1,000. The £1,000 figure includes VAT where this is not recoverable. Info Display Limited capitalizes all appropriate items with no threshold.

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provisions for impairment. The freehold property is stated at valuation on the basis of a valuation performed in March 2021 (note 15) and is therefore not depreciated each year. A review is carried out each year by management to ensure the value of freehold property in the financial statements is appropriate from which any amendment to the valuation would be made as required. A formal valuation by a real estate valuation expert will be carried out with sufficient frequency to aid in managements valuation assessments.

The Leasehold Land and Buildings are the home of the Company in Leeds which has a 250 year lease with Leeds City Council. The Company moved into the building in the Autumn of 2010. From that date depreciation was charged on the asset, the asset will be written off over its estimated useful life of 99 years which is considered the appropriate time scale over which without intervention the building would cease to be useable.

2.11 Tangible fixed assets and depreciation (continued)

Depreciation is calculated to write down the cost of all tangible fixed assets by the straight line method over the following periods:

Leasehold land and buildings	99 years
Computer equipment	3-4 years
Motor vehicles	4 years
All other tangible fixed assets	5 years

Notes to the financial statements (continued)

2.12 Goodwill and amortisation

Goodwill arising on an acquisition of a trade or subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the consolidated statement of financial activities over the Directors' estimate of its useful economic life (6 years with regard to Info Display Limited).

2.13 Impairment of assets

Where the recoverable amount of a fixed asset is found to be below its net book value, the asset is written down to the recoverable amount and the loss on impairment is recognised in the Statement of financial activities "SOFA". Assessments are carried out annually with reference to the value in use and/or market value of the asset.

2.14 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Listed investments are measured initially at cost and subsequently at fair value through the SOFA unless fair value cannot be measured reliably in which case they are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.16 Debtors

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.

2.17 Cash at bank and in hand

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.

2.18 Creditors and provisions

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.

2.19 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.20 Pension costs

Defined contribution scheme

For defined contribution schemes the amount charged to the consolidated statement of financial activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown within creditors or prepayments in the balance sheet as applicable.

Defined benefit scheme

The Company makes payments to a defined benefit scheme, the Pension Scheme for Administration and Technical Staff in the Arts ("the Scheme"), which has ceased to accrue pension benefits but which has a

Notes to the financial statements (continued)

deficit in its fund. The Company remains liable for its portion of the deficit in the Scheme funds. The assets of the Scheme are administered by a trustee, in a fund independent from those of the Company. The Scheme is a multi-employer scheme and the Company is unable to identify its share of the underlying assets and liabilities. There is a funding agreement in place to eliminate that element of the deficit in the Scheme which is relative to the Company. This funding liability, based on an actuarial valuation as at 31 March 2021, was agreed and payments commenced in July 2017. A liability has been recognised in the balance sheet equal to the net present value of the future deficit reduction payments. The payments are discounted to present value using the market yield on high quality corporate bonds which currently equates to 0.7%. The pension costs charged to the consolidated statement of financial activities are the finance costs equal to the unwinding of the discount rate. Further details relating to this scheme are set out in note 27.

2.21 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Exchange differences are recorded in the statement of financial activities.

3 Income from donations and legacies

	Unrestricted £	Restricted £	2021 £	2020 £
Grant income				
Arts Council England	3,669,261	-	3,669,261	3,437,922
Leeds City Council	200,000	-	200,000	200,000
COVID19 Support	692,109	-	692,109	85,752
Other voluntary income				
Donations and gifts	547,559	489,117	1,036,676	1,255,588
	<u>5,108,929</u>	<u>489,117</u>	<u>5,598,046</u>	<u>4,979,262</u>

	Donations and subscriptions £	Grants £	2021 £	2020 £
Analysis by income type				
Arts Council England	-	3,669,261	3,669,261	3,437,922
COVID19 Support	-	692,109	692,109	
Performances and touring	1,036,676	200,000	1,236,676	1,541,340
	<u>1,036,676</u>	<u>4,561,370</u>	<u>5,498,046</u>	<u>4,979,262</u>

