

Northern Ballet Limited

Report of the Trustees and Financial Statements

For the year ended 31 March 2023

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

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Company information

Company Registration Number :	00947096
Charity Registration Number :	259140
Registered Office :	2 St Cecilia Street Quarry Hill Leeds LS2 7PA
Royal Patron :	HRH The Earl of Wessex
Trustees :	Mr Guido Perricone (Appointed 16th September 2022) Sir David Wootton (Resigned 29th September 2022) Mr Javaad Alipoor (Resigned on 26th September 2022) Ms Carol Arrowsmith Cllr Judith Blake Mr Sonny Hanley Mr Jolyon Harrison Mrs Elizabeth Jackson Mr Clive Lloyd Mr Philip Keller Mrs Kyla Mullins Mr Kevin O'Hare Mr John Procter (Resigned on 16th August 2022) Ms Anita Rani (Resigned 17 th February 2023) Mr Graham Smith (Resigned on 31 st July 2022) Mr Paul Smith (Resigned 14 th February 2023)
Company Secretary :	Mr Richard Coram (Resigned 16th August 2022) Mrs Polly Coram (Appointed 16th August 2022) (Resigned 3 rd March 2023) Mrs Ameena Bradford (Appointed 17 th July 2023)
Artistic Directors :	Mr David Nixon (Resigned 24 th April 2022) Mr Federico Bonnelli (Appointed 2 nd May 2022)
Chief Executive :	Mr Mark Skipper (Resigned 30th September 2022) Mr Tobias Perkins (Interim 1 October 2022 to 14 th June 2023) Mr David Collins (Appointed 23rd January 2023)
Bankers :	Lloyds Bank Plc 65-68 Briggate Leeds LS1 6LH

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Company information (continued)

Solicitors:	Wrigleys Solicitors LLP 3 rd Floor 3 Wellington Street Leeds LS1 4AP
Auditors:	Grant Thornton UK LLP No 1 Whitehall Riverside Whitehall Road Leeds LS1 4BN

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Chair's report

The past year has seen the arrival of a new leadership team at Northern Ballet, while at the same time we have experienced the return of audiences to our work in levels last seen pre the COVID pandemic.

Federico Bonelli joined the Company as Artistic Director in May 2022, with David Collins taking up the post of Executive Director in January 2023. Across the year we have been heartened by the return of audiences in increasing numbers to our work, whilst we make plans to take the Company forward, building on past success whilst looking to innovate in response to a changing world.

The strength of earned ticket revenue, particularly in the latter half of the year, combined with continued support via fundraising from individuals, trusts and the private sector gives us confidence for the future, and we are as ever grateful to the continued support of our major funders, Arts Council England and Leeds City Council. Both renewed their support for the Company in the year, recognising the influential role Northern Ballet plays in the cultural life of our home city Leeds, the North of England and nationally as one of the most prolific touring dance companies in the UK. We offer our heartfelt thanks to all those who support Northern Ballet.

Whilst we celebrate the strength of our earned and contributed income in the year, we are also mindful of the incredibly challenging financial environment in which we operate, with inflation on energy, wages and crucially touring costs impacting the Company. The financial year 22/23 saw the Company operate at a material deficit moving into 23/24. Across the arts industry many organisations face increasing financial pressure. Northern Ballet chose to be bold and make additional investment in marketing to entice audiences back to performances, but this did not start to show effect until the latter half of 2022. Other investment such as reviving popular productions such as The Nutcracker was also made. This coupled with a marked decline in philanthropic giving and support from our commercial subsidiary, and ticket prices not increasing in line with inflation, has seen the Company reach this position. The Board recognises that a continued deficit position is not tenable and the Company's business plan aims to address this with a view to the Company operating in financial sustainable position from 2024/25 onwards. This will require significant changes to the business model and core performing activity, to ensure artistic excellence and audience reach.

Despite the challenges the Company successfully toured productions of Casanova, The Little Mermaid, The Great Gatsby and The Nutcracker to venues from Edinburgh and Southampton to Belfast and London. The Nutcracker in particular broke box office records on its revival in Leeds over the festive period. We also invested in new work and emerging talent, the Made in Leeds programme of three short ballets featuring work by three exciting and diverse choreographers playing in Leeds and to sold-out audiences at the Linbury Theatre in London. In the coming year the Company is intending to return to international touring and renting productions to international partners.

