



**BIRMINGHAM
REPERTORY
THEATRE**

Trustees' Report and
Financial Statements for
the year ended
31 March 2021

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Company Information

Directors

Howard Panter

John Hornby

Jan Teo

David Meecham

Ayub Khan

Adrian Lester

Elizabeth James

Professor David Roberts

Amerah Saleh

Grace Smith

Councillor Gary Sambrook

Andrew Chiduku

Atif Ali

Brandon Relph

Lucy Marcus

Mike Hibbs

Rachel Roussel-Tyson

Victoria Marsom

Nicola Beckford

Councillor Jayne Francis

Chair

Head of Audit Committee

resigned 4 January 2021

resigned 14 January 2021

resigned 16 September 2020

appointed 12 July 2021

appointed 12 July 2021

appointed 12 July 2021

appointed 12 July 2021

appointed 12 July 2021

appointed 12 July 2021

appointed 12 July 2021

appointed 13 September 2021

appointed 13 September 2021

Executive Director

Rachael Thomas

Artistic Director

Sean Foley

Secretary

Anne Russell

Auditor

Mazars LLP

2 Chamberlain Square

Birmingham B3 3AX

Bankers

National Westminster Bank Plc

1 St Philips Place

Birmingham B3 2RB

Registered Office

Broad Street

Birmingham B1 2EP

Company Registration Number

Registered Charity Number

00295910 (Registered in England and Wales)

223660 (Registered in England and Wales)

The Birmingham Repertory Theatre Limited

Chair's statement

The REP has an unparalleled place in UK theatre history and as we re-build post pandemic we look forward to creating ground-breaking productions once more.

After my appointment in February 2020 coincided with Covid-19, which continues to impact the theatre and the sector, I have worked with Artistic and Executive Directors, Sean Foley and Rachael Thomas, to navigate the theatre through this crisis. This has not been without additional challenges and I thank Sean and Rachael for the perseverance and dedication in responding to events however difficult.

With the re-opening of theatres there is an opportunity to reignite the sector and with Let's Create the Arts Council's new 10-year strategy the culture sector will be looking to broaden opportunities to all communities. The loss of income has been devastating for The REP, which in a normal year generates 80% of its income through sales and other forms of earned income. Just 20% of its income is from grants and, welcome though that is, it is not sufficient to cover the overhead costs of a theatre the size of The REP.

The Board, Executive and entire theatre team have continued to co-operate and respond superbly to events and have worked extremely hard to secure some activity throughout the pandemic: this Spring Lightpost Theatre Company and Birmingham Royal Ballet welcomed theatre-goers back to The REP in splendid style. The grasping of an early opportunity to re-open would not have been possible without the commitment from the entire theatre team and for that I am enormously grateful to them.

I would also like to record our thanks to Arts Council England, Department for Culture Media and Sport and HM Treasury for their combined response to Covid-19 and additional funding for The REP during this most difficult of times. Without it the theatre would not have survived.

Howard Panter
Chair

The Birmingham Repertory Theatre Limited

Trustees'/Directors' Report

The directors are pleased to present their report together with the financial statements of the charity and group for the year ended 31 March 2021.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the 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 (FRS102) – (Charities SORP (FRS102)).

Structure, Governance & Management

The Birmingham Repertory Theatre Limited is a company limited by shares and is also a registered charity. The charity is governed by its constitution as laid down in its memorandum and articles. These were drawn up in 1935 and amended by special resolutions in April 1955, November 1975, July 1988, October 1999, October 2007, November 2010 and October 2021.

The Directors of the charitable company ('the charity') are its trustees for the purposes of charity law. Key criteria for the selection of trustees are (a) to provide a range of skills and attributes appropriate to the management of the company and (b) to represent the communities that the charity serves, particularly in terms of age, gender and ethnicity. As set out in the Articles of Association there shall be between two and 20 directors. New directors may be appointed by the directors at any time. The Chair is elected by the directors.

Appointed directors serve for a maximum period of two consecutive three-year terms commencing from the first Annual General Meeting at which their appointment is confirmed. Directors nominated by Birmingham City Council are able to serve an additional three-year term.

The governing body of the Company is the Board of Directors which meets at least five times per year. The Board may also delegate authority to sub-committees responsible for certain strategic aspects of management. The reports and recommendations of the sub-committees are submitted to the Board for consideration and ultimate decisions upon action required.

In addition the trustees directly appoint an Artistic Director and an Executive Director to manage the charity on a day-to-day basis and to implement the policies and strategies agreed by them at trustee meetings.

The business plan is reviewed and updated annually by the trustees and implementation of the plan is delegated to the executive team. Trustees also have responsibility for a range of policies adopted by the charity such as health and safety, equal opportunities and high-level financial procedures. Trustees review accounting information on a regular basis, and approve all high-level budgets and plans.

All new trustees are inducted into the work of the charity through an initial meeting with the Chair, Artistic Director and Executive Director, and the provision of documents such as accounts, business plan, previous board papers and financial information. In addition, training events are held for the trustees covering the responsibilities of directors and trustees, and the work of the charity.

The charity has two trading subsidiaries – Birmingham Rep Enterprises Limited (BREL) and Unique Venues Birmingham Limited (UVB). The charity owns all shares issued by both companies and any surpluses are gift-aided to the charity annually.

None of the directors held any beneficial interest in the shares of the company at any time during the year.

Directors' interests in transactions with related parties are detailed in note 23.

The company has paid £2,160 (2020: £1,800) for indemnity insurance for its directors and officers. £1,000,000 (2020: £1,000,000) of cover is provided.

Public Benefit

The directors have complied with the duty in section 4 of the Charities Act 2006, to have due regard to the public benefit guidance published by the Charity Commission.

The directors believe that the charity, in promoting its aims and objectives, gives direct benefit to all patrons with whom it comes into contact. These may be:

- Audience members coming to see performances in Birmingham, which may promote understanding of complex sociological issues, visually demonstrate emotive situations or simply generate an appreciation of dramatic art through entertainment.
- Audience members seeing shows produced by the charity and touring throughout the UK and beyond.
- Community members taking part in a range of practical workshops, discussion groups and artistic opportunities offered throughout the city.
- Young people taking an active part in the charity's extensive network of youth theatres.
- Students engaged in specialist training in drama, English and/or playwriting in a range of colleges/universities with which the charity has relationships.
- School pupils and pre-school infants taking part in a wide range of learning & participation activity produced by the charity.

The theatre operates a pricing structure which is designed to maximise the accessibility of its activities and includes concessions for young people, families, the unemployed, the disabled, school parties, students and senior citizens.

Objectives and Activities

The objectives of the charity are:

- To educate the public by promoting, fostering and encouraging the knowledge, understanding, appreciation and a high standard of the arts and in particular dramatic art in the City of Birmingham and in such other places in the United Kingdom of Great Britain and

Northern Ireland and throughout the world as the company shall from time to time deem to be advantageous to the intellectual weal of the public.