4 Income from trading activities

	Unrestricted £	Restricted £	2021 £	2020 £
Hire of Space and Facilities	25,720	-	25,720	256,645
Service Agreements	58,135	-	58,135	87,140
Leaflet Distribution	232,123	-	232,123	451,064
	<u>315,978</u>	<u>-</u>	<u>315,978</u>	<u>794,849</u>

5 Investment income

	2021 £	2020 £
Investment income comprises income from :		

Notes to the financial statements (continued)

Bank deposits	-	4,818
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All of the investment income is derived from assets within the UK.

6 Income from charitable activities

	Unrestricted £	Restricted £	2021 £	2020 £
Touring	189,021	21,468	210,489	2,161,073
Learning Academy	37,577	-	37,577	39,824
	295,866	-	295,866	433,336
	<u>522,464</u>	<u>21,468</u>	<u>543,932</u>	<u>2,634,233</u>

An analysis of income from charitable activities by geographical market is given below:

	2021 £	2020 £
United Kingdom	2,199,892	2,529,195
Rest of the world	115,038	105,038
	<u>2,314,930</u>	<u>2,634,233</u>

7 Expenditure on raising funds

	Unrestricted direct costs £	Unrestricted support costs £	Unrestricted total costs £	Restricted total direct costs £	2021 Total Cost £	2020 Total Cost £
Fundraising	258,834	39,181	298,015	-	298,015	334,221

8 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Unrestricted total costs £	Restricted total costs £	2021 Total Cost £	2020 Total Cost £
Touring (note 10)	4,145,728	593,320	4,739,049	508,101	5,247,150	8,960,208
Academy (note 11)	287,296	26,194	313,490	22,412	335,902	401,343
	<u>4,433,024</u>	<u>619,514</u>	<u>5,052,539</u>	<u>530,513</u>	<u>5,583,052</u>	<u>9,361,551</u>

9 Analysis of support costs

	Total 2021 £	Total 2020 £
Expenditure on raising funds (note 7)	39,181	47,107

Notes to the financial statements (continued)

Expenditure on facilities and site management	53,175	-
Expenditure on charitable activities (note 8):		
Touring	593,320	643,249
Classical Training	27,987	32,157
	<u>713,663</u>	<u>722,513</u>

Support costs relate to several activities, and include functions such as payroll, administration, general management and building operating costs. Support costs are apportioned based on the number of full time staff equivalents.

10 Expenditure on touring

	Unrestricted £	Restricted £	2021 £	2020 £
Dancers Touring	1,804,001	-	1,804,001	2,299,297
Marketing and Press	446,360	60,792	507,152	984,393
Technical	1,025,599	5,845	1,031,444	1,964,802
Orchestra	376,864	-	376,864	900,672
Royalties	4,872	-	4,872	75,572
New Productions and Revivals	30,661	194,921	225,582	724,414
Overseas Tour	-	-	-	47
Learning	242,233	40,591	282,824	395,815
Corporate Sponsorship/Friends	-	-	-	13,383
Direct Support Costs	205,244	-	205,244	458,750
Direct Depreciation	4,932	108,087	113,019	111,770
In House Performances	4,836	-	4,836	26,734
Leeds Dance Partnership	127	97,865	97,992	361,310
Support Costs (note 9)	593,320	-	593,320	643,249
	<u>4,739,049</u>	<u>508,101</u>	<u>5,247,150</u>	<u>8,960,208</u>

11 Expenditure on academy (classical training)

	Unrestricted £	Restricted £	2021 £	2020 £
Associate Classes	35,232	-	35,232	93,685
Yorkshire Young Dancers	252,064	20,619	272,683	275,501
Support Costs (note 9)	26,194	1,793	27,987	32,157
	<u>313,490</u>	<u>22,412</u>	<u>335,902</u>	<u>401,343</u>

