

Northern Ballet Limited

Report of the Trustees and Financial Statements

For the year ended 31 March 2020

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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Company information

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| 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 Ms Jane Gilbert Boot (Resigned 3 January 2020) Mr Jolyon Harrison Mrs Elizabeth Jackson Mr Clive Lloyd Mr Philip Keller Mrs Kyla Mullins (appointed 18 March 2020) Mr Kevin O'Hare Mr John Procter Ms Anita Rani Mr Graham Smith (appointed 18 March 2020) Mr Paul Smith Mr James Taylor (resigned 28 February 2020) |
| 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

It is not often that, in reporting on a financial year which has ended, a Chair writes more about the current year than that reported on, but readers will understand why that should be so this time. Our financial year to 31 March 2020 was an excellent one artistically, culminating in the world premiere of *Geisha*, choreographed by Kenneth Tindall; we had a choreographic debut for company dancer Mlindi Kulashe and a new ballet for children, *Little Red Riding Hood*, with choreography by another of our dancers, Mariana Rodrigues; great progress was made in our digital projects, by our Learning team and in our Academy.

Our 50th Anniversary Year straddled calendar years 2019 and 2020 and much of the former was spent preparing for celebratory events in the latter. In early January we sold out the Leeds Grand Theatre – a rare occurrence – with our 50th Anniversary Gala, in which leading dancers from all four other British ballet companies, and the Joffrey Ballet of Chicago, came to perform, not the standard stuff of galas – their repertoire big classical pas de deux – but ours: work by Christopher Gable, Kenneth Tindall, Daniel de Andrade and, of course, David Nixon. David presented the evening as a genuine history of the Company's first fifty years, with appreciation to those who have contributed to that story – many of whom were present – and attention to the new talent which the Company is nourishing.

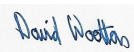
In the factual description of the year in the pages which follow, one figure stands out: on page 5, *Geisha*, number of performances: 1, the world premiere the last performance before the first lockdown. Page 4 sets out what has happened since. What that narrative does not convey is the enormous effort and huge achievement of David Nixon and Mark Skipper, and those they lead throughout the Company, in adapting to and coming through the difficulties caused by the pandemic. There are not many activities less susceptible to social distancing than ballet: with theatres shut and our building inaccessible for several months, with our dancers forced to keep themselves in condition on their own at home, the musicians unable to play together, and our other staff working from home, it is a real tribute to David Nixon's inspiring leadership that the dancers have remained committed and motivated, to our new Music Director Jonathan Lo's enthusiasm that our orchestra remains in such good form, and to Mark Skipper's talents of management, ably supported by our new Finance Director Richard Coram, that the Company remains stable and in good shape financially and administratively. We are truly grateful to them all.

It was, therefore, with excitement and relief that we were able to perform a short season at the Leeds Playhouse in October, and we look forward to resuming a full performance schedule when we can, not least with the world premiere of *Merlin*, choreographed by Drew McOnie.

We are very grateful to the Government and to Arts Council England, and to Leeds City Council, and many major Trusts and Foundations for their continuing, and crisis-related, support, and to our many Benefactors and supporters, who have grown in number and in the scale of their generosity: they all show that the qualities displayed by the Company this year are greatly valued.

Finally, I thank my colleagues on the Board of Trustees for their diligence, commitment and dedicated support of the Company. We were sorry to lose Jane Gilbert Boot and James Taylor from the board earlier this year, and we thank them for what they did. We were very pleased to welcome Kyla Mullins and Graham Smith to our number, and they are already making a valuable contribution.

Sir David Wootton
Chair
21st December 2020



Report of the trustees

(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 2020 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 2019). 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 2020 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 £1.3m from the UK-wide Job Retention Scheme (JRS), £0.5m from Arts Council England (ACE) and been allocated £0.75m 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.

As a board of trustees building towards 2021 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

Report of the trustees (continued)

(incorporating the Strategic Report)

our organisation. For additional details of our forecast for the organisation during 2021 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 7 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 2019/20, 59% of tickets sold (2018/19 – 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 5 full length productions in the year which included the premiere of Geisha, choreographed and directed by Kenneth Tindall. Victoria and Great Gatsby continued to tour through the spring of 2019. In the autumn Artistic Director, David Nixon's Dracula and Cinderella were revived in a tour which travelled from Woking to Norwich ending in December in Leeds. Each production was a classical ballet performance of a narrative story. In addition, the company performed a Mixed Programme which gave a choreographic debut for company dancer Mlindi Kulashe and opportunities for classical choreographers Kenneth Tindall and Morgann Runacre-Temple to develop their skills further.

| Production | Number of Venues* | Number of performances |
|-------------------|--------------------------|-------------------------------|
| Mixed Programme | 5 | 15 |
| Victoria | 5 | 33 |
| Great Gatsby | 2 | 12 |
| Cinderella | 7 | 61 |
| Dracula | 1 | 13 |
| Geisha | 1 | 1 |
| Total | 21 | 135 |

Report of the trustees (continued)

(incorporating the Strategic Report)

(*Northern Ballet travels to some venues more than once)

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

Northern Ballet entered the seventh year in its programme of ballets for children. Puss in Boots continued its run through the summer of 2019 and this was followed by Little Red Riding Hood, choreographed by one of our dancers Mariana Rodrigues, and which opened in Leeds in the Stanley and Audrey Burton Theatre in October 2019.

The programme is supported by Arts Council England – Strategic Touring with the aim to deliver children's ballets in venues across the North, Midlands, South East and South West areas. The performances engage children and families of all means and from all backgrounds who may not usually access the arts, supported by an audience development and access programme.

The 2 productions in 2019/20 were performed 108 times in theatres across the UK to 26,506 people across 33 venues.

| Production | Theatres/Community Centres | Performances |
|------------------------|----------------------------|--------------|
| Little Red Riding Hood | 4 | 30 |
| Puss in Boots | 29 | 78 |
| Total | 33 | 108 |

The Tour

Northern Ballet is committed to touring and to taking its productions across the length and breadth of the UK so that as wide an audience as possible has the opportunity to experience narrative classical ballet. In 2019/20, the Company toured its Large Scale and Mixed Programme productions to 18 UK towns and cities.

| Summary of Main Tour | | | |
|-----------------------------------|---------|---------|---------------------|
| | 2019/20 | 2018/19 | Increase/(Decrease) |
| Weeks Touring in the UK | 24 | 22 | 2 |
| Ballet Performances on Tour | 135 | 136 | (1) |
| Attendees | 88,532 | 112,275 | (23,743) |
| Average Attendees Per Performance | 632 | 827 | (195) |

The number of touring weeks and performances in a financial year can increase or decrease depending on several factors, including the timing of national holidays and the availability of theatres. In addition the capacity of venues performed in can have a significant impact on attendees in the year hence our attendees decreasing significantly but average occupancy per performance increasing to 73%.