- To educate and train students in drama, music, painting and other similar arts, and to promote the recognition and encouragement of exceptional merit in students by the institution and presentation of scholarships, exhibitions, grants, medals or other prizes or benefactions.

The theatre's vision in its current strategic plan is to become:

A world class theatre in Birmingham for everyone

Reserves policy

The Board believes that general fund reserves should be maintained at a level equivalent of up to three months' operating costs and this gives a target reserve range of £900k to £1.1m. The general fund reserve as at 31 March 2021 is £974k. Should general fund reserves be either below or above the target range at the end of a financial year an action plan to bring the reserve to within the target range will be implemented.

The Designated fund balance of £1,619k (2020: £1,282k) represents the net book value of unrestricted fixed assets, the provisioning of future show costs and Culture Recovery Fund grants carried into 2021/22.

Strategic Report

The beginning of the financial year was, of course, marked by the onset of the Covid-19 crisis, which has continued into 2021/22. This required the theatre's Board and Executive to focus upon ensuring The REP's survival with lockdowns and tier restrictions limiting opportunities to reopen to any level of activity. Whilst Birmingham Royal Ballet's (BRB) *Lazuli Sky* provided a much needed albeit far too brief respite in October'20 we had to sadly close the doors shortly afterward and their *Nutcracker* whilst streamed was not able to see a Christmas come back in the way envisaged. Our collaborative relationship with BRB has however gone from strength to strength and is a source of pride for both organisations.

In late spring'20, The REP was awarded a grant of £0.54m from Arts Council England's Emergency Coronavirus Fund for losses up to 30 September 2020, including those incurred in 2019/20. In October'20, the theatre was awarded £1.38m from the Government's Culture Recovery Fund for the period up to 31 March 2021 (subsequently extended to 31 June 2021). These awards aimed to enable the theatre to meet the remaining operating shortfall for 2020/21 and to undertake some socially distanced, Covid-19 safe cultural activities over the second half of the year, as permitted under Government regulation and guidance. What was possible in this period was all too brief and Government restrictions resulted in most planned shows being postponed or cancelled. The grants also provided for a modest reflation of reserves and therefore a level of financial security in 2021/22. Income from both grants is recognised in income in the financial year 2020/21.

In January'21 there was the opportunity to apply for further Culture Recovery Fund support by way of its round two funding. The period this funding sought to secure was April to June 2021. The REP was awarded £0.54m from this fund. As part of this round of funding monies not able to be used from the first round due to the pandemic limiting activities could be carried forward into the next financial year to facilitate future activity. It was subsequently announced that funds from the second round would have an extension and could be used up until 31 December 2021, due again to the pandemic affecting what activity could be achieved.

In November'21 it was announced that The REP would be granted £0.55m from the Culture Recovery Fund Continuity Fund.

In tandem with successful emergency funding bids, the theatre also downsized its staff team in order to reduce its fixed overhead costs. This was completed in October'20 at what was the originally planned end of the Government's Job Retention Scheme. The scheme continued until September'21. This has supplemented the Culture Recovery Funds as an additional lifeline for the theatre. However, given the theatre's inability to trade normally for any of 2020/21 it has not been able to save all jobs indefinitely.

During the final quarter of 2020/21 the theatre updated its strategic business plan in line with Arts Council England extending its current National Portfolio Organisation funding period from March'22 to March'23. The new business plan covers the period 2021 – 2023 and responds to the Art Council England's new Let's Create strategy, focused upon bringing art and culture to all communities through its investment principles: Dynamism, Inclusivity and Relevance, Environment and Ambition and Quality. These principles will run as a thread through the activities of The REP as the theatre rebuilds post pandemic. Our vision theatre for everyone and aim of increasing audience numbers to levels of five years ago and more set this scene.

The underlying basis for the plan is to build on The REP's illustrious history which stretches back to its origins in 1913 as the first repertory theatre to be established in its own purpose-built theatre. The theatre's focus to renew its vision and mission to create artistically ambitious popular theatre for all the people of Birmingham and beyond blends naturally into Let's Create which will provide the framework to achieve this. Birmingham has undergone significant demographic change, and the vision is inclusive and representative and puts the serving of all Birmingham's multicultural communities at its heart. As the youngest city in Europe, it aims to connect with Birmingham's vibrant, ethnically diverse and youthful population.

Playful, popular and pioneering have become the defining features of the theatre's artistic programme: theatre that speaks to everyone in the city regardless of background or heritage; theatre for ordinary people who might not see themselves as theatre-goers. Theatre that is made by, with and for the people of Birmingham, but also international in reach and reflecting the city and its people's global connections and roots.

Whilst The REP's immediate financial future is secure, thanks mainly to the additional public funding received during the financial year 2020/21, without which it would not have survived, the challenge of rebuilding in what remains a very uncertain post pandemic world is significant. Greater agility and creativity will be needed to pivot between different scenarios and evolving plans as circumstances unfold.

After years of successfully mitigating ongoing grant cuts from its funders, the three years to March 2020 represented the tipping point for The REP financially, so it would appear. Covid-19 losses in the closing weeks of 2019/20 were catastrophic but also added to underlying revenue losses over a period of three years that were the result of unsustainable cuts to subsidy in the context of the former business model. The new vision and mission to re-position The REP as a producer of artistically ambitious *popular* theatre, which explicitly seeks to combine the broad appeal of popular theatrical forms like comedies and musicals with thematically sophisticated and relevant content that appeal to many demographics and heritages, is perhaps exactly what the theatre needs at this juncture in its history. Sean Foley, an artistic director with a string of hits to his name is extremely well placed to deliver this.

Despite the emergency and Culture Recovery funding received the extremely difficult financial and pandemic circumstances impacting The REP's survival meant that all income opportunities had to be evaluated. The REP's wholly owned subsidiary, Unique Venues Birmingham Limited (UVB) secured a contract with the Ministry of Justice for use of certain spaces at The REP and The Library of Birmingham to be used as court spaces as the Ministry sought to identify additional spaces to hear cases held over due to the pandemic. This contract secured the survival of UVB which has successfully built an excellent reputation for event management at REP and Library space prior to the pandemic, and as with the theatre was without sources of income for most of 2021/21. The leadership of the theatre recognise that the use of the DOOR space for this purpose caused significant concern and upset in certain communities and held open forums to understand the issues it caused. It continues to work with individuals and groups affected to re-build relationships.

Thankfully not all activity at the The REP ceased due to Covid-19 as the creative learning department determinedly sought virtual solutions to its schools delivery programme enabling many schools to maintain this critical source of creative and active learning. Output has included short films which have provided a much needed source of inspiration. This successful delivery from our team of Education Officers has enabled and secured future opportunities to roll out the programme to new schools in 2021/22.

Our work with young people out of the building through Satellite Youth Theatres that we run in some of the most deprived wards across the city will be re-established in 2021/22.