12 Governance costs

Governance costs are broken down as follows and are included within the charge for support costs :	2021 £	2020 £
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Notes to the financial statements (continued)

External audit fee		
- audit services - charitable company	23,000	18,000
- subsidiaries	9,500	9,500
- non-audit services – iXBRL tagging	-	-
	32,500	27,500

Further non-audit fees of £1,200 were incurred during the financial year ended 31 March 2021 for the Academy grant claim review for the 2019 academic year (year ended 31 March 2020 for 2018 academic year grant claim: £1,110) and are included within Yorkshire Young Dancers costs (note 11).

13 Staff costs

Group	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Wages and salaries	3,870,496	3,957,109	3,675,874	3,760,881
Social security costs	374,069	408,625	356,909	390,952
Pension costs	224,192	225,095	214,564	215,728
	4,468,757	4,590,829	4,247,347	4,367,561

The average number of permanent employees of the Group was as follows:

	2021 Group Number	2020 Group Number	2021 Company Number	2020 Company Number
Full time employees	112	121	104	113
Part time employees	33	18	33	18
	145	139	137	131

The number of full time equivalents was:

	125	126	117	118
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Full time equivalent employees fell into the following categories:

	2021 Group Number	2020 Group Number	2021 Company Number	2020 Company Number
Production	84	89	84	89
Administration	33	29	33	29
Distribution	8	8	-	-
	125	126	117	118

13 Staff costs (continued)

Employees receiving remuneration in excess of £60,000 are analysed as follows:

	2021 Group £	2020 Group £	2021 Company £	2020 Company £
£60,001 to £70,000	2	1	1	-

Notes to the financial statements (continued)

£70,001 to £80,000	-	-	-	-
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	2	2	2	2

During the year the following amounts were paid to higher paid employees as shown above:

	2021	2020
	£	£
Pension contributions to money purchase schemes	<u>18,940</u>	<u>14,460</u>

4 (2020: 4) higher paid employees are accruing retirement benefits under a defined contribution scheme.

Key Management Personnel

Key management personnel are defined as the trustees of and the senior management team of Northern Ballet. During the year no Trustees received remuneration relating to work in their professional capacity (2020 £Nil). No Trustees received expenses during the year (2020: £Nil).

The total emoluments of the key management personnel (salaries, wages, employers NIC, benefits in kind, including pension costs excluding expenses necessarily incurred during the performance of their duties) during the year were £668,926 in relation to 9 employees (2020: £592,613 in relation to 9 employees).

14 The Charity's statement of financial activities

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own statement of financial activities in these financial statements. The financial activities on page 21 include £10,666,781 (2020: £12,685,131) of incoming and £8,286,041 (2020: £13,828,002) of outgoing resources relating to the Company.

Notes to the financial statements (continued)

15 Tangible fixed assets

Group	Freehold property £	Leasehold Land and Buildings £	Stage equipment £	Fixtures, fittings and office equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or valuation							
At 1 April 2020	460,000	13,046,791	651,429	559,841	121,788	19,855	14,859,704
Additions	-	-	12,748	7,705	3,150	-	23,603
Revaluation	50,000	-	-	-	-	-	50,000
Disposals	-	-	-	-	-	-	-
At 31 March 2021	510,000	13,046,791	664,177	567,546	124,938	19,855	14,933,307
Depreciation							
At 1 April 2020	-	1,249,084	575,896	537,405	115,418	9,451	2,487,254
Provided in the year	-	131,813	24,588	8,477	4,061	2,974	171,913
Disposals	-	-	-	-	-	-	-
At 31 March 2021	-	1,249,084	600,484	545,882	119,479	12,425	2,659,167
Net book amount							
At 31 March 2021	510,000	11,665,894	63,693	21,664	5,459	7,430	12,274,140
At 31 March 2020	460,000	11,797,707	75,533	22,436	6,370	10,404	12,372,450
Company							
Cost or valuation							
At 1 April 2020	460,000	13,046,791	651,429	510,896	69,606	19,855	14,758,577
Additions	-	-	12,748	7,705	3,150	-	23,603
Revaluation	50,000	-	-	-	-	-	50,000
Disposals	-	-	-	-	-	-	-
At 31 March 2021	510,000	13,046,791	664,177	518,601	72,756	19,855	14,832,180
Depreciation							
At 1 April 2020	-	1,249,084	575,896	494,500	63,381	9,483	2,392,344
Provided in the year	-	131,813	24,590	5,737	3,946	2,974	169,060
Disposals	-	-	-	-	-	-	-
At 31 March 2021	-	1,380,897	600,486	500,237	67,327	12,457	2,561,404
Net book amount							
At 31 March 2021	510,000	11,665,894	63,691	18,364	5,429	7,398	12,270,776
At 31 March 2020	460,000	11,797,707	75,533	16,396	6,225	10,372	12,366,233