Report of the trustees (continued)

(incorporating the Strategic Report)

Digital Projects

Northern Ballet continues to develop digital content to enhance the audience experience and reach diverse new audiences. In this year two of our full-length ballets were shown in more than 300 cinemas for the first time. Victoria was watched by 7,000 people in the UK and Dracula was streamed live on Halloween to cinemas across the UK, Ireland, Germany and Norway; with 10,000 tickets sold. Victoria was then viewed 41,000 times on BBC Four and iPlayer over Christmas and is now available to buy on DVD.

Our partnership with CBeebies continued with the filming of our seventh ballet for children, Little Red Riding Hood. We now have seven children's ballets captured and licensed for future use in cinema. We increased our investment in short-form digital content in the year with the production of EGO – a multi-award-winning ten-minute dance film involving a diverse range of artists and filmmakers. The film has been watched 85,000 times and is a centrepiece of our growing digital dance platform digitaldance.org, which showcases our best online content.

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.

Learning

Northern Ballet works with education and community groups to encourage interest and enthusiasm for dance and theatre. The Learning Department delivered workshops and projects in Leeds and the wider Yorkshire region, as well as a programme of work at the theatres on the national tour. Special events are also provided for children and adults with learning difficulties and disabilities to encourage freedom of expression and to enhance communication skills through creative arts.

The Learning Department supported the Short Ballet programme by holding outreach workshops in children's centres, libraries, community centres and schools and looking to engage those who found it difficult to access arts activities in their local area. 116 free outreach sessions were delivered through 19/20 with 5,249 participants.

September 2019 saw the launch of a pilot programme called Rise; 236 pupils aged 9-10 took part in weekly dance sessions and attended a performance of Cinderella at Leeds Grand Theatre. The pilot is being evaluated by a researcher from The University of Leeds to examine the impact on children's mental health and physical wellbeing.

Over the course of the year, Northern Ballet delivered Ability (9 participants), its dance course for adults with learning disabilities and In Motion (5 adults and 3 young people), its project for wheelchair users. There were 12 audio described performances across the UK and 11 relaxed performances. Six families participated in Let's Dance, a project in collaboration with Martin House Children's Hospice giving families with challenging lives the opportunity to create special and lasting memories by taking part in a range of creative activities and visiting the theatre to see Northern Ballet productions of Puss in Boots and Nutcracker.

Expressions, a dance platform for disabled dancers held over two days included 2 professional companies performing alongside 14 community groups. There were three performances in the Stanley and Aubrey Burton Theatre.

Report of the trustees (continued)

(incorporating the Strategic Report)

Learning (continued)

The Burberry Inspire project continued to tackle social mobility and raise awareness of creative careers. Disadvantaged pupils from 4 high schools (1,677 pupils) engaged in the project working with a dance artist, filmmaker, set designer, set builder and a costume designer to create dance films.

Dance for Parkinson's sessions continued in Garforth in Leeds with up to 19 participants per week. 30 sessions were held over the year.

The Erasmus+ programme through EcorysUK funded an international research project to develop safe practice for teaching people with learning disabilities, this project will continue through 2020/21.

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.

The Graduate programme gave 13 talented dancers from across the world, full time training and opportunities to perform alongside the Company.

The Academy CAT programme is an intensive course of ballet training for children from 11 years upwards. Students can apply for funding, to pay the annual fees, to the Department for Education, applications are assessed by means testing, and students may receive a full grant from the government to cover their training costs.

The Associate Programme offers training in Classical and Contemporary Dance. This is a less time intensive programme. Northern Ballet's aim is that students receive the best possible training. Students are assessed by an annual appraisal and may move from one training programme to another. 128 Associates attended regular classes over the course of the year.

The Academy offers Open Classes to children, young people, adults and older people and delivers regular open access classes, over the course of the year. Delivered Spotted sessions to 54 pupils and 5 students are expected to take up places on the Kitten programme to prepare them for CAT auditions in the following 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.

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 2020

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.

Report of the trustees (continued)

(incorporating the Strategic Report)

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 2020. 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, Arts Council England and Leeds City Council. The combined support from public entities represents 41% (2018/19: 43%) of Northern Ballet's income in the year (See Financial Review – page 10.)

Northern Ballet continues to foster strong relationships with various trusts and foundations who support the company and specific projects throughout each year. Northern Ballet is grateful for all the support it receives for its activities and 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
- Leverhulme Trust
- The Liz and Terry Bramall Foundation
- The Linbury Trust
- Paul Hamlyn Foundation

Report of the trustees (continued)

(incorporating the Strategic Report)

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 2020 are shown in the Consolidated Statement of Financial Activities on page 21. The assets and liabilities as at 31 March 2020 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 2019 edition.

In summary, Group net incoming/(outgoing) resources for the year were (£1,184,642) (2019: £17,669) including (£1,142,871) (2019: £340,090) relating to the Company. Within this value, £131,813 (2019: £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 £131,813 will be charged against the restricted fund over 99 years.

Northern Ballet generated approximately 59% (2019: 57%) of its income from operations but 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. Fundraising within 2019/20 fell short of the original budget as a result of the loss of a large corporate sponsor in early 2020.

Group Fundraising Income - Major Funders and Others

| | 2020 | 2019 | Increase/ (decrease) |
|---|--------------|--------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Arts Council England – National Portfolio | 3,112 | 3,112 | - |
| Arts Council England – Other | 326 | 614 | (288) |
| Leeds City Council | 200 | 218 | (18) |
| Other | 1,341 | 922 | 419 |
| | 4,979 | 4,866 | 113 |

Report of the trustees (continued)

(incorporating the Strategic Report)

The Trustees believe the key performance indicators for the Company below are particularly important as they demonstrate the ability of the organisation to self-sustain and the commercial performance of our touring activities:

| | 2020 | 2019 | Increase/ (decrease) |
|--|------------|------|-------------------------|
| Average Theatre Occupancy Main Tour | 73% | 71% | 2% |
| Number of UK Performances on Main Tour | 135 | 136 | (1) |
| Number of UK Children's Performances | 108 | 84 | 24 |
| Ticket Yield – Main Tour | £30 | £19 | £11 |
| Ticket Yield – Children's Ballets | £6 | £4 | £2 |
| Income | | | |
| % Public Funding | 41% | 43% | (2%) |
| % Generated Income | 59% | 57% | 2% |

Although the key performance indicators can be used to monitor trends in performance, movements up and down from year to year may also be explained by variations in the places and productions which make up the touring activity. The Group has a long-term goal to reduce the proportion of income derived from public funding and as such we are pleased to continue increasing the percentage of self-generated funds in the year.

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 2020/21

The end of the 2019/20 year saw the outbreak of COVID19 which began to make its impact felt within the UK. The initial national lockdown was implemented after the opening night of Geisha and curtailed the remainder of the run and created an unprecedented level of uncertainty for both the Company and Country at large.