Our three-year project Shifting the Dial, which is funded by National Heritage Lottery Fund and works with young African Caribbean men to improve mental health outcomes, saw a slight pause due to the pandemic and we are grateful that National Heritage Lottery Fund have extended the project period to March'22. This is a multi-agency project with partners NHS, Centre for Mental Health and First Class Legacy and our role is largely through Lightpost, our theatre company for young African Caribbean men. As well as delivering evidence-based outcomes for participants in relation to wellbeing and mental health, Lightpost has also enhanced work readiness for 12 young African Caribbean men and provided a pathway into professional acting training for two.

As a theatre with a civic mission as well as an artistic mission to reach all peoples of the city, our outreach work in communities is integral to our identity.

Offstage, new Artistic Associates arrived to add their voices to the development of a fresh new vision for The REP. All have a connection with the city and the list combines new talent with established

names in an exciting blend of voices and perspectives. Comprising Iqbal Khan, Meera Syal, Debbie Isitt, Lolita Chakrabarti, Mohammed Ali, Tyrone Huggins, Lorna Laidlaw and Richard Thomas, our new Associates will help guide the artistic vision for the theatre as it takes shape over the coming months and years, developing a step further the pluralistic and inclusive approach to artistic producing and programming.

Foundry, The REP's sector-leading talent development programme, is envisaged to re-start with a new focus to developing artists to work in communities following a recent successful funding bid. With previous Foundry artists having gone on to significant positions in the industry, including Associate Directorships amongst others, Foundry has built up an enviable track record of developing future leaders and artistic talent.

2021/22 has started with the welcome additional funding from Culture Recovery Fund round two, the Culture Recovery Fund Continuity Fund, and the confirmation of the OPEN HOUSE capital project which will be largely funded by Greater Birmingham and Solihull Local Enterprise Partnership. OPEN HOUSE will reimagine the theatre's front of house spaces to provide a new entrance and facilities to enhance the experience of visiting the theatre enabling greater ease of access and a new catering offer in fantastic new surroundings.

The new season went on sale in April 2021 to include ROSIE KAY, CONSTRUCTED, BRB – CURATED BY CARLOS, BRB – CINDERELLA followed in the autumn by EAST IS EAST, WHAT'S NEW PUSSYCAT, THE PLAY WHAT I WROTE and COMING TO ENGLAND in the new calendar year. These productions provide the opportunity to rebuild staff teams and to work with new producers and develop new working relationships as the theatre looks to bring its new strategy to life over the coming months.

2020/21 has been defined by Covid-19. 2021/22 will encompass the ongoing legacy of the pandemic but also the need to rebuild our team, programme and audience whilst responding to its likely longer-term impacts. Our mission to renew and revitalise The REP will now take place in a cultural and civic landscape indelibly changed by Covid-19, which will bring with it new challenges but also new opportunities. The energy, experience and ambition is there to ensure The REP's recovery.

Going Concern

The directors have adopted a going concern basis in preparing these accounts after assessing the principal risks the charity faces, in particular relating to the continuing uncertainty related to Covid-19. A severe but plausible downside scenario has been modelled. That scenario envisages a continuation of a return to making productions of a similar scale to pre-pandemic whilst including consideration that there may be lower attendances than would have historically been the case and an allowance being made for additional costs. The scenario also takes into account the ongoing support of Arts Council England through an NPO grant and grant income from Birmingham City Council for 2021/22 and 2022/23. In addition, completion of OPEN HOUSE, the theatre's front of house refurbishment project, expected in December 2021, will provide significantly up-scaled facilities for The REP group to maximise both theatre and commercial activities during 2022/23.

The situation continues to evolve, making scenario planning difficult. However, the directors have considered the likely level of artistic activity possible given the reduction in Covid-19 restrictions, together with the charity's non-activity related funding streams, cost base and cash flows.

The General Fund of unrestricted reserves stood at a surplus of £974k as at 31 March 2021. The awards of £0.54m during 2021/22 have also stabilised the charity's reserves position for the first quarter of 2021/22. Moreover, the plausible downside modelling referred to above indicates that the charity should have sufficient resources to ensure it is a going concern through to 31 March 2023.

Achievements and Performance

Due to the Covid-19 pandemic the year's programme was extremely limited with the following shows taking place:

- Birmingham Royal Ballet's – Lazuli Sky (October 2020) and The Nutcracker (streamed) (December 2020)
- Rosie Kay – filmed only
- University of Wonder – online content

Plans for Future Periods

The previous strategic plan for the four-year period 2018-22 has been updated to reflect the extension to Art Council England's National Portfolio Organisation (NPO) period to 31 March 2023 and begin to embed Let's Create principles into our everyday theatre life.

The new business plan for 2021-2023 completed in March'21 has the following aims –

Vision

A world class theatre in Birmingham for everyone - where you'RE Part of the story

Mission

To be a leading force in theatre, we create artistically ambitious theatre that proudly re-claims the word 'popular' and makes it a reality for artists and audiences alike.

We make theatre for, with and by the people of Birmingham: nurturing talent, telling stories and imaginatively representing experiences.

We produce inclusive, exciting and exceptional theatrical experiences for all ages: on our stages, with our community, for our city and the wider world.

We are playful, popular and pioneering.

Values

We embody DIVERSITY AND INCLUSION . Everyone is welcome.

We strive for AMBITION & EXCELLENCE. We will be our very best.

We are PIONEERING & DEVELOPMENTAL. We'RE Prepared to try new things and lead the way.

We show INTEGRITY & ACCOUNTABILITY in our decisions and behaviours.

We thrive on PLAYFULNESS & INSPIRATION. We have fun and celebrate creativity.

TEN GOALS FOR 2021/22

1. To celebrate our 50th Anniversary with an artistic programme that makes a regional and national impact in the press and industry.
2. To launch two significant new artist development initiatives: a third Foundry and a SKY TV partnership to find the comedy writers of the future.
3. To re-engage with audiences, develop new ones, and meet our audience targets.
4. To be measurably more diverse as an organisation on stage and off by the end of the year.
5. To rebuild The REP as an agile and sustainable business with the right people in the right places.
6. To open a new Creative Learning Hub as a home for children and young people's activity.
7. To launch a new brand identity and website and implement Spektrix CRM system.
8. (Still subject to funding) Deliver our Open House capital project on time and on budget.
9. To maintain our financial reserves.
10. To become a bigger part of the story of the City of Birmingham - seen and heard from more often, recognised and celebrated more widely.

This is a new business plan for The REP and replaces the current Strategic Plan 2018-22. It follows the appointment of new Artistic and Executive Directors in 2019 and is therefore an opportunity to set out a new vision for The REP – twelve months later than expected due to Covid-19. It's been developed with the whole organization led by The REP's virtually all-new Senior Leadership Team, who have brought fresh insights and new ways of doing things to the organisation. The plan therefore builds on the areas of strengths inherited from the previous team and combines these with plans to address areas of development and the particular challenges facing the theatre now and as it moves into a post Covid-19 world. It also begins to point towards Let's Create, Arts Council England's new Ten Year Strategy and though we have strong foundations upon which to build our response to the new outcomes and investment principles we are also clear that we have more work to do, particularly in response to environmental issues. Developing a robust Environmental Strategy is a short term priority for us.