The Academy of Northern Ballet continues to provide both a centre for excellence in training in the North of England, and at same time running a programme of open classes that allow participants of all ages and backgrounds to share in the joy of dance. Our Learning Department engage thousands of young people in schools across the country, with the flagship RISE programme delivering an enriched term of dance participation in seven schools in Yorkshire. We continue to lead in developing inclusive dance practice, with Ability, In Motion and Dance for Parkinsons programmes across the year, culminating in Expressions, an annual inclusive dance festival hosted in our home at the Stanley and Audrey Burton Theatre.

I would also like to express my thanks, and the thanks of the Board, to all our staff for their hard work and commitment in the course of what has been a challenging year – we are very grateful to them.

Finally, I would like to thank my fellow trustees for their continued stewardship of Northern Ballet as we look to evolve the Company to meet the challenges of the future with confidence, innovation and creativity.

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Report of the Trustees

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 2023 which are prepared to meet the requirements for a report of the trustees and accounts under the Companies Act 2006.

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

Objectives and activities of Northern Ballet

The objects of the Company can be summarised as follows:

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

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

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

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

Activities of Northern Ballet in the year

Performances

The Company performed 4 separate main-scale productions, Casanova, The Great Gatsby, The Little Mermaid and The Nutcracker. These productions toured to 13 different venues across 120 performances. In addition, our mixed programme of three new ballets was given 12 performances in Leeds and London.

Artistic Values

Northern Ballet aims to create new main stage and children's story ballets that connect with audiences of all ages, touring widely across the UK and internationally. We seek to champion new and diverse voices to tell stories that reflect those audiences as we develop the next generation of artists. Our work is founded on the excellence of our dancers and we seek to enrich and challenge them through the rehearsal and presentation of a wide ranging repertoire

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Children's Ballets

The year saw two children's ballets, Pinocchio and The Ugly Duckling, which went on to be performed 87 times across two tours to 19 venues across the UK, from school halls to community centres and theatres.

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 people of all ages and backgrounds 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. Over the year, we delivered 774 sessions reaching 13,042 people.

Rise is an education project focusing on health and wellbeing delivered in primary schools across West Yorkshire. We delivered the Rise project at 7 schools with a total of 311 pupils each taking part in 10 sessions. In autumn 2022 a special live performance was created for pupils to see the Company perform a selection of highlights from the repertoire which they had been exploring during their in-school workshops. We also launched a small pilot project, Rise & Shine, inspired by our hugely successful Rise project. The new project works with pupils with profound and multiple disabilities to enable them to access the work of Northern Ballet and use dance as a tool to express themselves and communicate in different ways.

The Burberry Inspire project which aimed to tackle social mobility and raise awareness of creative careers came to an end in summer 2022. Over the 4-year project, thousands of disadvantaged pupils from 8 high schools engaged in the project seeing Northern Ballet's Company dancers in performance and worked with dance artists, filmmakers, set designers, set builders, and costume designers to create dance films. To celebrate the end of the project, pupils from all schools took part in a performance at Leeds Playhouse, sharing their various achievements from the project, culminating in a spectacular dance and spoken word finale, choreographed by a Northern Ballet artist.

The STAR (South Tees Arts Research) project also came to an end in summer 2022; The STAR project worked with two schools in South Tees, working with 165 children weekly over the 22/23 academic year, using dance as a tool for wellbeing. Using learning from our Rise project, the pupils took part in weekly dance lessons in school inspired by Northern Ballet production, Pinocchio, with all pupils attending a performance at Middlesbrough Theatre.

103 children aged under 5 took part in our Early Years projects across 6 Children's Centres and we developed ideas to pilot a new digital project to engage with Early Years setting nationally.

Over the course of the year, Northern Ballet delivered Ability, a dance course for adults with learning disabilities and In Motion a project for wheelchair users. We also held 2 performances of Expressions, a dance platform for disabled dancers which also included a CPD workshop for dance practitioners and collaborative workshops for community groups led by disabled dancers.

There were 11 audio described performances across the UK and we audio described all digital creations. The Learning Department supported the Short Ballet programme by holding outreach workshops in children's centres, libraries, community centres and schools across the country. 223 free outreach sessions were delivered with 4,416 participants.