Group and Company

The freehold property was valued by Adair Paxton, Chartered Surveyor as at 31 March 2021 on an open market value basis. If the freehold property had not been re-valued it would have been included at a cost of £230,300 with accumulated depreciation of £168,897.

Notes to the financial statements (continued)

15 Tangible fixed assets (continued)

The Leasehold Land and Buildings are the home of the Company at Quarry Hill in Leeds which has a 250 year lease with Leeds City Council. The Company moved into the building in the Autumn of 2010 and from that date depreciation was charged on the asset, the asset will be written off over its estimated useful life of 99 years. The asset is supported in the Balance Sheet by a restricted reserve of the grants donated by Leeds City Council, Arts Council England and generous donations from supporters of the building campaign.

16 Intangible fixed assets

Group	Goodwill £
Cost	
As at 1 April 2020 and 31 March 2021	<u>71,700</u>
Amortisation	
As at 1 April 2020 and 31 March 2021	<u>71,700</u>
Net book amount	
At 31 March 2020 and 31 March 2021	<u>-</u>

17 Investments

Fixed asset investments

Group	Listed investments £		
Cost			
At 1 April 2020		65,569	
Additions		219,549	
Fair value movement		20,362	
At 31 March 2021		<u>305,480</u>	
Company			
	Subsidiary Undertakings £	Listed investments £	Total £
Cost			
At 1 April 2020	106,076	65,569	171,645
Investment additions	-	219,549	219,549
Fair value movement	-	20,362	20,362
At 31 March 2021	<u>106,076</u>	<u>305,480</u>	<u>411,556</u>

Included within Current Investments is a balance of £2,000,000 of cash on deposit

Notes to the financial statements (continued)

17 Investments (continued)

Name	Country of Registration	Class of shares held	Proportion of nominal value held	Principal activities
Northern Ballet Theatre Company (Property) Limited (02466786)	England	£1 ordinary	100%	Dormant
Info Display Limited (04392827)	England	£1 ordinary	100%	Leaflet distribution company for the arts and heritage sector
Northern Ballet Productions Limited (09202205)	England	£1 ordinary	100%	Development and production of ballets

Operations of trading subsidiaries

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
A summary of the results of the trading subsidiary Info Display Limited are set out below:		
Turnover (including interest receivable)	207,461	451,120
Other Income	119,617	-
Operating expenses	(325,527)	(357,599)
Operating profit	1,551	93,521
(Tax)/Credit on profit/(loss)	-	24,662
Profit for the year	1,551	118,183
Retained profits at 1 April 2020	112,405	129,516
Payment under Gift Aid	(97,108)	(135,294)
Retained profits at 31 March 2021	16,848	112,405

Notes to the financial statements (continued)

18 Investments (continued)

Operations of trading subsidiary (continued)