As a result of the lockdown restrictions we lost the entirety of both the 2020 Spring/Summer tour and the Autumn/Christmas season. The Financial impact of this has been mitigated by the receipt of Emergency Grant funding from ACE and a successful application to the Cultural Recovery Fund (CRF) both of which will provide the income lost through the Spring and Autumn tours. During late Autumn we produced a two week run at the Leeds Playhouse which will be our only performances until 2021, consisting of:

- Iconic Classics - a rare opportunity to see some of classical ballet's most timeless moments in one evening.
- A Celebration of David Nixon OBE – Reliving some of the highlights of our Artistic Director work over the last 20 years.
- Contemporary Cuts - A series of short dance pieces from both upcoming and established choreographers
- Dangerous Liaisons – The revival of the story of sexual power, depravity, cruelty and deceit expertly choreographed by David Nixon OBE.

We remain hopeful that 2021 will provide opportunities for us to tour again and we have 44 performances planned across 4 venues with the repertoire to be decided.

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Funding

The current Arts Council England four-year funding agreement, which runs to 31 March 2022, awarded annual funding of £3,112,000. Due to the Coronavirus pandemic this has been now extended to 2023, through the second half of 2020 we have been awarded grants from both Arts Council England and the Cultural Recovery Fund in excess of £1.2m 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.

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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 likeliness of receipt. This provides confidence over fundraising targets and "early-warning" should pledges be withdrawn.

The credit risk associated with debtors is partially mitigated as the Group receives in the region of 41% (2019: 43%) of its income from government funding. 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.

Part of the Company's reserve policy is to seek to hold approximately 8 weeks of planned income as cash. This target is currently £1,294,333 (2019: £1,411,741). During 19/20 the cash at year end equated to only 70% of this target (2019: 83%).

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 free reserves at 31 March 2020 were £181,431 (2019: £1,343,387). Total reserves for the Group were £12,665,974 (2019: £13,850,616) (note 25) of which £12,484,543 (2019: £12,507,229) is attributable to restricted reserves. Within restricted reserves a balance of £11,797,855 (2019: £11,929,668) relates to the building project fund. Group balance sheet at 31 March 2020 shows net current assets of £ 587,195 (2019: £1,697,173) and bank balances of £901,956 (2019: £1,116,362). 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 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.

Reserve Policy (continued)

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 2020, Northern Ballet held investment funds to the value of £65,569 (2019: £61,532). 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.

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 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 appointed a subset

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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of Trustees, including the Chair, to form a Remuneration Committee. This committee oversees proper 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.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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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

The Trustees are aware that the current economic uncertainties will have an impact on the financial success of the Group. The loss of the Spring/Summer/Autumn and Christmas seasons in 2020 had a significant impact on Box Office income during the period and along with a significant number of other arts organisations this created the potential for significant difficulties during the 20/21 and 21/22 years.

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 addition to the employment related support Northern Ballet also received over £1.2 million in grants from Arts Council England and The Cultural Recovery Fund. The receipt of these funds will enable the organisation to finish the 20/21 year with a positive cash balance and the funds required to continue as a Going Concern through the 21/22 year.

Budgeting for the 21/22 year was conducted with assumptions made around significantly reduced audience numbers through until 2022 when it is believed that we will be in a position to tour to audiences of the size experienced pre COVID19. The budgets have then been subject to sensitivity analysis to consider the impact on cash balances, in particular, of changes in the key assumptions, such as revenues and core costs. In each case, the sensitised forecasts show sufficient cash remains available to fund liabilities as they fall due throughout the going concern assessment period.

The Budget is sensitive to further reductions in Box Office income or significant drops in donations and support received from external organisations. It is the belief of the Executive team and Trustees that the disappearance of both funding streams is unlikely to occur and the organisation could sustain itself should only one of these income streams significantly decrease.

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.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

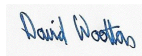
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Going concern (continued)

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. Further information is given in the Principal accounting policies (note 2.4).

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.



Sir David Wootton
Chair
21st December 2020



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 2020 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 2020 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.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the trustees' conclusions, we considered the risks associated with the group's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report of the trustees and financial statements, 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 Report of the trustees (incorporating the Strategic Report).

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company'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 on pages 15 to 16 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 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.

Use of our report

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

Grant Thornton UK LLP

Deborah Watson BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
21/12/2020

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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

| | Note | Unrestricted funds £ | Restricted funds £ | 2020 £ | 2019 £ |
|--|-----------|-------------------------|-----------------------|--------------------|-------------------|
| INCOME | | | | | |
| Income from donations and legacies | 3 | 3,867,827 | 1,111,435 | 4,979,262 | 4,866,252 |
| Income from trading activities | 4 | 794,849 | - | 794,849 | 1,166,114 |
| Income from charitable activities | 6 | 2,634,233 | - | 2,634,233 | 3,142,097 |
| Investment income | 5 | 4,818 | - | 4,818 | 1,856 |
| Total income | | 7,301,727 | 1,111,435 | 8,413,162 | 9,176,319 |
| EXPENDITURE | | | | | |
| Expenditure on raising funds | | | | | |
| Fundraising | 7 | 334,221 | - | 334,221 | 124,188 |
| Other costs | | - | - | - | 133,785 |
| Building | | 129,928 | 29,571 | 159,499 | 141,392 |
| Leaflet distribution | | 332,599 | - | 332,599 | 331,208 |
| | | 796,748 | 29,571 | 826,319 | 730,573 |
| Expenditure on charitable activities | | | | | |
| Touring | 8 | 7,878,346 | 1,081,862 | 8,960,208 | 8,517,980 |
| Academy (classical training) | 8 | 378,655 | 22,688 | 401,343 | 427,940 |
| | | 8,257,001 | 1,104,550 | 9,361,551 | 8,945,920 |
| Total expenditure | | 9,053,749 | 1,134,121 | 10,187,870 | 9,676,493 |
| Taxation | | | | | |
| Theatre tax relief income | | 594,385 | - | 594,385 | 510,235 |
| Tax credit/(charge) on profit on ordinary activities | | - | - | - | 4,848 |
| | | 594,385 | - | 594,385 | 515,083 |
| Other recognised gains | | | | | |
| Fair value gain on investments | 17 | (4,319) | - | (4,319) | 2,760 |
| | | (4,319) | - | (4,319) | 2,760 |
| Net (expenditure)/income | | (1,161,956) | (22,686) | (1,184,642) | 17,669 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | 25 | 1,343,387 | 12,507,229 | 13,850,616 | 13,832,947 |
| Total funds carried forward | 25 | 181,431 | 12,484,543 | 12,665,974 | 13,850,616 |

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.