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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. In 2022/23 we delivered 2,549 sessions across the various programmes, reaching 6,117 people.

We delivered 122 free Spotted! workshops in 22 schools across West Yorkshire, introducing hundreds of children to ballet for the first time, and highlighting the various programmes available to them to further engage in ballet. 24 students on our CAT (Centre for Advanced Training) programme joined Northern Ballet Company dancers on stage at Leeds Grand Theatre to perform in The Nutcracker, and those who reached the end of their training with us in summer 2022 went on to gain coveted places at top vocational schools including The Royal Conservatoire of Scotland and Elmhurst Ballet School. Students from the Professional Graduate Programme performed across the UK with the Company and went on to gain professional contracts at Ballet Cymru and Miami City Ballet.

We held three 'Pop-Up' workshops in 2022-23 inspired by Northern Ballet productions, The Nutcracker and The Great Gatsby. In total, 60 children and 65 adults took part, and thoroughly enjoyed the opportunity to learn repertoire from ex-Company dancers.

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 2023.

In previous years trading surpluses from Info Display's activities have been used to further the aims and objectives of Northern Ballet by a gift aid donation. The Company is facing a challenging operating environment as the Covid-19 pandemic and the cost of living crisis have encouraged visitor attractions to shift their marketing spend away from print media towards digital.

Info Display has net liabilities of £209,380 (2022: £137,413 net liabilities). Of those liabilities £172,862 (2022: £111,383) are due to the parent Company Northern Ballet Ltd which has made a full provision against the balance.

For details of Info Display's trading losses see note 17 to the financial statements.

Northern Ballet Productions Limited

Northern Ballet Productions Limited is a wholly owned subsidiary of Northern Ballet. It develops and produces ballets. The activities of the Company are consolidated within the financial statements for the year ended 31 March 2023. For details of Northern Ballet Productions' trading and net assets see Note 17 to the financial statements.

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

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are responsible for the fundraising activities across the organisation and we do not engage third parties to carry out fundraising activities on our behalf.

All Northern Ballet's 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 (see Page 9), Northern Ballet raises funds from grant income, sponsorship, and donations to support its vibrant programme of performances, learning activities and classical dance training.

Northern Ballet has enjoyed long term support from public entities, including through the Arts Council England and Leeds City Council. The combined support from public entities represents 47% (2021/22: 56%) of Northern Ballet's income in the year (See Financial Review – Pages 8 and 9).

Northern Ballet is very grateful for the steadfast support from our Patrons, Benefactors and Donors who have made donations over the last 12 months. We are so grateful to the Trusts and Foundations who have supported the Company over past year and to our two key corporate sponsors SG Kleinwort Hambros and Close Brothers Asset Management. Their support has played a crucial role in enabling us to deliver several innovative and inspiring projects across many areas of our work including learning, accessibility, productions and the Academy of Northern Ballet. With thanks to every Trust and Foundation who has given us a gift or grant over the past year and special thanks to the following organisations:

- The Foyle Foundation
- The Keith Howard Foundation
- The Linbury Trust
- The Liz and Terry Bramall Foundation
- Leverhulme Trust
- Aud Jebsen's generous support for Federico Bonelli's position

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 2023 are shown in the Consolidated Statement of Financial Activities on Page 19. The assets and liabilities as at 31 March 2023 are shown in the Consolidated Balance Sheet on Page 20. The financial statements should be read in conjunction with their related notes, which appear on Pages 23 to 45 and have been prepared in accordance with relevant law and the Charities Statement of Recommended Practice (FRS 102) October 2020 edition.

In summary, Group net (outgoing)/incoming resources for the year were (£1,268,624) (21/22: £338,573) including (£1,475,565) (21/22: £184,212) relating to the Company. Within this value, £131,813 (21/22: £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.

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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 53% (21/22: 44%) of its income from operations.

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

Group Fundraising Income - Major Funders and Others

	22/23	21/22	Increase/ (decrease)
	£'000	£'000	£'000
Arts Council England – National Portfolio	3,169	3,169	-
Arts Council England – Other	397	808	(411)
Leeds City Council	170	170	-
Job Retention Scheme	-	177	(177)
Performances and Touring	968	1,603	(635)
	4,705	5,927	(1,222)

	22/23	21/22	Increase/ (decrease)
Average Theatre Occupancy Main Tour	68%	39%	29%
Number of UK Performances on Main Tour	133	101	32
Number of UK Children's Performances	81	58	23
Ticket Yield – Main Tour	£31	£32	(£1)
Ticket Yield – Children's Ballets	£7	£8	(£1)
Income			
% Public Funding		47%	
% Generated Income		53%	

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 £75 with significant discounts available for children, schools, groups and concessions.