The themes of the plan are recovery and renewal.

Our short-term priority is to effect a sustainable recovery from Covid-19. As we go into 2021/22 we are in a stable financial position. However, the re-opening of the sector and return to normal trading is likely to be challenging. We have planned on the basis of lower audiences allowing for both social distancing and lower consumer confidence. We have focused plans in this 'recovery year' on the House – mostly due to our capital project, during which the Door and Studio are needed as interval/bar space for House audiences, but also due to the reduction in profitability of our overall business model. We will continually re-forecast and adjust our expectations and horizons accordingly as the year progresses.

2021/22 is therefore designed to deliver an initial recovery: we will re-open the building, return to producing, recruit to posts lost from the structure during Covid-19, re-engage audiences and generally begin the task of rebuilding the organisation. In doing so we will put down markers in everything we do of the kind of organisation we want to be: through the work on our stages to the diversity and culture of our staff team. Our artistic programme will signal a step change in ambition and a new brand identity, website and CRM system will underpin reinvigoration of our relationship with audiences and the city and newly refurbished front of house areas (funding permitting) will transform the experience of visiting The REP. We will develop a new dedicated space for children and young people in our building to accommodate our growing creative learning programme.

We intend to rebuild The REP differently and better and although it will take longer than the life of this plan the seeds will be sown from the outset.

As we move into 2022/23 we will consolidate steps taken in 2021/22 to rebuild and re-energise The REP. Commonwealth Games is a major opportunity for Birmingham and for the theatre to make some bold statements artistically. We expect to be back operating at scale across all our spaces in this year and able to benefit commercially from the investment in our facilities: profits which will be re-invested in strengthening the organization and the work we do. We have medium/longer term ambitions to establish The REP as a 'training theatre' and to develop our international links and profile and will begin developing plans for these in 2022/23 and as we move into another Arts Council England NPO application process.

Financial Review

Financially, the charity and group overriding aim has been survival. Total incoming unrestricted funds of the group were £5,679k for the year with expenditure of £4,064k of costs related to unrestricted funds, giving rise to a surplus of £1,615k before gains on investments. There was a surplus on restricted funds of £306k (2020: deficit £(80)k). As shown in the statement of financial activities on page 20, as at 31 March 2021 this gives a net accumulated general fund balance of £974k, designated funds of £1,619k and restricted fund balances of £530k.

The principal funding sources of the charity in the year were:

- Department of Culture, Media and Sport – Culture Recovery Fund of £1,329k (23% of unrestricted income (2020: nil))
- Arts Council England – primary funder, Covid-19 emergency fund of £540k (9% of unrestricted income (2020: nil))
- Arts Council England – primary funder, core revenue grant of £1,868k (33% of unrestricted income (2020: 18%))
- HMRC Coronavirus Job Retention Scheme (CJRS) (including subsidiaries) – £891k (16% of unrestricted income (2020: nil))
- Birmingham City Council – primary funder, core revenue grant of £158k (3% of unrestricted income (2020: 2%))
- Income from performances in Birmingham, including co-production contributions £95k (2% of unrestricted income (2020: 35%))

- Income from touring and West End transfers - £nil (nil% of unrestricted income (2020: 7%))
- Commercial Income from trading subsidiaries (excluding CJRS) - £453k (8% of unrestricted income (2020: 28%))
- Income from other sources - £345k (6% of unrestricted income (2020: 10%))

The charity invests any surplus funds that may arise from time to time in interest bearing accounts, bonds and money market deposits for time periods appropriate to the cash needs of the company.

Pay policy for staff

The directors consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the group on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 7 and 23 to the accounts.

Periodic benchmarking exercises are carried out to ensure that staff salary rates are consistent with market rates for the sector. In addition, an annual pay review is implemented in April of each year although this was not performed in April 2020 nor April 2021 due to Covid-19. The next review is being planned for spring 2022.

Volunteers

The charity is very involved in the community and relies on voluntary help to support all its activities. Covid-19 has reduced activities possible with our volunteers during 2020/21 but 2021/22 should see this team reunited.

Disabled employees

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Risk Management and Analysis

The directors and executives of the company have carried out a risk analysis identifying and quantifying the level of exposure to risks to which the company is subject. As part of this process a system was established for regularly reviewing and updating the risk analysis. Management policies and strategies have been implemented to mitigate those risks identified in the analysis and any potential impact on the company should any of the identified risks materialise.

The Board reviewed the risk register during the course of the year, identified those risks of greatest concern and agreed appropriate actions to minimise the likelihood of them damaging the business, through a risk management strategy which comprised:

- a regular review of the principal risks and uncertainties that the charity and its subsidiaries, Birmingham REP Enterprises Limited and Unique Venues Birmingham Limited, face.
- the establishment of policies, systems and controls to mitigate those risks identified in the annual review.
- the implementation of controls designed to minimise or manage any potential impact on the charity should those risks materialise.

The most significant risks currently facing the charity relate to the management and recovery from the Covid-19 situation and related issues and the transformation of the charity's business model, which was already fundamentally challenged before the Covid-19 crisis. The charity has clear actions in place to address these and other key risks, including the re-positioning of the artistic policy under Artistic Director Sean Foley.

Investment Policy

The charity is committed to ensuring that the funds it has are used to their maximum ability to generate income and/or capital growth. The charity is also committed to ensuring that the risks associated with holding funds in institutions are mitigated, including spreading the risk. In order to meet this policy, funds available over the medium term are invested in high interest deposit accounts or bonds. Short-term funds are placed on the money markets or in interest bearing accounts. An Autosweep facility is in place to maximise return on daily funding requirements. Surplus funds available over the long-term are invested in a balanced portfolio managed by professional investment managers.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

A resolution to reappoint Mazars as auditor will be put to the members at the Annual General Meeting.

Statement of Trustees'/Directors' Responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the company and

of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

By order of the Board

A handwritten signature in black ink, appearing to read 'H. Panter', with a stylized flourish at the end.

Howard Panter

Chair

29 November 2021

Independent auditor's report to the members of Birmingham Repertory Theatre Limited

Opinion

We have audited the financial statements of The Birmingham Repertory Theatre (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31st March 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group 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 FRS 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 of the parent charity's affairs as at 31st March 2021 and of the group's 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 conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity'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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, 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 misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 charity 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, The Charities Statement of Recommended Practice, employment regulation, fraud and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

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


David Hoose (Dec 2, 2021 07:16 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham B3 3AX

Dec 2, 2021

Consolidated Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 March 2021

		Unrestricted			Total	Last Year
		General Funds	Designated Funds	Restricted Funds	Funds	Total Funds
	Notes	2021 £000	2021 £000	2021 £000	2021 £000	2020 £000
Income						
<i>Income from generated funds</i>						
Donations and legacies	2	4,636	150	535	5,321	2,757
Other trading activities	2	724	-	-	724	2,793
Income from Investments	3	26	-	-	26	54
<i>Income from charitable activities</i>	4	293	-	-	293	4,710
Total income		5,679	150	535	6,364	10,314
Expenditure						
Raising funds		727	-	-	727	2,233
Expenditure on charitable activities		3,337	139	229	3,705	9,158
Total expenditure	5	4,064	139	229	4,432	11,391
<i>Gains/(Losses) on investment assets</i>						
Realised		-	-	-	-	(93)
Unrealised		120	-	-	120	-
Net income/(expenditure)	7	1,735	11	306	2,052	(1,170)
Transfers between funds		(326)	326	-	-	-
Net movement in funds		1,409	337	306	2,052	(1,170)
<i>Fund balances brought forward at 1 April 2020</i>		(435)	1,282	224	1,071	2,241
<i>Fund balances carried forward at 31 March 2021</i>		974	1,619	530	3,123	1,071

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Note 28 illustrates prior year figures for the various funds.