	31 March 2021 £	31 March 2020 £
The net assets and liabilities of the subsidiary Info Display Limited were:		
Fixed assets	3,364	6,220
Current assets	102,039	356,891
Creditors: amounts falling due within one year	(88,455)	(250,606)
Net current assets	<u>13,584</u>	<u>106,285</u>
Total assets less current liabilities	<u>16,948</u>	<u>112,505</u>
Aggregate share capital and reserves	<u>16,948</u>	<u>112,505</u>
	Year ended 31 March 2021 £	Year ended 31 March 2020 £
A summary of the results of the trading subsidiary Northern Ballet Productions Limited are set out below:		
Turnover (including interest receivable)	2082,298	4,262,693
Charges	(2,597,255)	(4,857,078)
Loss	(514,957)	(594,385)
HMRC Theatre & Film Tax Relief Claim	514,957	594,385
Retained in subsidiary	<u>-</u>	<u>-</u>
	31 March 2021 £	31 March 2020 £
The net assets and liabilities of the subsidiary Northern Ballet Productions Limited were :		
Current assets	1,118,377	1,003,579
Creditors : amounts falling due within one year	(1,118,376)	(1,003,578)
Net current assets	<u>1</u>	<u>1</u>
Total assets less current liabilities	<u>1</u>	<u>1</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

Northern Ballet Productions Limited will make a claim for Theatre Tax Relief and Film Tax Relief for 7 productions in the year. Accordingly the financial statements include a debtor and income receivable of £514,957 (2020: £594,385) in relation to this claim.

Notes to the financial statements (continued)

19 Stocks

Group and Company	2021 £	2020 £
Ballet shoes	26,005	10,932
Programmes and brochures	-	-
	<u>10,932</u>	<u>10,932</u>

During the year £24,591 of Ballet shoes were recognised as an expense. No stocks were written off in the period

20 Debtors

	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Trade debtors	185,524	240,765	139,302	109,250
Other debtors	1,129,349	615,377	11,691	8,697
Prepayments	122,039	187,213	104,132	179,439
Accrued income	37,536	117,215	37,536	117,215
Amounts due from subsidiary undertakings	-	-	1,176,287	1,013,845
	<u>1,474,448</u>	<u>1,160,570</u>	<u>1,468,948</u>	<u>1,428,446</u>

No impairment losses (2020: £Nil) were recognised against debtors at 31 March 2021. No interest is charged on intercompany balances and all are repayable on demand.

21 Creditors: amounts falling due within one year

	2021 Group £	2020 Group £	2021 Company £	2020 Company £
Trade creditors	147,146	266,366	143,737	264,457
Amounts due to subsidiary undertakings	-	-	100	100
Social security and other taxes	52,362	166,491	46,416	122,683
Corporation tax	832	25,494	-	-
Pension contributions	26,875	27,305	26,875	26,117
Other creditors	5,292	87,745	5,292	87,744
Pension deficit	59,600	55,543	59,600	55,543
Accruals	159,605	295,890	140,943	279,920
Deferred income (note 22)	1,147,711	561,429	1,146,019	384,802
	<u>1,599,423</u>	<u>1,486,263</u>	<u>1,568,982</u>	<u>1,221,366</u>

There is no liability included within Creditors for holiday pay in 2021 due to the leave taken whilst touring was suspended (2020: £76,662)

Notes to the financial statements (continued)

22 Creditors: amounts falling due after one year

Group and Company

	2021	2020
	£	£
Net present value of future pension deficit reduction payments	<u>314,618</u>	<u>359,197</u>

23 Deferred income

	2021 Group	2020 Company
	£	£
Deferred income brought forward	561,429	384,802
Released in the year	(398,015)	(221,388)
Deferred in the year	984,297	982,604
Deferred income carried forward	<u>1,147,711</u>	<u>1,146,019</u>

Deferred income at 31 March 2021 includes the following key items; £250,537 and £145,918 received from Arts Council England to support the work of the company on tour in Wales, Scotland & Northern Ireland and our work on Children's ballets, £600,000 received from Garfield Weston Foundation to support our Digital work in 21/22, pre-paid fees of £93,848 for training and learning activities in 2021.