The Future:

Activities for 2023/24

We are pleased that our plans for 23/24 include a busy autumn season as we welcome a return to a fuller touring schedule. This will be balanced with a quieter end to the year to give the Company time to explore potential future productions for 2024/25.

Funding

Arts Council England confirmed continued NPO (National Portfolio Organisation) status to cover the 2023-2026 years. This is based on our national main-scale touring model supported by our popular children's tour.

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Risk Management:

General

The Trustees have considered 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 Audit Committee meetings. Using the framework of the Business Plan 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 because 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 and liquidity risk and risks related to rising rates of inflation. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity Risk

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

Credit risk

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

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.

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Reserve Policy

Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned emergency and other expenditure. 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 for the Company to move forward into future years. The board closely monitors the reserve position. Occasionally Northern Ballet may breach its reserve policy and in such instances The Board will take corrective action to return reserves to the expected level.

The Company's reserve policy is to seek to hold approximately 8 weeks of planned income as cash. This target is currently £1,184,590 (21/22: £1,190,237). Reserves are currently below target but there are plans in place to address this position.

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

The Group's unrestricted reserves at 31 March 2023 were £1,090,890 (21/22: £2,020,632). Total reserves for the Group were £13,368,623 (21/22 £14,637,246) (Note 25) of which £12,341,601 (21/22: £12,616,614) is attributable to restricted reserves. Within restricted reserves a balance of £11,402,416 -Note 25 (21/22: £11,534,229) relates to the building project fund. Group balance sheet at 31 March 2023 shows net current assets of £1,558,950 (21/22: £2,232,708) and bank balances of £412,899 (21/22: £493,227). A discussion of performance during the year can be found in the financial review section above.

Detailed analysis of the Group's reserves can be found in the Consolidated Statement of Financial Activities (Page 19) and note 25 to the accounts. They are considered adequate in the context of the Group's future plans as set out above.

Investment

At 31 March 2023, Northern Ballet held investment funds to the value of £Nil (21/22: £1,305,422).

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.

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Appointment of Trustees

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

Governance and Decision Making

Northern Ballet is a Company limited by share capital, but where each Trustee has undertaken to contribute a maximum of £10 in the event of wind up, and is a registered charity, number 259140.

The governing documents are the Memorandum and Articles of Association which were revised and adopted at the Annual General Meeting on 3 December 2014. The revised Memorandum and Articles aimed to make the governance of the Company flexible and efficient; fit for purpose as a charity. To this end all the issued shares of the Company were transferred to the Chair of the Company who holds them in trust.

The body responsible for the management of the Company is the Board of Trustees. The Board meets four times a year. It has a minimum of four members. There are sub-committees covering finance and general purposes, audit, nominations, and remuneration.

Trustees are appointed to the Board for generally a period of six years. Trustees are aware of the Charity Commission – Charity Governance Code's recommendations regarding the length of time. The Chief Executive, Artistic Director, and Company Secretary attend meetings of the board of Trustees.

The Chief Executive and Artistic Director manage the day-to-day operations of the Company. The overall control of Northern Ballet rests with the Trustees.

Executive Remuneration

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

Related Parties

None of the Trustees receive remuneration or other benefit from their work with the Company. Trustees may make a claim for expenses incurred or professional services. Any connection between a Trustee or senior manager of the Group with a related party must be disclosed to the full Board of Trustees. Trustees are able to purchase tickets for performances at normal commercial terms i.e. no beneficial rates due to being a Trustee.

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

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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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

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

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

Internal Controls

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

Internal Control processes implemented by the Trustees are as follows:

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

Going concern

The Board are aware that the current economic uncertainties may have an impact on the financial success of the Group. In preparing the budgets and forecasts, the Board consider the repertoire, with the aim to plan a mix of productions which includes a popular Christmas season to generate significant box office income.