The notes on pages 22 to 43 form part of these accounts.

Consolidated and Company Balance Sheets as at 31 March 2021

		GROUP		COMPANY	
	Notes	2021	2020	2021	2020
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	-	-	-	-
Tangible assets	10	1,380	1,351	1,332	1,270
Investments	11	967	526	967	526
Total fixed assets		2,347	1,877	2,299	1,796
Current assets					
Stocks & Work in progress	12	62	70	46	42
Debtors	13	977	1,086	963	995
Cash at bank and in hand	20	1,831	778	1,309	471
Total current assets		2,870	1,934	2,318	1,508
Creditors					
Amounts falling due within one year	14	(1,966)	(2,645)	(1,555)	(2,333)
		(1,966)	(2,645)	(1,555)	(2,333)
Net Current Assets/(Liabilities)		904	(711)	763	(825)
Total assets less current liabilities		3,251	1,166	3,062	971
Creditors: Amounts falling due after more than one year	15	(128)	(95)	(128)	(95)
Net Assets		3,123	1,071	2,934	876
Capital and Reserves					
Restricted Reserves	18	530	224	530	224
Unrestricted					
Share Capital	16	-	-	-	-
General fund		974	(435)	785	(630)
Designated fund	17	1,619	1,282	1,619	1,282
Total unrestricted funds		2,593	847	2,404	652
Total charity funds		3,123	1,071	2,934	876

During the period the individual company generated a surplus of £2,058k (2020: deficit £(1,283)k). The financial statements on pages 20 to 43 were approved by the board of directors/trustees and authorised for issue and are signed on its behalf by:



Howard Panter
Chair

Date: 29 November 2021

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Reconciliation of net movement in funds to Cash flows from operating activities:			
Net income/(expenditure)		2,052	(1,170)
Adjustments for:			
Depreciation		202	208
Investment income		(26)	(54)
(Gains)/losses on investments		(120)	93
Investment fees		3	5
Decrease in debtors		109	519
Decrease/(increase) in stock and work in progress		8	(28)
(Decrease)/increase in creditors		(646)	93
Net cash generated from operating activities		1,582	(334)
Cash Flow Statement			
Cash flows from operating activities		1,582	(334)
Cash flows from investing activities:			
Purchase of property, plant and equipment		(231)	(63)
Net purchase and disposal of fixed asset investments		(300)	-
Interest received		2	-
Net cash used in year		1,053	(397)
Net increase/(decrease) in cash in the year		1,053	(397)
Change in net funds arising from cashflows		1,053	(397)
Cash and cash equivalents at 1 April 2020		778	1,175
Change in cash and cash equivalents in the reporting period		1,053	(397)
Cash and cash equivalents at 31 March 2021	20	1,831	778

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting Policies

Basis of Accounting

These 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 (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Preparation of the accounts on a going concern basis

The trustees are of the view that the immediate future of the theatre for the period to 31 March 2023 is secure, and that on this basis the charity is a going concern.

The directors have adopted a going concern basis in preparing these accounts after assessing the principal risks the charity faces, in particular relating to the continuing uncertainty related to Covid-19. A severe but plausible downside scenario has been modelled. That scenario envisages a continuation of a return to making productions of a similar scale to pre-pandemic whilst including consideration that there may be lower attendances than would have historically been the case and an allowance being made for additional costs. The scenario also takes into account the ongoing support of Arts Council England through an NPO grant and grant income from Birmingham City Council for 2021/22 and 2022/23. In addition, completion of Open House, the theatre's front of house refurbishment project, expected in December 2021, will provide significantly up-scaled facilities for The REP group to maximise both theatre and commercial activities during 2022/23.

The situation continues to evolve, making scenario planning difficult. However, the directors have considered the likely level of artistic activity possible given the reduction in Covid-19 restrictions, together with the charity's non-activity related funding streams, cost base and cash flows.

The General Fund of unrestricted reserves stood at a surplus of £974k as at 31 March 2021. The awards of £554k during 2021/22 have also stabilised the charity's reserves position for the first quarter of 2021/22. Moreover, the plausible downside modelling referred to above indicate that the charity should have sufficient resources to ensure it is a going concern through to 31 March 2023.

Public Benefit

The Birmingham Repertory Theatre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Production Costs and Advance Bookings

The direct cost of productions and advance bookings are transferred to the statement of financial activities when the performances to which they relate take place.

Income

Income represented by gross box office receipts and other income generated in furtherance of the objects are stated net of Value Added Tax. The company's and Group's income and results are derived from the continuing operations during the current and the previous year.

Show Income

Income from theatre admission fees and income from co-productions is included in income in the period in which the relevant show is complete.

Donations and Grants

Income from donations and grants, including capital grants, is included in income when these are receivable, except as follows:

When donors/grantors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors/grantors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the preconditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in income of restricted funds when received but held in reserves until expenditure is incurred.

Interest Receivable

Interest earned on cash balances is included when receivable by the charity.

Other Income

Income from external hires and other sundry income is recognised on a receivable basis.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly owned trading subsidiaries, Birmingham REP Enterprise Limited and Unique Venues Birmingham Limited, on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Companies Act 2006. The outgoing resources of the parent charity for the year were £3,757k (2020: £9,390k). The income of the parent charity for the year was £5,695k (2020: £8,107k). The surplus of the parent charity was £1,938k before gains on investments (2020: deficit of £(1,283)k).

Expenditure

For the purpose of the Statement of Financial Activities, expenditure which relate directly to the furtherance of charitable objects are categorised into costs of generating funds, charitable activities and governance costs.

Governance costs of the charity represent costs associated with management of the company. All expenditure is included on an accruals basis exclusive of the Value Added Tax which cannot be recovered and is recognised when there is a legal or constructive obligation to pay.

Stock and work in progress

Stock is stated at the lower of cost or net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal. Work in progress represents plays commissioned but not yet made. If a play is not going to be made the cost of the commission is written off in the year that this decision is made.

Investment

Investments in group undertakings are stated at cost.

Other Investment funds are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gain or loss during the financial year. A detailed analysis of the changes in investment values during the year is set out in Note 11.