24 Commitments under operating leases

At 31 March 2021, the Group's future minimum operating lease payments are as follows:

	2021 Group	2020 Group	2021 Company	2020 Company
	£	£	£	£
Land and buildings				
Not later than 1 year	115,536	112,968	90,000	87,432
Later than 1 year and not later than 5 years	315,000	384,906	315,000	360,000
Later than 5 years	-	45,000	-	45,000
	<u>430,536</u>	<u>542,874</u>	<u>405,000</u>	<u>492,432</u>
	2021 Group	2020 Group	2021 Company	2020 Company
	£	£	£	£
Vehicles and equipment				
Not later than 1 year	16,274	16,274	-	-
Later than 1 year and not later than 5 years	8,137	24,411	-	-
	<u>24,412</u>	<u>40,685</u>	<u>-</u>	<u>-</u>

Operating lease payments recognised as an expense during the year were £131,810 (2020: £125,039).

Notes to the financial statements (continued)

25 Share capital

Group and Company

	2021	2020
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
29 Ordinary shares of £1 each	<u>29</u>	<u>29</u>

Each holder of a share or shares is entitled to one vote at a meeting of shareholders in accordance with the memorandum and articles of association of the company.

The Company is limited by guarantee and each Trustee has undertaken to contribute a maximum of £10 to the costs of the company in the event of a winding up.

26 Total funds

Capital redemption reserve

The capital redemption reserve arose on historic shares repurchased by the Company. Its value is £14 (2020: £14).

Restricted funds

Restricted income funds are further detailed in the following tables and notes.

Revaluation reserve

The revaluation reserve represents the surplus created on the revaluation of Wellington Mill.

Designated reserves

Designated funds represent funds which the trustees have set aside for a specific purpose, for further details see following table and notes.

Other charitable funds

Other charitable funds represents all current and prior period unrestricted, undesignated retained income and expenditure.

Notes to the financial statements (continued)

26 Total funds (continued)

Income funds are analysed as follows:

Group	Balance at 31 March 2020 £	Movement during the year		Balance at 31 March 2021 £
		Incoming resources £	Expenditure £	
Restricted				
Building project fund	11,797,855	2,328	134,141	11,666,042
Education professional training	24,012	29,928	33,697	20,240
Education projects	2	109,707	26,978	82,731
Production fund	-	249,657	208,714	40,944
Children's Ballets	288,552	50,500	-	339,052
Dance Partnership	179,727	21,468	97,865	103,330
Asset Fund	14,394	-	5,845	8,549
Digital Projects Fund	-	47,000	47,000	-
Cross Border Touring	180,001	-	-	180,001
	<u>12,484,543</u>	<u>510,585</u>	<u>554,239</u>	<u>12,440,889</u>
Unrestricted	181,431	8,303,688	5,950,189	2,534,930
	<u>12,665,974</u>	<u>8,814,273</u>	<u>6,504,428</u>	<u>14,975,819</u>

Company	Balance at 31 March 2020 £	Movement during the year		Balance at 31 March 2021 £
		Incoming resources £	Expenditure £	
Restricted				
Building project fund	11,797,855	2,328	134,141	11,666,042
Education professional training	24,012	29,925	33,697	20,240
Education projects	2	109,707	26,978	82,731
Production fund	-	249,657	208,713	40,944
Children's Ballets	288,552	50,500	-	339,052
Dance Partnership	179,727	21,468	97,865	103,330
Asset Fund	14,394	-	5,845	8,549
Digital Projects Fund	-	47,000	47,000	-
Cross Border Touring	180,001	-	-	180,001
	<u>12,484,543</u>	<u>510,585</u>	<u>554,239</u>	<u>12,440,889</u>
Unrestricted	199,563	10,156,196	7,731,802	2,623,957
	<u>12,684,106</u>	<u>10,666,781</u>	<u>8,286,041</u>	<u>15,064,846</u>

Notes to the financial statements (continued)

25 Total funds (continued)

Restricted funds – Group and Company

The Building Project fund was established in the year ended 31 March 2001 by donations from various entities. Donations to this fund were used to develop the Company's building at Quarry Hill, Leeds which the Company moved into in October 2010. Expenditure in the year refers to one year's depreciation charge. The building is being depreciated over 99 years.