The Art's Council England (ACE) funding contributes a significant element of the Group's income and has been secured for a three-year period for 2023-26. Hence there is no risk to going concern status linked to this income.

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The Board have reviewed sensitised cash flows to satisfy themselves that the Company has adequate cash resources to remain sustainable. Current and future trading levels have been analysed and The Board are satisfied that the box office income projections used in the cash flows do not contain material uncertainty. This is informed by comparisons with historic booking trends and the advance bookings which are exceeding original projections. They will continue to carefully monitor activity in the year and, should box office income fall short of target levels, steps will be taken to reduce Company costs accordingly.

After their review, 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 and covering the period to 31 March 2025. For this reason, it continues to adopt the going concern basis of preparation in the financial statements.

Auditors

Northern Ballet will be going out to tender to appoint new external auditors for the next financial year.



Mr Guido Perricone
Chair
8/12/2023



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 2023 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 2023 and of the group's and the parent charitable Company's incoming resources and application of resources, including the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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.

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Financial statements for the year ended 31 March 2023

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Strategic Report and the Directors' Report, prepared for the purpose of Company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the trustees (incorporating the Strategic Report).

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 12 - 13, the trustees (who are also the directors of the charitable Company for the purposes of Company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

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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 based on these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, and the sector in which it operates. We determined that the following laws and regulations were most significant, financial reporting legislation (Charities SORP (October 2019) and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102); and legal framework, including Companies Act 2006 and the Charities Act 2011.
- The engagement team remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit.
- We understood how the Group is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our reading of board minutes, and through our legal and professional expenses review.
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - The Group's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - The Group's control environment including the adequacy of procedures for authorisation of transactions
- Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud.
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions.
 - Challenging assumptions and judgements made by management in its significant accounting estimates.
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

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fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the charitable Company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
8/12/2023

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

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

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

	Note	Unrestricted funds £	Restricted funds £	2023 £	2022 £
INCOME					
Income from donations and legacies	3	4,071,312	633,402	4,704,714	5,749,955
Income from trading activities	4	434,958	-	434,958	246,472
Income from charitable activities	6	2,866,183	20,000	2,886,183	1,562,107
Income from Job Retention Scheme		-	-	-	177,145
Investment income	5	1,187	-	1,187	859
Total income		7,373,640	653,402	8,027,042	7,736,538
EXPENDITURE					
Expenditure on raising funds					
Fundraising	7	392,407	-	392,407	320,970
Building		415,226	23,726	438,952	353,574
Leaflet distribution		309,851	-	309,851	312,617
		1,117,484	23,726	1,141,210	987,161
Expenditure on charitable activities					
Touring	8	7,696,612	940,072	8,636,684	7,530,610
Academy (classical training)	8	413,814	28,485	442,299	395,862
		8,110,426	968,557	9,078,983	7,926,472
Total expenditure		9,227,910	992,283	10,220,193	8,913,633
Taxation					
Theatre tax relief income		944,444	-	944,444	838,580
		944,444	-	944,444	838,580
Other recognised gains					
Fair value loss on investments	17	(25,258)	-	(25,258)	(58)
Profit on sale of fixed assets		5,342	-	5,342	-
		(19,916)	-	(19,916)	(58)
Net expenditure		(929,742)	(338,881)	(1,268,623)	(338,573)
Reconciliation of funds					
Total funds brought forward	25	2,020,632	12,616,614	14,637,246	14,975,819
Total funds carried forward	25	1,090,890	12,277,733	13,368,623	14,637,246

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 23 - 45 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Consolidated balance sheet

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	12,246,130	12,338,451
Goodwill	16	-	-
Investments	17	-	305,422
		12,246,130	12,643,873
Current assets			
Investments	17	-	1,000,000
Stocks	18	24,603	26,472
Debtors	19	2,336,568	1,919,852
Cash at bank and in hand		412,899	493,227
		2,774,070	3,439,551
Creditors: amounts falling due within one year	20	(1,215,120)	(1,206,843)
Net current assets		1,558,950	2,232,708
Total assets less current liabilities		13,805,080	14,876,581
Creditors: amounts falling due after one year	21	(436,414)	(239,292)
Net assets		13,368,666	14,637,289
Called up share capital	24	29	29
Capital redemption reserve	25	14	14
Income funds			
Restricted funds	25	12,277,733	12,616,614
Unrestricted funds			
Revaluation reserve		356,473	356,473
Designated reserves	25	-	590,180
Other charitable funds		734,417	1,073,979
		13,368,666	14,637,289