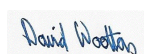
The accompanying notes on pages 25 - 47 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Consolidated balance sheet

| | Note | 2020 £ | 2019 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 12,372,450 | 12,513,371 |
| Goodwill | 16 | - | - |
| Investments | 17 | 65,569 | 61,532 |
| | | <u>12,438,019</u> | <u>12,574,903</u> |
| Current assets | | | |
| Investments | 17 | - | 250,000 |
| Stocks | 18 | 10,932 | 20,378 |
| Debtors | 19 | 1,160,570 | 2,081,656 |
| Cash at bank and in hand | | 901,956 | 1,166,362 |
| | | <u>2,073,458</u> | <u>3,518,396</u> |
| Creditors: amounts falling due within one year | 20 | <u>(1,486,263)</u> | <u>(1,821,223)</u> |
| Net current assets | | 587,195 | 1,697,173 |
| Total assets less current liabilities | | 13,025,214 | 14,272,076 |
| Creditors: amounts falling due after one year | 21 | (359,197) | (421,417) |
| Net assets | | <u>12,666,017</u> | <u>13,850,659</u> |
| Called up share capital | 24 | 29 | 29 |
| Capital redemption reserve | 25 | 14 | 14 |
| Income funds | | | |
| Restricted funds | 25 | 12,484,543 | 12,507,229 |
| Unrestricted funds | | | |
| Revaluation reserve | | 306,473 | 306,473 |
| Designated reserves | 25 | 764,817 | 1,112,828 |
| Other charitable funds | | (889,859) | (75,914) |
| | | <u>12,666,017</u> | <u>13,850,659</u> |

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



Sir David Wootton - Trustee
 21st December 2020

Company number: 00947096

The accompanying notes on pages 25 – 47 form part of these financial statements.

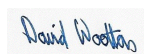
Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Company balance sheet

| | Note | 2020 | 2019 |
|---|------|--------------------|-------------|
| | | | £ |
| Fixed assets | | | |
| Tangible assets | 15 | 12,366,233 | 12,503,264 |
| Investments | 17 | 171,647 | 167,610 |
| | | 12,537,880 | 12,670,874 |
| Current assets | | | |
| Investments | 17 | - | 250,000 |
| Stocks | 18 | 10,932 | 20,378 |
| Debtors | 19 | 1,428,446 | 1,844,061 |
| Cash at bank and in hand | | 287,454 | 968,213 |
| | | 1,726,832 | 3,082,652 |
| Creditors: amounts falling due within one year | 20 | (1,221,366) | (1,505,089) |
| Net current assets | | 505,466 | 1,577,563 |
| Total assets less current liabilities | | 13,043,346 | 14,248,437 |
| Creditors: amounts falling due after one year | 21 | (359,197) | (421,417) |
| Net assets | | 12,684,149 | 13,827,020 |
| Called up share capital | 24 | 29 | 29 |
| Capital redemption reserve | 25 | 14 | 14 |
| Income funds | | | |
| Restricted funds | 25 | 12,484,543 | 12,507,229 |
| Unrestricted funds | | | |
| Revaluation reserve | | 306,473 | 306,473 |
| Designated reserves | 25 | 764,817 | 1,112,828 |
| Other charitable funds | | (871,727) | (99,553) |
| | | 12,684,149 | 13,827,020 |

The (deficit)/surplus after tax for the parent company for the year was (£1,142,871) (2019: £34,090). 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 – Trustee
 Company number: 00947096

21st December 2020

The accompanying notes on pages 25 - 47 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Consolidated statement of cash flows

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Net cash flow from operating activities | | |
| Net income | (1,184,642) | 17,669 |
| Interest receivable | (4,818) | (1,856) |
| Depreciation | 171,497 | 175,580 |
| Taxation | - | (5,533) |
| Fair value (gains)/losses on unlisted investments | 4,319 | (2,760) |
| Decrease/(increase) in stock | 9,446 | 8,887 |
| Decrease/(increase) in debtors | 1,022,220 | (689,045) |
| (Increase)/decrease in accrued income | (101,134) | 4,413 |
| (Decrease)/increase in creditors | (172,218) | 78,728 |
| (Decrease)/increase in deferred income | (224,962) | 393,122 |
| Net cash (outflow)/inflow from operating activities | (480,292) | (20,795) |
| Cash flows from investing activities | | |
| Interest received | 4,818 | 1,856 |
| Purchase of tangible fixed assets | (30,576) | (83,729) |
| Proceeds/(Purchase) of current asset investments | 250,000 | (250,000) |
| Payments to acquire unlisted investments | (8,356) | (5,000) |
| Cash used in investing activities | 215,886 | (336,873) |
| (Decrease)/increase in cash and cash equivalents during the year | (264,406) | (357,668) |
| Cash and cash equivalents at the beginning of the year | 1,166,362 | 1,524,030 |
| Cash and cash equivalents at the end of the year | 901,956 | 1,166,362 |

Net debt reconciliation

| | At start of year £ | Cash-flows £ | At end of year £ |
|------|-----------------------|-----------------|---------------------|
| Cash | 1,166,362 | (264,406) | 901,956 |

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

The accompanying notes on pages 25 – 47 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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 2017 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 2019 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 is periodically valued by external surveyors, in the current year the company have used their judgement and reviews of local property data to provide confidence that the value held is still appropriate

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.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

2.4 Going concern

The Trustees are aware that the current economic uncertainties will have an impact on the financial success of the Group. The loss of the Spring/Summer/Autumn and Christmas seasons in 2020 had a significant impact on Box Office income during the period and along with a significant number of other arts organisations this created the potential for significant difficulties during the 20/21 and 21/22 years.

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 addition to the employment related support Northern Ballet also received over £1.2 million in grants from Arts Council England and The Cultural Recovery Fund. The receipt of these funds will enable the organisation to finish the 20/21 year with a positive cash balance and the funds required to continue as a Going Concern through the 21/22 year.

Budgeting for the 21/22 year was conducted with assumptions made around significantly reduced audience numbers through until 2022 when it is believed that we will be in a position to tour to audiences of the size experienced pre COVID19. The budgets have then been subject to sensitivity analysis to consider the impact on cash balances, in particular, of changes in the key assumptions, such as revenues and core costs. In each case, the sensitised forecasts show sufficient cash remains available to fund liabilities as they fall due throughout the going concern assessment period.

The Budget is sensitive to further reductions in Box Office income or significant drops in donations and support received from external organisations. It is the belief of the Executive team and Trustees that the disappearance of both funding streams is unlikely to occur and the organisation could sustain itself should only one of these income streams significantly decrease.

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.

Notes to the financial statements (continued)

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.

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.

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 April 2017 (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.