The Education Professional Training fund was established in the year ending 31 March 2005. The purpose of this fund is to develop the professional dance training programme. Successful applicants attend a five year dance training scheme after school, at the weekend and during school holidays.

The Education Projects fund was established in the year ending 31 March 2009 with donations from numerous Trusts and Foundations, the conditions of the donations stipulate the educational work to be supported. In the year this fund has supported a programme of theatre visits and workshops for children of all abilities in Leeds, workshops and performances for the visually impaired, dance experience for wheelchair users, a project with a children's hospice in Leeds and an international research project to develop safe practice for teaching people with learning disabilities.

The Production fund reflects donations from trusts and individuals given on the condition that the income be used to support the development of new productions.

The Children's Ballet fund was established in the year ending 31 March 2013 to support the development of short ballets for children. Donations have been received from Arts Council England.

The Dance Partnership fund was established in the year ending 31 March 2016 with funding from Arts Council England. The purpose of the donation was to support an initiative to create a North of England centre of dance in Leeds, this work continued in the year ending 31 March 2021.

The Asset fund reflects a donation received in the year ended 31 March 2018 which was used to purchase lighting for productions. Expenditure in the year reflects the depreciation charge on the asset. The asset will be depreciated over 5 years.

The Digital Projects Fund reflects a donation received in the year ended 31 March 2020 to support the creation of Children's Ballets as films suitable for cinema and other digital release.

Cross Border Touring reflects funding received from Arts Council England to deliver performances outside of England but within the UK

Notes to the financial statements (continued)

26 Total funds (continued)

Designated Reserves

Group and Company	Balance at 31 March 2020 £	Movement during the year			Balance at 31 March 2021 £
		Incoming resources £	Expenditure £	Gains and losses £	
Designated Reserves					
The Flood Reserve	595,248	-	-	-	595,248
The Investment Reserve	169,569	115,548	-	20,362	305,479
	<u>764,817</u>	<u>115,548</u>	<u>-</u>	<u>20,362</u>	<u>900,727</u>

The Flood Reserve was set aside to manage the insurance settlements received and receivable following the flood at the company stores on 26 December 2015. It is the intention that these reserves will be used to build future productions.

The Investment Reserve represents funds set aside by the trustees to invest as a managed investment. It is the intention of the trustees that this fund will be developed over time to create an additional income stream for the charity.

27 Analysis of group net assets between funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	599,549	11,674,591	12,274,140
Investments	305,480	-	305,480
Current assets	3,543,985	766,298	4,310,283
Current liabilities	(1,599,423)	-	(1,599,423)
Long term liabilities	(314,618)	-	(314,618)
Total net assets	<u>2,534,973</u>	<u>12,440,889</u>	<u>14,975,862</u>

28 Pensions

Defined contribution scheme - Company

The Company operates money purchase pension schemes for the benefit of the employees. The assets of the scheme are administered by trustees, in a fund independent from those of the Company.

Defined benefit scheme - Company

The Company contributed to a defined benefit scheme; the "Pension Scheme for Administration and Technical Staff in the Arts" for two employees up to 14 December 2012. From this date all accrual to the scheme ended. The Company remains liable for its portion of the deficit in scheme funds. The assets of the scheme are administered by a trustee, in a fund independent from those of the Company. The scheme is a multi-employer scheme and the Company is unable to identify its share of the underlying assets and liabilities. As noted in the Principal Accounting Policies there is a funding agreement in place to eliminate that element of the deficit in the Scheme which is relative to the Company.