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

Guy Perricone

Mr Guy Perricone – Trustee
Date: 8/12/2023

Company number: 00947096

The accompanying notes on pages 23– 45 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Company balance sheet

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	12,246,130	12,336,743
Investments	17	-	305,422
Investments in subsidiary	17	-	106,076
		12,246,130	12,748,241
Current assets			
Investments	17	-	1,000,000
Stocks	18	24,603	26,472
Debtors	19	2,280,920	2,130,855
Cash at bank and in hand		386,020	336,819
		2,691,543	3,494,146
Creditors: amounts falling due within one year	20	(1,096,176)	(1,122,418)
Net current assets		1,595,367	2,371,728
Total assets less current liabilities		13,841,497	15,119,969
Creditors: amounts falling due after one year	21	(436,414)	(239,292)
Net assets		13,405,083	14,880,677
 Called up share capital	24	29	29
Capital redemption reserve	25	14	14
Income funds			
Restricted funds	25	12,277,733	12,616,614
Unrestricted funds			
Revaluation reserve		356,473	356,473
Designated reserves	25	-	590,180
Other charitable funds		770,834	1,317,367
		13,405,083	14,880,677

The deficit after tax for the parent Company for the year was £1,475,595 (21/22: deficit of £184,212). 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.

Guy Perricone

Mr Guido Perricone— Trustee

Date: 8/12/2023

Company number: 00947096

The accompanying notes on pages 23 - 45 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Consolidated statement of cash flows

	2023	2022
	£	£
Net cash flow from operating activities		
Net expenditure	(1,268,623)	(338,573)
Interest receivable	(1,187)	(859)
Depreciation	241,106	205,570
Taxation	-	-
Fair value losses on unlisted investments	25,258	58
Profit on disposal of fixed assets	(5,376)	-
Decrease/(increase) in stock	1,869	(467)
Increase in debtors	(416,716)	(482,940)
Decrease in accrued income	-	37,536
Increase in creditors	182,563	171,646
Decrease in deferred income	(174,286)	(564,227)
Increase/(decrease) in long term creditors	197,122	(75,326)
Net cash outflow from operating activities	(1,218,270)	(1,047,582)
Cash flows from investing activities		
Proceeds from sale of fixed assets	6,828	-
Interest received	1,187	859
Purchase of tangible fixed assets	(150,237)	(269,880)
Proceeds from current asset investments	1,280,164	1,000,000
Cash used in investing activities	1,137,942	730,979
Decrease in cash and cash equivalents during the year	(80,328)	(316,603)
Cash and cash equivalents at the beginning of the year	493,227	809,830
Cash and cash equivalents at the end of the year	412,899	493,227

Net debt reconciliation

	At start of year	Cash-flows	At end of year
	£	£	£
Cash	493,227	(80,328)	412,899

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

The accompanying notes on pages 23 – 45 form part of these financial statements.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements

1 General information

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

2 Accounting policies

2.1 Basis of preparation

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

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

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

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.

2.2 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 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.

Estimates: 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.

Judgements: Property held at Wellington Mill was valued during 2021 by external surveyors and this valuation has been used to update the carrying value within the financial statements. This valuation is considered appropriate for this financial year.

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 2023

Notes to the financial statements (continued)

2.4 Going concern

The Board are aware that the current economic uncertainties may have an impact on the financial success of the Group. In preparing the budgets and forecasts, the Board consider the repertoire, with the aim to plan a mix of productions which includes a popular Christmas season to generate significant box office income.

The Art's Council England (ACE) funding contributes a significant element of the Group's income and has been secured for a three-year period for 2023-26. Hence there is no risk to going concern status linked to this income.

The Board have reviewed sensitised cash flows to satisfy themselves that the Company has adequate cash resources to remain sustainable. Current and future trading levels have been analysed and The Board are satisfied that the box office income projections used in the cash flows do not contain material uncertainty. This is informed by comparisons with historic booking trends and the advance bookings which are exceeding original projections. They will continue to carefully monitor activity in the year and, should box office income fall short of target levels, steps will be taken to reduce Company costs accordingly.