Capital Grants

Grants received specifically to enable capital projects to be undertaken are treated as restricted funds in accordance with the SORP. The relevant depreciation is charged against these funds annually.

Intangible Fixed Assets and Amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided on all intangible assets, calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Computer Software	3 years
-------------------	---------

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Buildings	50 years
Computer Equipment	3 years
Infrastructure	10 years
Equipment	3 to 10 years
Theatre equipment	10 years
Motor Vehicles	3 years

Cost of Productions Not Yet Opened

The direct costs of productions are recorded when the costs are incurred however they are only recognised when the performances to which they relate finish. An adjustment is made for productions which span the year-end. The adjustment accounts for the income for the performances in the year in which they occur and apports the costs in accordance with the income known at 31 March.

Defined Contribution Pension Scheme

The company paid pension contributions into individual pension schemes on behalf of certain employees. The assets of each scheme are held separately from those of the company in

independently administered funds. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Gifts in Kind

Intangible income is treated as unrestricted funds and is included at the value to the company where this can be quantified and a third party is bearing the cost.

Taxation

The company is a registered charity and as such its charitable activities are not liable to UK corporation tax.

Finance Leases

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each period is a constant percentage of the remaining balance of the capital sum outstanding.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Exchange rate Gains and Losses

Any gains or losses incurred in the exchange between Sterling and Euros are accounted for at the year-end.

Accumulated Funds

The various accumulated funds represent the following:-

Restricted Fund

These are funds that can only be used for particular purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Depreciation is charged against the relevant fund in respect of fixed assets acquired with restricted funds.

Unrestricted Funds

General Funds:

These are funds that can be used in accordance with the charitable objectives at the discretion of the Trustees/Directors.

Designated Funds:

Designated funds are funds which have been designated by the Trustees/Directors for a specific purpose.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, an impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, an impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Activities when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where these judgements and estimates have been made include:

Depreciation and residual values:

The directors have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Production losses:

The directors have reviewed the basis that all costs for shows cancelled due to Covid-19 have been included in the financial results for the period and as such there are no onerous liabilities carried forward.

Debtors' recoverability:

The directors have reviewed the recoverability of balances held as at the year-end and consider that although there remains some risk around conference event cancellation and postponement that the amounts held are reasonable.

Potential VAT exposure:

There is reasonable exposure for the charity in relation to deductibility of VAT on production costs. At 31 March 2021, whether that exposure crystallises was uncertain and the outcome was likely ultimately to be determined through litigation involving other taxpayers with similar circumstances. The directors determined it prudent to provide for such exposure. Subsequent to the year-end external events have meant that the charity deems the exposure certain to crystallise and the liability has been paid.

2 Donations and Legacies

Analysis by Fund Type	Unrestricted			Total 2021 £000	Total 2020 £000
	General	Designated	Restricted		
	2021 £000	2021 £000	2021 £000		
Arts Council England	2,408	-	-	2,408	1,834
Birmingham City Council	158	-	-	158	154
DCMS Culture Recovery Fund	1,329	-	-	1,329	-
HMRC Coronavirus Job Retention Scheme	630	-	-	630	-
GBSLEP Capital project	-	150	-	150	-
Performances	-	-	30	30	65
Projects	-	-	505	505	227
Learning and Participation Department	-	-	-	-	133
Memberships etc.	1	-	-	1	15
Sponsorship and Donations	110	-	-	110	329
Total	4,636	150	535	5,321	2,757

Analysis by Income Type	Sponsorship and Donations		Total 2021 £000	Total 2020 £000
	2021 £000	Grants 2021 £000		
	2021 £000	2021 £000		
Arts Council England	-	2,408	2,408	1,834
Birmingham City Council	-	158	158	154
DCMS Culture Recovery Fund	-	1,329	1,329	-
HMRC Coronavirus Job Retention Scheme	-	630	630	-
GBSLEP Capital project	-	150	150	-
Performances	-	30	30	65
Projects	-	505	505	227
Learning and Participation Department	-	-	-	133
Memberships etc.	1	-	1	15
Sponsorship and Donations	110	-	110	329
Total	111	5,210	5,321	2,757

Other trading activities	Unrestricted			Total 2021 £000	Total 2020 £000
	General	Designated	Restricted		
	2021 £000	2021 £000	2021 £000		
Birmingham REP Enterprises Ltd	225	-	-	225	1,109
Unique Venues Birmingham Ltd	499	-	-	499	1,684
Total	724	-	-	724	2,793

3 Income from Investments	Unrestricted			Total 2021 £000	Total 2020 £000
	General	Designated	Restricted		
	2021	2021	2021		
	£000	£000	£000		
Bank Interest Received	2	-	-	2	-
Dividends Received	24	-	-	24	54
Total Investment Income	26	-	-	26	54

4 Income from charitable activities

	Unrestricted			Total 2021 £000	Total 2020 £000
	General	Designated	Restricted		
	2021	2021	2021		
	£000	£000	£000		
Birmingham Productions	95	-	-	95	3,563
Touring Productions	9	-	-	9	716
Other Box Office	6	-	-	6	98
Learning and Participation	143	-	-	143	148
Other	40	-	-	40	185
Total income from charitable activities	293	-	-	293	4,710

5 Expenditure	Unrestricted	Unrestricted	Unrestricted	Restricted	Total	Total
	Direct Costs	Support Costs	Total Costs	Total Costs		
	2021	2021	2021	2021	2021	2020
	£000	£000	£000	£000	£000	£000
Costs of Charitable Activities						
Performances	39	245	284	-	284	6,422
Projects	424	-	424	201	625	217
Touring Costs	33	93	126	-	126	1,298
Production	562	-	562	-	562	-
Learning and Participation	254	793	1,047	-	1,047	612
Research and Development	249	643	892	-	892	434
Depreciation	139	-	139	28	167	172
Governance	-	2	2	-	2	3
Total Costs of Charitable Activities	1,700	1,776	3,476	229	3,705	9,158
Expenditure on Raising Funds						
Fundraising expenses	52	-	52	-	52	138
Trading expenses	675	-	675	-	675	2,095
	727	-	727	-	727	2,233
Total	2,427	1,776	4,203	229	4,432	11,391

6 Analysis of Support Costs	Production	Promotion	Executive	Front of House	Occupancy Costs	Support Services	Total	Total
							Unrestricted	
	2021	2021	2021	2021	2021	2021	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Performances	50	52	7	42	26	68	245	2,706
Touring costs	-	5	6	4	22	56	93	598
Learning and Participation	-	78	46	63	170	436	793	186
Research and Development	-	-	46	-	167	430	643	129
Governance	-	-	1	-	-	1	2	2
Total unrestricted support costs	50	135	106	109	385	991	1,776	3,621

Production comprises the salaries, maintenance and overhead costs of the production department. Promotion comprises publicity/marketing costs and salaries and travel. Executive comprises Executive salaries and travel. Front of House comprises theatre management and box office salaries and box office IT costs. Occupancy comprises rent, rates, insurance, utilities, repairs, cleaning, security, telephone, stationery and postage. Support Services comprises finance, salaries and overheads, general IT costs, legal and professional costs and staff training and recruitment.