Notes to the financial statements (continued)

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 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 2019, 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 2.21-2.41%. 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 £ | 2020 £ | 2019 £ |
|-------------------------------|-------------------|------------------|-------------------------|------------------|
| Grant income | | | | |
| Arts Council England | 3,112,000 | 325,922 | 3,437,922 | 3,725,745 |
| Leeds City Council | 200,000 | - | 200,000 | 218,000 |
| Other voluntary income | | | | |
| Donations and gifts | 555,827 | 785,513 | 1,341,340 | 922,507 |
| | <u>3,867,827</u> | <u>1,111,435</u> | <u>4,979,262</u> | <u>4,866,252</u> |

Included within Other voluntary income is £85,752 relating to Job Retention Scheme receipts for March 2020

| | Donations and subscriptions £ | Grants £ | 2020 £ | 2019 £ |
|--------------------------------|-------------------------------------|------------------|-------------------------|------------------|
| Analysis by income type | | | | |
| Arts Council England | - | 3,437,922 | 3,437,922 | 3,725,745 |
| Performances and touring | 1,341,340 | 200,000 | 1,541,340 | 1,140,507 |
| | <u>1,341,340</u> | <u>3,637,922</u> | <u>4,979,262</u> | <u>4,866,252</u> |

4 Income from trading activities

| | Unrestricted £ | Restricted £ | 2020 £ | 2019 £ |
|------------------------------|-------------------|-----------------|-----------------------|------------------|
| Sponsorship | 87,140 | - | 87,140 | 416,198 |
| Hire of Space and Facilities | 256,645 | - | 256,645 | 248,636 |
| Leaflet Distribution | 451,064 | - | 451,064 | 501,280 |
| | <u>794,849</u> | <u>-</u> | <u>794,849</u> | <u>1,166,114</u> |

Notes to the financial statements (continued)

5 Investment income

| | 2020 | 2019 |
|---|--------------|--------------|
| | £ | £ |
| Investment income comprises income from : | | |
| Bank deposits | <u>4,818</u> | <u>1,856</u> |

All of the investment income is derived from assets within the UK.

6 Income from charitable activities

| | Unrestricted £ | Restricted £ | 2020 £ | 2019 £ |
|----------|-------------------|-----------------|------------------|------------------|
| Touring | 2,161,073 | - | 2,161,073 | 2,671,605 |
| Learning | 39,824 | - | 39,824 | 52,375 |
| Academy | 433,336 | - | 433,336 | 418,117 |
| | <u>2,634,233</u> | <u>-</u> | <u>2,634,233</u> | <u>3,142,097</u> |

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

| | 2020 £ | 2019 £ |
|-------------------|------------------|------------------|
| United Kingdom | 2,529,195 | 3,102,097 |
| Rest of the world | 105,038 | 40,000 |
| | <u>2,634,233</u> | <u>3,142,097</u> |

7 Expenditure on raising funds

| | Unrestricted direct costs £ | Unrestricted support costs £ | Unrestricted total costs £ | Restricted total direct costs £ | 2020 Total Cost £ | 2019 Total Cost £ |
|-------------|--------------------------------------|---------------------------------------|-------------------------------------|---|----------------------------|----------------------------|
| Fundraising | <u>287,114</u> | <u>47,107</u> | <u>334,221</u> | <u>-</u> | <u>334,221</u> | <u>124,188</u> |

8 Expenditure on charitable activities

| | Unrestricted direct costs £ | Unrestricted support costs £ | Unrestricted total costs £ | Restricted total direct costs £ | 2020 Total Cost £ | 2019 Total Cost £ |
|-------------------|--------------------------------------|---------------------------------------|-------------------------------------|---|----------------------------|----------------------------|
| Touring (note 10) | 7,235,097 | 643,249 | 7,878,346 | 1,081,862 | 8,960,208 | 8,517,980 |
| Academy (note 11) | 348,313 | 30,342 | 378,655 | 22,688 | 401,343 | 427,940 |
| | <u>7,583,410</u> | <u>673,591</u> | <u>8,257,001</u> | <u>1,104,550</u> | <u>9,361,551</u> | <u>8,945,920</u> |

Notes to the financial statements (continued)

9 Analysis of support costs

| | Total 2020 £ | Total 2019 £ |
|--|-----------------------------|-----------------------------|
| Expenditure on raising funds (note 7) | 47,107 | 16,678 |
| Expenditure on charitable activities (note 8): | | |
| Touring | 643,249 | 666,167 |
| Classical Training | 32,157 | 39,426 |
| | <u>722,513</u> | <u>722,271</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 £ | 2020 £ | 2019 £ |
|-------------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| Dancers Touring | 2,260,113 | 39,184 | 2,299,297 | 2,215,586 |
| Marketing and Press | 925,842 | 58,551 | 984,393 | 1,064,262 |
| Technical | 1,960,572 | 4,230 | 1,964,802 | 1,820,812 |
| Orchestra | 895,883 | 4,789 | 900,672 | 952,514 |
| Royalties | 75,572 | | 75,572 | 55,279 |
| New Productions and Revivals | 460,367 | 264,047 | 724,414 | 586,073 |
| Overseas Tour | 47 | | 47 | 4,581 |
| Learning | 154,150 | 241,665 | 395,815 | 320,340 |
| Corporate Sponsorship/Friends | 13,383 | | 13,383 | 76,865 |
| Direct Support Costs | 458,750 | | 458,750 | 463,577 |
| Direct Depreciation | 3,684 | 108,086 | 111,770 | 112,138 |
| In House Performances | 26,734 | | 26,734 | 30,850 |
| Leeds Dance Partnership | - | 361,310 | 361,310 | 148,936 |
| Support Costs (note 9) | 643,249 | - | 643,249 | 666,167 |
| | <u>7,878,346</u> | <u>1,081,862</u> | <u>8,960,208</u> | <u>8,517,980</u> |

11 Expenditure on academy (classical training)

| | Unrestricted £ | Restricted £ | 2020 £ | 2019 £ |
|-------------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| Associate Classes | 93,685 | | 93,685 | 78,862 |
| Yorkshire Young Dancers | 254,628 | 20,873 | 275,501 | 273,546 |
| Support Costs (note 9) | 30,342 | 1,815 | 32,157 | 57,278 |
| | <u>378,655</u> | <u>22,688</u> | <u>401,343</u> | <u>409,686</u> |

Notes to the financial statements (continued)

12 Governance costs

| | 2020 | 2019 |
|--|---------------|---------------|
| | £ | £ |
| Governance costs are broken down as follows and are included within the charge for support costs : | | |
| External audit fee | | |
| - audit services - charitable company | 18,000 | 14,000 |
| - subsidiaries | 9,500 | 9,000 |
| - non-audit services – iXBRL tagging | - | - |
| Company secretary duties | - | 38,302 |
| | <u>27,500</u> | <u>61,302</u> |

Further non-audit fees of £1,258 were incurred during the financial year ended 31 March 2020 for the Academy grant claim review for the period 1st April 2019 to 31st March 2020 (year ended 31 March 2019 for 2018 grant claim: £1,110) and are included within Yorkshire Young Dancers costs (note 11).