After their review, 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 and covering the period to 31 March 2025. 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 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. Northern Ballet Productions Limited claims theatre tax relief on behalf of the parent.

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.

Notes to the financial statements (continued)

Job Retention scheme

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

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

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there is 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 recognized 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 accrual's 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 more than £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 based on a valuation performed in March 2021 (note 15) and is therefore not depreciated each year. A review is carried out each year by management to ensure the value of freehold property in the financial statements is appropriate from which any amendment to the valuation would be made as required. A formal valuation by a real estate valuation expert will be carried out with sufficient frequency to aid in managements valuation assessments.

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

2.11 Tangible fixed assets and depreciation (continued)

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

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

Notes to the financial statements (continued)

2.12 Goodwill and amortisation

Goodwill arising on an acquisition of a trade or subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the consolidated statement of financial activities over the Directors' estimate of its useful economic life (6 years regarding 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. No impairment indicators from the current year assessment were identified.

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 except for 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. The funding liability is reassessed based on triannual actuarial valuations, with the last one being in 2022. 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 4.8%. 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 £	2023 £	2022 £
Grant income				
Arts Council England	3,280,861	285,567	3,566,428	3,977,059
Leeds City Council	170,000	-	170,000	170,000
COVID19 Support	-	-	-	177,145
Other voluntary income				
Donations and gifts	620,451	347,835	968,286	1,602,896
	<u>4,071,312</u>	<u>633,402</u>	<u>4,704,714</u>	<u>5,927,100</u>
	Donations and subscriptions £	Grants £	2023 £	2022 £
Analysis by income type				
Arts Council England	-	3,566,428	3,566,428	3,977,059
COVID19 Support	-	-	-	177,145
Performances and touring	968,286	170,000	1,138,286	1,772,896
	<u>968,286</u>	<u>3,736,428</u>	<u>4,704,714</u>	<u>5,927,100</u>

4 Income from trading activities

	Unrestricted £	Restricted £	2023 £	2022 £
Hire of Space and Facilities	128,991	-	128,991	68,119
Service Agreements	68,083	-	68,083	78,467
Leaflet Distribution	237,884	-	237,884	99,886
	<u>434,958</u>	<u>-</u>	<u>434,958</u>	<u>246,472</u>

Notes to the financial statements (continued)

5 Investment income/(expenditure)

	2023 £	2022 £
Investment income comprises income from:		
Bank deposits	<u>1,187</u>	<u>859</u>
Movement in Fair Value of Investments	<u>(25,258)</u>	<u>(58)</u>

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

6 Income from charitable activities

	Unrestricted £	Restricted £	2023 £	2022 £
Touring	2,425,305	20,000	2,445,305	1,132,735
Learning	51,931	-	51,931	42,532
Academy	388,947	-	388,947	386,840
	<u>2,866,183</u>	<u>20,000</u>	<u>2,886,183</u>	<u>1,562,107</u>

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

	2023 £	2022 £
United Kingdom	2,866,183	1,562,078
Rest of the world	-	29
	<u>2,866,183</u>	<u>1,562,107</u>

7 Expenditure on raising funds

	Unrestricted direct costs £	Unrestricted support costs £	Unrestricted total costs £	Restricted total direct costs £	2023 Total Cost £	2022 Total Cost £
Fundraising	<u>318,322</u>	<u>74,085</u>	<u>392,407</u>	<u>-</u>	<u>392,407</u>	<u>320,970</u>

8 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Unrestricted total costs £	Restricted total costs £	2023 Total Cost £	2022 Total Cost £
Touring (note 10)	6,659,467	1,037,145	7,696,612	940,072	8,636,684	7,530,610
Academy (note 11)	331,438	82,376	413,814	28,485	442,299	395,862
	<u>6,990,905</u>	<u>1,119,521</u>	<u>8,110,426</u>	<u>968,557</u>	<u>9,078,983</u>	<u>7,926,472</u>

Notes to the financial statements (continued)