For the year ended 31 March 2021 to recognise that the usual artistic activity has not been possible due to Covid-19 production costs have been shown as direct costs (note 5). Learning and Participation, Research and Development and governance activities did occur in the year.

The following bases of allocation are used:

Production	Direct production costs
Promotion	Box Office income
Executive	Unrestricted direct costs
Front of House	Box Office income
Occupancy	Unrestricted direct costs
Support Services	Unrestricted direct costs

7	Net income/(expenditure) for the year	2021	2020
		£000	£000
	Net income/(expenditure) is stated after charging:		
	Depreciation of tangible fixed assets	202	208
	Auditor's Remuneration - audit services	22	18
	Auditor's Remuneration - non-audit services	9	6
	Operating lease expenditure	74	74

Staff Trustees/Directors' Remuneration

None of the company directors received any remuneration from the company during the year and no expenses (2020: Nil) were reimbursed (2020: Nil) to Board members for travel and subsistence. The company paid Directors and Officers liability insurance of £2,160 (2020: £1,800).

8 Employees

	2021	2020
The average number of persons employed by the company during the year was:		
Actors and stage managers	6	17
Other staff	103	130
	109	147
The average number of full time equivalents		
Actors and stage managers	-	17
Other staff	47	94
	47	111
Staff costs for the above persons:	£000	£000
Gross Salaries	2,120	4,126
Employer's National Insurance	167	278
Pension Contributions	52	99
	2,339	4,503

The number of employees whose emoluments (excluding pension contributions, employers social security costs but including benefits in kind) fell within the following bands:

	2021	2020
£60,001 to £70,000	1	2
£70,001 to £80,000	2	-
£80,001 to £90,000	-	-
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
	3	3

The key management personnel of the charity comprise the Trustees, Executive Director, Artistic Director, Finance Director, Technical Director, Deputy Artistic Director, Associate Director, Director of Creative Learning, Director of People & Operations, Director of Audiences and Executive Producer. The total employee benefits of these were £410k including those joining part way through and leaving during the year (2020: £540k). Voluntary pay reductions taken by senior staff reduced pay for the period from April 2020 to December 2020.

An annual pay review is implemented in April of each year. The equivalent exercise for April 2021 is on hold due to Covid 19 circumstances.

28 employees were made redundant (2020: 3), receiving statutory redundancy payments of £113k (2020: £68k). One employee received a non-contractual payment of £16k.

9 Intangible Fixed Assets

	Software £000	Total £000
Cost		
At 1st April 2020	230	230
At 31 March 2021	230	230
Accumulated amortisation		
At 1st April 2020	230	230
At 31 March 2021	230	230
Net book value		
At 31 March 2021	-	-
At 1st April 2020	-	-

10 Tangible Fixed Assets

Group	Theatre Equipment £000	Building	Assets under construction £000	Equipment £000	Infrastructure £000	Computers £000	Motor Vehicles £000	Total £000
Cost								
At 1st April 2020	1,011	695	-	743	8,315	613	16	11,393
Additions	-	-	222	1	-	8	-	231
At 31 March 2021	1,011	695	222	744	8,315	621	16	11,624
Accumulated depreciation								
At 1st April 2020	873	95	-	409	8,083	566	16	10,042
Charge for the year	19	14	-	75	49	45	-	202
At 31 March 2021	892	109	-	484	8,132	611	16	10,244
Net book value								
At 31 March 2021	119	586	222	260	183	10	-	1,380
At 1st April 2020	138	600	-	334	232	47	-	1,351

Company	Theatre Equipment £000	Building	Assets under construction £000	Equipment £000	Infrastructure £000	Computers £000	Motor Vehicles £000	Total £000
Cost								
At 1st April 2020	1,011	695	-	652	8,315	559	16	11,248
Additions	-	-	222	-	-	8	-	230
At 31 March 2021	1,011	695	222	652	8,315	567	16	11,478
Accumulated depreciation								
At 1st April 2020	873	95	-	380	8,083	531	16	9,978
Charge for the year	19	14	-	57	49	29	-	168
At 31 March 2021	892	109	-	437	8,132	560	16	10,146
Net book value								
At 31 March 2021	119	586	222	215	183	7	-	1,332
At 1st April 2020	138	600	-	272	232	28	-	1,270

11 Fixed Asset Investments

	2021	2020
	£000	£000
Valuation		
Market value at 31 March 2020	526	570
Additions	1,004	131
Disposals	(704)	(131)
Unrealised gains	120	(93)
Dividend income	24	54
Management fees	(3)	(5)
Market value at 31 March 2021	967	526

Subsidiary Undertakings

The company holds 100 £1 ordinary shares at a historic cost of £100 in both Birmingham REP Enterprises Limited and Unique Venues Birmingham Limited. This represents the entire allocated share capital in these companies. Any profits from these companies are gifted annually to The Birmingham Repertory Theatre Limited. Both companies are incorporated in England and Wales. Investments in group undertakings are stated at cost.

Other Investment funds are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gain or loss during the financial year.

During the year the investment portfolio was transferred from a bespoke fund managed by Quilter Cheviot to a charity specific fund, also managed by Quilter Cheviot - the Quilter Cheviot Growth Fund for Charities.

12 Stocks and work in progress

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Raw Materials	29	40	13	12
Work in progress	33	30	33	30
	62	70	46	42

13 Debtors

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade Debtors	133	275	102	160
Other Debtors	82	98	82	93
Amounts due from subsidiary undertakings	-	-	487	446
Cost of productions not yet opened	29	12	29	12
Prepayments and accrued income	733	701	263	284
	977	1,086	963	995

14 Creditors: amounts falling due within one year	<i>Group</i>		<i>Company</i>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade Creditors	341	838	308	751
Accruals	853	780	590	559
Deferred Income	144	234	37	28
Other Creditors	185	216	177	197
Amounts due to subsidiary undertakings	-	-	-	221
Other Taxation and Social Security	443	577	443	577
	1,966	2,645	1,555	2,333

Deferred Income

Brought forward 1 April 2020	329
Deferred during the year	33
Released during the year	(90)
Carried forward 31 March 2021	272

15 Creditors: amounts falling due after more than one year	<i>Group</i>		<i>Company</i>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Deferred Income	128	95	128	95
	128	95	128	95

16 Share capital

	<i>Number of Shares</i>	<i>2021 and 2020 £000</i>
Authorised:		
Ordinary shares of £1 each	100	-
	2021 £000	2020 £000
Allotted, Issued and fully paid:		
Ordinary shares of £1 each	-	-

The Articles of Association prevent any dividends being paid on the share capital of the company. Furthermore the members are not entitled to any distribution on a dissolution or winding up of the company.

17 Designated Fund

The Designated fund of £1,619k represents the balance of capital less cumulative depreciation, and the provisioning of future show costs.

Transfers are made to bring the designated fund in line with the net book value of unrestricted fixed assets at the year end.