13 Staff costs

| Group | 2020 Group £ | 2019 Group £ | 2020 Company £ | 2019 Company £ |
|-----------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries | 3,957,109 | 3,818,422 | 3,760,881 | 3,626,742 |
| Social security costs | 408,625 | 379,985 | 390,952 | 362,717 |
| Pension costs | 225,095 | 231,587 | 215,728 | 224,289 |
| | <u>4,590,829</u> | <u>4,429,994</u> | <u>4,367,561</u> | <u>4,213,748</u> |

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

| | 2020 Group Number | 2019 Group Number | 2020 Company Number | 2019 Company Number |
|--|-------------------------|-------------------------|---------------------------|---------------------------|
| Full time employees | 121 | 115 | 113 | 108 |
| Part time employees | 18 | 11 | 18 | 11 |
| | <u>139</u> | <u>126</u> | <u>131</u> | <u>119</u> |
| The number of full time equivalents was: | <u>126</u> | <u>123</u> | <u>118</u> | <u>116</u> |

Full time equivalent employees fell into the following categories:

| | 2020 Group Number | 2019 Group Number | 2020 Company Number | 2019 Company Number |
|----------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Production | 89 | 90 | 89 | 90 |
| Administration | 29 | 26 | 29 | 26 |
| Distribution | 8 | 7 | - | - |
| | <u>126</u> | <u>123</u> | <u>118</u> | <u>116</u> |

Notes to the financial statements (continued)

13 Staff costs (continued)

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

| | 2020 Group £ | 2019 Group £ | 2020 Company £ | 2019 Company £ |
|---------------------|--------------------|--------------------|----------------------|----------------------|
| £60,001 to £70,000 | 1 | 2 | - | 2 |
| £70,001 to £80,000 | - | - | - | - |
| £80,001 to £90,000 | - | - | - | - |
| £90,001 to £100,000 | 2 | 2 | 2 | 2 |
| | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

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

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Pension contributions to money purchase schemes | <u>14,460</u> | <u>18,327</u> |

3 (2019: 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 (2019: £Nil). No Trustees received expenses during the year (2019: £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 £592,613 in relation to 9 employees (2019: £536,037 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 £12,685,131 (2019: £14,421,889) of incoming and £13,828,002 (2019: £14,387,799) 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 2019 | 460,000 | 13,046,791 | 638,645 | 555,071 | 132,223 | 7,965 | 14,840,695 |
| Additions | - | - | 12,784 | 4,770 | 1,132 | 11,890 | 30,576 |
| Disposals | - | - | - | - | (11,567) | - | (11,567) |
| At 31 March 2020 | 460,000 | 13,046,791 | 651,429 | 559,841 | 121,788 | 19,855 | 14,859,704 |
| Depreciation | | | | | | | |
| At 1 April 2019 | - | 1,117,271 | 550,573 | 529,110 | 122,405 | 7,965 | 2,327,324 |
| Provided in the year | - | 131,813 | 25,323 | 8,295 | 4,580 | 1,486 | 171,497 |
| Disposals | - | - | - | - | (11,567) | - | (11,567) |
| At 31 March 2020 | - | 1,249,084 | 575,896 | 537,405 | 115,418 | 9,451 | 2,487,254 |
| Net book amount | | | | | | | |
| At 31 March 2020 | 460,000 | 11,797,707 | 75,533 | 22,436 | 6,370 | 10,404 | 12,372,450 |
| At 31 March 2019 | 460,000 | 11,929,520 | 88,072 | 25,961 | 9,818 | - | 12,513,371 |
| Company | | | | | | | |
| | Freehold Property £ | Leasehold Land and Buildings £ | Stage Equipment £ | Fixtures, fittings and office equipment £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
| Cost or valuation | | | | | | | |
| At 1 April 2019 | 460,000 | 13,046,791 | 638,645 | 506,126 | 80,041 | 7,965 | 14,739,568 |
| Additions | - | - | 12,784 | 4,770 | 1,132 | 11,890 | 30,576 |
| Disposals | - | - | - | - | (11,567) | - | (11,567) |
| At 31 March 2020 | 460,000 | 13,046,791 | 651,429 | 510,896 | 69,606 | 19,855 | 14,758,577 |
| Depreciation | | | | | | | |
| At 1 April 2019 | - | 1,117,271 | 550,573 | 489,339 | 71,156 | 7,965 | 2,236,304 |
| Provided in the year | - | 131,813 | 25,323 | 5,161 | 3,792 | 1,518 | 167,607 |
| Disposals | - | - | - | - | (11,567) | - | (11,567) |
| At 31 March 2020 | - | 1,249,084 | 575,896 | 494,500 | 63,381 | 9,483 | 2,392,344 |
| Net book amount | | | | | | | |
| At 31 March 2020 | 460,000 | 11,797,707 | 75,533 | 16,396 | 6,225 | 10,372 | 12,366,233 |
| At 31 March 2019 | 460,000 | 11,929,520 | 88,072 | 16,787 | 8,885 | - | 12,503,264 |

Group and Company

The freehold property was valued by Carter Towler Limited, Chartered Surveyor as at 11 April 2017 (which management deem to be the value as at 31 March 2020) 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 2019 and 31 March 2020 | <u><u>71,700</u></u> |
| Amortisation | |
| As at 1 April 2019 and 31 March 2020 | <u><u>71,700</u></u> |
| Net book amount | |
| At 31 March 2019 and 31 March 2020 | <u><u>-</u></u> |

17 Investments

Fixed asset investments

| Group | Listed investments £ |
|-------------------------|----------------------------|
| Cost | |
| At 1 April 2019 | 61,532 |
| Additions | 8,356 |
| Fair value movement | (4,319) |
| At 31 March 2020 | <u><u>65,569</u></u> |

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

17 Investments (continued)

Company

| | Subsidiary Undertakings £ | Listed investments £ | Total £ |
|-------------------------|---------------------------------|----------------------------|----------------|
| Cost | | | |
| At 1 April 2019 | 106,078 | 61,532 | 167,610 |
| Investment | - | 8,356 | 8,356 |
| Fair value movement | - | (4,319) | (4,319) |
| At 31 March 2020 | 106,078 | 65,569 | 171,647 |

During the year £250,000 that had been on short-term deposit at 31/03/19 with the bank was returned to the current account with the £2,500 interest being recognized through the SOFA

| 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 2020 £ | Year ended 31 March 2019 £ |
|--|----------------------------------|----------------------------------|
| A summary of the results of the trading subsidiary Info Display Limited are set out below: | | |
| Turnover (including interest receivable) | 451,120 | 494,655 |
| Operating expenses | (357,599) | (356,209) |
| Operating profit | 93,521 | 138,446 |
| Tax on profit on ordinary activities | - | 4,848 |
| Profit for the year | 93,521 | 143,294 |
| Retained profits at 1 April 2019 | 129,516 | 145,940 |
| Payment under Gift Aid | (135,294) | (159,718) |
| Retained profits at 31 March 2020 | 87,743 | 129,516 |