Notes to the financial statements (continued)

27 Pensions (continued)

The principal conclusions of the last triennial valuation at 31 March 2020 estimated a funding shortfall of £2,299,000 (2020: £2,299,000). Northern Ballet, as one of several employers responsible for funding this shortfall, agreed to make monthly contributions of £5,185 for ten years, payments commenced 1 July 2017. A liability has been recognised in the balance sheet, in accordance with FRS 102, equal to the net present value of these future deficit reduction payments. The payments are discounted to present value using a yield curve derived from AA rated bonds in the iBoxx sterling corporate bond index, this gave a rate of 0.5-0.7%. The net present value of the sum of the remaining monthly contributions as at 31 March 2021 is £374,218(2020: £414,740) and this has been recorded as a liability in the balance sheets of the Group and the Company, £59,600 (2020: £55,543) in creditors falling due within one year and £314,618 (2020: £359,197) in creditors falling due after one year

28 Related party transactions

In accordance with paragraph 33.1A of FRS 102, the company has taken advantage of the exemption to provide details of related party transactions with its wholly owned subsidiary undertakings.

29 Capital commitments

There were no capital commitments as at 31 March 2021 (2020: £Nil).

Notes to the financial statements (continued)

30 Consolidated Statement of financial activities - comparative

	Note	Restated Unrestricted Funds £	Restricted funds £	2020 £
INCOME				
Income from donations and legacies	3	3,867,827	1,111,435	4,979,262
Income from trading activities	4	794,849	-	794,849
Income from charitable activities	6	2,634,233	-	2,634,233
Investment income	5	4,818	-	4,818
Total income		7,301,727	1,111,435	8,413,162
EXPENDITURE				
Expenditure on raising funds				
Fundraising	7	334,221	-	334,221
Other costs		-	-	-
Building		129,928	29,571	159,499
Leaflet distribution		332,599	-	332,599
		796,748	29,571	826,319
Charitable activities				
Touring	8	7,878,346	1,081,862	8,960,208
Academy (classical training)	8	378,655	22,688	401,343
		8,257,001	1,104,550	9,361,551
Other expenditure				
Goodwill amortisation	16	-	-	-
Total expenditure		9,053,749	1,134,121	10,187,870
Taxation				
Theatre tax relief income		594,385	-	594,385
Tax on profit on ordinary activities		-	-	-
		594,385	-	594,385
Other recognised gains				
Fair value gain/(loss) on unlisted investments	17	(4,319)	-	(4,319)
		(4,319)	-	(4,319)
Net income/(expenditure)		(1,161,956)	(22,686)	(1,184,642)
Reconciliation of funds				
Total funds brought forward	25	1,343,387	12,507,229	13,850,616
Total funds carried forward	25	181,431	12,484,543	12,665,974

Notes to the financial statements (continued)

31 Financial assets and liabilities

	2021 £	2020 £
Financial assets measured at fair value through statement of financial activities		
Investments	305,480	65,569
	<u>305,480</u>	<u>65,569</u>
Financial assets measured at amortised cost		
Bank and Cash	809,830	901,956
Investments	2,000,000	-
Trade debtors and other debtors	1,352,409	973,357
	<u>4,162,239</u>	<u>1,875,313</u>
Financial liabilities measured at amortised cost		
Trade Creditors	147,146	266,366
Other Creditors	91,767	170,593
Accruals	159,605	295,890
	<u>398,518</u>	<u>732,849</u>

32 Job Retention Scheme income

During the year the group received £1,770,998 of income relating to the Job Retention Scheme from the UK Government. This scheme enabled employers to claim back salary costs for employees who were furloughed as a result of the disruption caused by the COVID19 pandemic. This income was received on a monthly basis in arrears upon completion and submission of the relevant claim form. These funds have been accounted for as an unrestricted performance related grant as there was no restriction to the charitable purpose for which the funds could be used and at the 31 March 2021 there was a balance of £34,162 relating to furloughed staff salary costs for March 2021 which had yet to be claimed or received.