18 Restricted Reserves

	Funds at 2020 £000	Incoming Resources £000	Outgoing Resources £000	Funds at 2021 £000
Grants of a Capital Nature				
Capital Appeal	88	-	(28)	60
Total Capital Grants	88	-	(28)	60
Grants of a Revenue Nature				
Sir Barry Jackson Trust	-	30	-	30
Arts Council England - BME Theatre Project	7	-	-	7
Arts Council England - International work	37	-	-	37
On the Edge	3	-	-	3
Weekender	7	-	-	7
Sustained Theatre	27	239	(33)	233
The Big Lottery - Shifting The Dial	55	258	(168)	145
Other	-	8	-	8
Total Revenue Grants	136	535	(201)	470
Total Restricted Funds	224	535	(229)	530

Grants of a Capital Nature

The capital appeal reserve of £60k represents the net amount raised by the Theatre's own appeal for funds to meet capital expenditure, less depreciation charges.

Grants of a Revenue Nature

The grant awarded from the Sir Barry Jackson Trust represents a contribution towards the cost of the production of PARK BENCH PLAYS to be performed during 2021/22.

The REP has joined forces with a group of partners to deliver a ground-breaking project to promote positive mental health among young African Caribbean men. The three-year project, called Shifting the Dial, uses cultural activities to encourage young black men to discuss and explore mental health issues and build resilience through promoting wellbeing, improving self-esteem and encouraging personal development. Funded by the National Lottery Community Fund, Shifting the Dial brings together the skills and experience of The REP, community engagement organisation First Class Legacy, the charity Centre for Mental Health, and Birmingham and Solihull Mental Health NHS Foundation Trust.

The REP received a Sustained grant from Arts Council England during the year. The project that this funding was intended for was subsequently withdrawn and the amount will be returned to Arts Council England in 2021/22.

19 Analysis of Net Assets by Fund

	Unrestricted			
	General	Designated	Restricted	Total
	Funds	Funds	Funds	2021
	£000		£000	£000
Tangible Fixed Assets	-	1,320	60	1,380
Fixed Asset Investments	967	-	-	967
Current Assets	2,101	299	470	2,870
Total Liabilities	(2,094)	-	-	(2,094)
	974	1,619	530	3,123

20 Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	1,831	778
	1,831	778

21 Ultimate Controlling Party

The ultimate controlling party of the charity is the Sir Barry Jackson Trust, a charity registered with the Charities commission for England and Wales (Reg. No. 211619).

22 Trading activities of Subsidiary Undertakings

2021 **2020**
£000 **£000**

A summary of Birmingham REP Enterprises Limited trading results are shown below. Audited accounts are filed with the Registrar of Companies.

Profit and Loss Account

Turnover	95	5,066
Cost of sales	(205)	(4,533)
Gross Profit	(110)	533
Other income	130	12
Administration	(43)	(102)
Gift Aid	-	(350)
Operating (Loss)/Surplus	(23)	93

Balance Sheet

Retained profit brought forward	93	34
Gift Aid	-	(34)
Retained profit for the year	(23)	93
Share Capital	-	-

Shareholders Funds

Fixed assets	42	60
Stock	11	14
Debtors	457	438
Cash at bank	45	51
	513	503
Creditors	(485)	(470)
Net Assets	70	93

22 cont Trading activities of Subsidiary Undertakings (cont)

2021 2020
£000 £000

A summary of Unique Venues Birmingham Limited trading results are shown below. Audited accounts are filed with the Registrar of Companies.

Profit and Loss Account

Turnover	358	1,679
Cost of sales	(380)	(1,357)
Gross (Loss)/Profit	(22)	322
Other income	141	5
Administration	(47)	(72)
Gift Aid	-	(150)
Operating Surplus	72	105

Balance Sheet

Retained profit brought forward	105	53
Gift Aid	(50)	(53)
Retained profit for the year	72	105
Share Capital	-	-

Shareholders Funds

Fixed Assets	5	20
Stock	5	15
Debtors	43	369
Cash at bank	476	257
	524	641
Creditors	(402)	(556)
Net Assets	127	105

23 Related Party Transactions

Councillor Gary Sambrook is a member of Birmingham City Council (resigned during the year). Councillor Jayne Francis is a member of Birmingham City Council. The company receives a grant from Birmingham City Council as shown in note 2 and pays Birmingham City Council rent and uniform business rates and has other transactions including recharges between the two entities for services and utilities within the building it shares with the Library of Birmingham.

Advantage has been taken of the FRS 102 exemption from disclosure of inter group transactions.

The lease between Birmingham City Council and the charity for the building was signed in 2013. This lease sees the charity pay £55k per annum. It expires in 2112, being subject to rent review every ten years.

24 Guarantees and Other Financial Commitments

The group companies had the following operating lease commitments based on minimum lease payments:

	2021	2020
	£000	£000
Within one year	74	74
Within two to five years	300	300
In over five years	4,718	4,792
	5,092	5,166

25 Capital Commitments

At 31 March 2021 a commitment of Nil (2020: Nil) had been made in respect of capital expenditure.

26 Contingent Liabilities

The Arts Council England holds, in perpetuity, a floating charge of £5,500k (2020: £5,500k) over the assets of the theatre.

27 Post Balance Sheet Events

The impact of Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the United Kingdom. A significant grant was applied for with a successful outcome: DCMS Culture Recovery Fund for the period 1 April to 30 June 2021, subsequently extended to 31 December 2021, £554k will be received during 2021/22.

In May 2021, OPEN HOUSE, the theatre's front of house capital project was agreed by the Board. The project work started on-site in July 2021. The project value is £2.8m with completion expected in December 2021.

Further to events relating to the VAT exposure the decision was made in August 2021 to pay the VAT liability and the amount of £300k was settled in September 2021.

28 Statement of Financial Activities for year ended 31 March 2020

		Unrestricted			
		General	Designated	Restricted	Total
		Funds	Funds	Funds	Funds
	Notes	2020	2020	2020	2020
		£000	£000	£000	£000
Income					
<i>Income from generated funds</i>					
Donations and legacies	2	2,465	-	292	2,757
Other trading activities	2	2,793	-	-	2,793
Income from Investments	3	54	-	-	54
<i>Income from charitable activities</i>	4	4,710	-	-	4,710
Total income		10,022	-	292	10,314
Expenditure					
Raising funds		2,233	-	-	2,233
Expenditure on charitable activities		8,642	144	372	9,158
Total expenditure	5	10,875	144	372	11,391
<i>Gains on investment assets</i>					
Realised		(93)	-	-	(93)
Unrealised		-	-	-	-
Net expenditure	7	(946)	(144)	(80)	(1,170)
Transfers between funds		(57)	57	-	-
Net movement in funds		(1,003)	(87)	(80)	(1,170)
<i>Fund balances brought forward at 1 April 2019</i>		568	1,369	304	2,241
<i>Fund balances carried forward at 31 March 2020</i>		(435)	1,282	224	1,071