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

17 Investments (continued)

Operations of trading subsidiary (continued)

| | 31 March 2020 £ | 31 March 2019 £ |
|---|----------------------------------|----------------------------------|
| The net assets and liabilities of the subsidiary Info Display Limited were: | | |
| Fixed assets | 6,220 | 10,108 |
| Current assets | 356,891 | 450,827 |
| Creditors: amounts falling due within one year | (275,268) | (331,319) |
| Net current assets | <u>81,623</u> | <u>119,508</u> |
| Total assets less current liabilities | <u>87,843</u> | <u>129,616</u> |
| Aggregate share capital and reserves | <u>87,743</u> | <u>129,616</u> |
| | Year ended 31 March 2020 £ | Year ended 31 March 2019 £ |
| A summary of the results of the trading subsidiary Northern Ballet Productions Limited are set out below: | | |
| Turnover (including interest receivable) | 4,262,693 | 5,104,180 |
| Charges | 4,857,078 | (5,614,415) |
| Loss | (594,385) | (510,235) |
| HMRC Theatre & Film Tax Relief Claim | 594,385 | 510,235 |
| Retained in subsidiary | <u>-</u> | <u>-</u> |
| | 31 March 2020 £ | 31 March 2019 £ |
| The net assets and liabilities of the subsidiary Northern Ballet Productions Limited were : | | |
| Current assets | 1,003,579 | 1,057,410 |
| Creditors : amounts falling due within one year | (1,003,578) | (1,057,409) |
| 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 £594,385 (2019: £510,234) in relation to this claim.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

18 Stocks

| Group and Company | 2020 £ | 2019 £ |
|--------------------------|---------------|---------------|
| Ballet shoes | 10,932 | 17,574 |
| Programmes and brochures | - | 2,804 |
| | <u>10,932</u> | <u>20,378</u> |

During the year £66,804 of Ballet shoes were recognised as an expense and £22,786 of Programmes were consumed. No stocks were written off in the period

19 Debtors

| | 2020 Group £ | 2019 Group £ | 2020 Company £ | 2019 Company £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 240,765 | 794,160 | 109,250 | 558,678 |
| Other debtors | 615,377 | 1,082,393 | 8,697 | 25,985 |
| Prepayments | 187,213 | 189,022 | 179,439 | 171,910 |
| Accrued income | 117,215 | 16,081 | 117,215 | 15,000 |
| Amounts due from subsidiary undertakings | - | - | 1,013,845 | 1,072,488 |
| | <u>1,160,570</u> | <u>2,081,656</u> | <u>1,428,446</u> | <u>1,844,061</u> |

No impairment losses (2019: £Nil) were recognised against debtors at 31 March 2020. No interest is charged on intercompany balances and all are repayable on demand.

20 Creditors: amounts falling due within one year

| | 2020 Group £ | 2019 Group £ | 2020 Company £ | 2019 Company £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 266,366 | 514,170 | 264,457 | 490,346 |
| Amounts due to subsidiary undertakings | - | - | 100 | 106 |
| Social security and other taxes | 166,491 | 171,179 | 122,683 | 127,505 |
| Corporation tax | 25,494 | 25,494 | - | - |
| Pension contributions | 27,305 | 29,208 | 26,117 | 28,075 |
| Other creditors | 87,745 | 87,779 | 87,744 | 87,779 |
| Pension deficit | 55,543 | 55,543 | 55,543 | 55,543 |
| Accruals | 295,890 | 151,459 | 279,920 | 141,454 |
| Deferred income (note 22) | 561,429 | 786,391 | 384,802 | 574,281 |
| | <u>1,486,263</u> | <u>1,821,223</u> | <u>1,221,366</u> | <u>1,505,089</u> |

Included in Other creditors are the liabilities for holiday pay £76,662 (2019: £76,662)

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

21 Creditors: amounts falling due after one year

Group and Company

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Net present value of future pension deficit reduction payments | <u>359,197</u> | <u>421,417</u> |

22 Deferred income

| | Group | Company |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Deferred income brought forward | 786,391 | 574,281 |
| Released in the year | (568,204) | (356,094) |
| Deferred in the year | 343,242 | 166,615 |
| Deferred income carried forward | <u>561,429</u> | <u>384,802</u> |

Deferred income at 31 March 2020 includes the following key items; £139,187 received from Arts Council England to support the work of the company on tour in Wales, Scotland & Northern Ireland, £75,000 received from Garfield Weston Foundation to support new productions in 2020 and 2021, pre-paid fees of £101,393 for training and learning activities in 2020 and £2,620 received regarding ticket sales and space hire at Quarry Hill in 2019/20. It also includes £176,627 for the distribution of leaflets by its subsidiary company over a period of time which extends into 2020/21.

23 Commitments under operating leases

At 31 March 2020, the Group's future minimum operating lease payments are as follows:

| | 2020 | 2019 | 2020 | 2019 |
|--|----------------|----------------|----------------|----------------|
| | Group | Group | Company | Company |
| | £ | £ | £ | £ |
| Land and buildings | | | | |
| Not later than 1 year | 112,968 | 109,573 | 87,432 | 84,868 |
| Later than 1 year and not later than 5 years | 384,906 | 93,514 | 360,000 | 42,434 |
| Later than 5 years | 45,000 | - | 45,000 | - |
| | <u>542,874</u> | <u>203,087</u> | <u>492,432</u> | <u>127,302</u> |
| | | | | |
| | 2020 | 2019 | 2020 | 2019 |
| | Group | Group | Company | Company |
| | £ | £ | £ | £ |
| Vehicles and equipment | | | | |
| Not later than 1 year | 16,274 | 5,418 | - | - |
| Later than 1 year and not later than 5 years | 24,411 | - | - | - |
| | <u>40,685</u> | <u>5,418</u> | <u>-</u> | <u>-</u> |

Operating lease payments recognised as an expense during the year were £125,039 (2019: £122,577).

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

24 Share capital

Group and Company

| | 2020 | 2019 |
|---|------------|------------|
| | £ | £ |
| 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.

25 Total funds

Capital redemption reserve

The capital redemption reserve arose on historic shares repurchased by the Company. Its value is £14 (2019: £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.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

25 Total funds (continued)

Income funds are analysed as follows:

| Group | Balance at 31 March 2019 £ | Movement during the year | | Balance at 31 March 2020 £ |
|-------------------------------------|-------------------------------------|----------------------------|-------------------|-------------------------------------|
| | | Incoming resources £ | Expenditure £ | |
| Restricted | | | | |
| Building project fund | 11,929,668 | - | 131,813 | 11,797,855 |
| Education professional training | 65 | 46,635 | 22,688 | 24,012 |
| Education projects | 52,324 | 187,898 | 240,220 | 2 |
| Production fund | - | 215,000 | 215,000 | - |
| Children's Ballets | 158,321 | 202,671 | 72,440 | 288,552 |
| Dance Partnership | 346,612 | 194,425 | 361,310 | 179,727 |
| Asset Fund | 20,239 | - | 5,845 | 14,394 |
| Digital Projects Fund | - | 55,000 | 55,000 | - |
| 50 th Anniversary Appeal | - | 29,805 | 29,805 | - |
| Cross Border Touring | - | 180,001 | - | 180,001 |
| | 12,507,229 | 1,111,435 | 1,134,121 | 12,484,543 |
| Unrestricted | 1,343,387 | 7,891,793 | 9,053,749 | 181,431 |
| | 13,850,616 | 9,003,228 | 10,187,870 | 12,665,974 |

| Company | Balance at 31 March 2019 £ | Movement during the year | | Balance at 31 March 2020 £ |
|-------------------------------------|-------------------------------------|----------------------------|-------------------|-------------------------------------|
| | | Incoming resources £ | Expenditure £ | |
| Restricted | | | | |
| Building project fund | 11,929,668 | - | 131,813 | 11,797,855 |
| Education professional training | 65 | 46,635 | 22,688 | 24,012 |
| Education projects | 52,324 | 187,898 | 240,220 | 2 |
| Production fund | - | 215,000 | 215,000 | - |
| Children's Ballets | 158,321 | 202,671 | 72,440 | 288,552 |
| Dance Partnership | 346,612 | 194,425 | 361,310 | 179,727 |
| Asset Fund | 20,239 | - | 5,845 | 14,394 |
| Digital Projects Fund | - | 55,000 | 55,000 | - |
| 50 th Anniversary Appeal | - | 29,805 | 29,805 | - |
| Cross Border Touring | - | 180,001 | - | 180,001 |
| | 12,507,229 | 1,111,435 | 1,134,121 | 12,484,543 |
| Unrestricted | 1,319,748 | 11,573,696 | 12,693,881 | 199,563 |
| | 13,826,977 | 12,685,131 | 13,828,002 | 12,684,106 |

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

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 2020.

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.

50th Anniversary Appeal reflects that the 2019/20 year is the 50th Anniversary of the company's formation and seeks to raise funds as a result of the number of special projects to be delivered.

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

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

25 Total funds (continued)

Designated Reserves

| Group and Company | Balance at 31 March 2019 £ | Movement during the year | | | Balance at 31 March 2020 £ |
|----------------------------|-------------------------------------|----------------------------|------------------|--------------------------|-------------------------------------|
| | | Incoming resources £ | Expenditure £ | Gains and losses £ | |
| Designated Reserves | | | | | |
| The Flood Reserve | 1,051,296 | - | 456,048 | - | 595,248 |
| The Investment Reserve | 61,532 | 112,356 | - | (4,319) | 169,569 |
| | <u>1,112,828</u> | <u>112,356</u> | <u>456,048</u> | <u>(4,319)</u> | <u>764,817</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.

26 Analysis of group net assets between funds

Fund balances at 31 March 2020 are represented by:

| | Unrestricted funds £ | Restricted Funds £ | Total Funds £ |
|-------------------------|----------------------------|--------------------------|---------------------|
| Tangible fixed assets | 560,349 | 11,812,101 | 12,372,450 |
| Investments | 65,569 | - | 65,569 |
| Current assets | 1,401,016 | 672,442 | 2,073,458 |
| Current liabilities | (1,486,263) | - | (1,486,263) |
| Long term liabilities | (359,197) | - | (359,197) |
| Total net assets | <u>181,474</u> | <u>12,484,543</u> | <u>12,666,017</u> |

27 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.

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

27 Pensions (continued)

The principal conclusions of the last triennial valuation at 31 March 2019 estimated a funding shortfall of £2,299,000 (2016: £8,243,000). 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 2.21-2.41%. The net present value of the sum of the remaining monthly contributions as at 31 March 2020 is £414,740 (2019: £476,960) and this has been recorded as a liability in the balance sheets of the Group and the Company, £55,543 (2019: £55,543) in creditors falling due within one year and £359,197 (2019: £421,417) 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.

During the year Northern Ballet procured advertising services from AKA Promotions. Paul Smith is both a Trustee at Northern Ballet and a person with significant control at AKA as registered at Companies House. During the year the value of these transactions amounted to £266,732 and at 31 March 2020 £111,857 was still owed from Northern Ballet to AKA.

During the year Philip Keller purchased catering services from Northern Ballet across two events totalling £918.58. Jolyon Harrison held 5 events with Northern Ballet at a total charge of £12,314.95 during the year. There were no amounts outstanding from Philip or Jolyon at the end of the year who are both Trustees.

29 Capital commitments

There were no capital commitments as at 31 March 2020 (2019: £Nil).

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

30 Consolidated Statement of financial activities - comparative

| | Note | Restated Unrestricted Funds £ | Restricted funds £ | 2019 £ |
|--|------|--|--------------------------|-------------------|
| INCOME | | | | |
| Income from donations and legacies | 3 | 3,690,234 | 1,176,018 | 4,866,252 |
| Income from trading activities | 4 | 1,166,114 | - | 1,166,114 |
| Income from charitable activities | 6 | 3,142,097 | - | 3,142,097 |
| Investment income | 5 | 1,856 | - | 1,856 |
| Total income | | 8,000,301 | 1,176,018 | 9,176,319 |
| EXPENDITURE | | | | |
| Expenditure on raising funds | | | | |
| Fundraising | 7 | 124,188 | - | 124,188 |
| Other costs | | 128,785 | 5,000 | 133,785 |
| Building | | 117,666 | 23,726 | 141,392 |
| Leaflet distribution | | 331,208 | - | 331,208 |
| | | 701,847 | 28,726 | 730,573 |
| Charitable activities | | | | |
| Touring | 8 | 7,689,154 | 828,826 | 8,517,980 |
| Academy (classical training) | 8 | 370,668 | 57,272 | 427,940 |
| | | 8,059,822 | 886,098 | 8,945,920 |
| Other expenditure | | | | |
| Goodwill amortisation | 16 | - | - | - |
| Total expenditure | | 8,761,669 | 914,824 | 9,676,493 |
| Taxation | | | | |
| Theatre tax relief income | | 510,235 | - | 510,235 |
| Tax on profit on ordinary activities | | 4,848 | - | 4,848 |
| | | 515,083 | - | 515,083 |
| Other recognised gains | | | | |
| Fair value gain/(loss) on unlisted investments | 17 | 2,760 | - | 2,760 |
| | | 2,760 | - | 2,760 |
| Net income/(expenditure) | | (243,525) | 261,194 | 17,669 |
| Reconciliation of funds | | | | |
| Total funds brought forward | 25 | 1,586,912 | 12,246,035 | 13,832,947 |
| Total funds carried forward | 25 | 1,343,387 | 12,507,229 | 13,850,616 |

Northern Ballet Limited
Financial statements for the year ended 31 March 2020

Notes to the financial statements (continued)

31 Financial assets and liabilities

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Financial assets measured at fair value through statement of financial activities | | |
| Investments | 65,569 | 61,532 |
| | <u>65,569</u> | <u>61,532</u> |
| Financial assets measured at amortised cost | | |
| Bank and Cash | 901,956 | 1,166,362 |
| Trade debtors and other debtors | 973,357 | 1,892,634 |
| | <u>1,875,313</u> | <u>3,058,996</u> |
| Financial liabilities measured at amortised cost | | |
| Trade Creditors | 266,366 | 514,170 |
| Other Creditors | 170,593 | 169,530 |
| Accruals | 295,890 | 151,459 |
| | <u>732,849</u> | <u>811,159</u> |