9 Analysis of support costs

	Total 2023 £	Total 2022 £
Expenditure on raising funds (note 7)	74,085	46,557
Expenditure on facilities and site management	116,417	73,160
Expenditure on charitable activities (note 8):		
Touring	1,037,145	651,801
Classical Training	84,655	53,209
	<u>1,312,302</u>	<u>824,727</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 £	2023 £	2022 £
Dancers Touring	1,867,326	463,072	2,330,398	2,095,481
Marketing and Press	858,020	76,208	934,228	827,743
Technical	2,067,499	-	2,067,499	1,709,448
Orchestra	1,002,289	17,000	1,019,289	860,162
Royalties	133,253	-	133,253	20,410
New Productions and Revivals	210,804	29,300	240,104	491,244
Overseas Tour	15,056	-	15,056	16,729
Learning	195,649	57,657	253,306	296,622
Direct Support Costs	353,131	-	353,131	284,018
Direct Depreciation	(42,651)	202,967	160,316	126,617
In House Performances	29,091	-	29,091	15,121
Leeds Dance Partnership	(30,000)	93,868	63,868	135,214
Support Costs (note 9)	1,037,145	-	1,037,145	651,801
	<u>7,696,612</u>	<u>940,072</u>	<u>8,636,684</u>	<u>7,530,610</u>

11 Expenditure on academy (classical training)

	Unrestricted £	Restricted £	2023 £	2022 £
Associate Classes	61,774	-	61,774	54,549
Yorkshire Young Dancers	269,664	26,206	295,870	288,104
Support Costs (note 9)	82,376	2,279	84,655	53,209
	<u>413,814</u>	<u>28,485</u>	<u>442,299</u>	<u>395,862</u>

Notes to the financial statements (continued)

12 Governance costs

	2023	2022
	£	£
Governance costs are broken down as follows and are included within the charge for support costs:		
External audit fee		
- audit services - charitable Company	36,550	21,000
- subsidiaries	6,450	11,000
- non-audit services	2,400	5,800
	45,400	37,800

13 Staff costs

Group	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Wages and salaries	4,108,140	3,891,241	3,933,268	3,696,649
Social security costs	411,199	377,429	394,584	360,339
Pension costs	211,522	210,887	202,523	201,158
	4,730,861	4,479,557	4,530,375	4,258,146

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

	2023 Group Number	2022 Group Number	2023 Company Number	2022 Company Number
Full time employees	109	113	105	106
Part time employees	27	27	27	26
	136	140	132	132

The number of full-time equivalents was:

	123	131	119	123
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Full time equivalent employees fell into the following categories:

	2023 Group Number	2022 Group Number	2023 Company Number	2022 Company Number
Production	89	89	89	89
Administration	30	34	30	34
Distribution	4	8	-	-
	123	131	119	123

Notes to the financial statements (continued)

13 Staff costs (continued)

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

	2023	2022	2023	2022
	Group	Group	Company	Company
	£	£	£	£
£60,001 to £70,000	2	1	2	1
£70,001 to £80,000	1	-	1	-
£80,001 to £90,000	-	1	-	1
£90,001 to £100,000	-	1	-	1
£100,001 to £110,000	1	-	1	-

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

	2023	2022
	£	£
Pension contributions to money purchase schemes	24,588	28,772

4 (2022: 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 (2022 £Nil). No Trustees received expenses during the year (2022: £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 £538,522 in relation to 11 employees (2022: £638,350 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 40 include £12,798,934 (2022: £12,432,414) of incoming and £14,274,499 (2022: £12,616,626) 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 2022	510,000	13,046,791	756,159	700,509	169,873	19,855	15,203,187
Additions	-	-	-	150,237	-	-	150,237
Disposals	-	-	-	-	-	(19,855)	(19,855)
At 31 March 2023	510,000	13,046,791	756,159	850,746	169,873	-	15,333,569
Depreciation							
At 1 April 2022	-	1,512,710	641,026	566,873	128,729	15,398	2,864,736
Provided in the year	-	131,813	37,885	55,176	13,227	3,005	241,106
Disposals	-	-	-	-	-	(18,403)	(18,403)
At 31 March 2023	-	1,644,523	678,911	622,049	141,956	-	3,087,439
Net book amount							
At 31 March 2023	510,000	11,402,268	77,248	228,697	27,917	-	12,246,130
At 31 March 2022	510,000	11,534,081	115,133	133,636	41,144	4,457	12,338,451

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 2022	510,000	13,046,791	756,159	651,564	117,691	19,855	15,102,060
Additions	-	-	-	150,237	-	-	150,237
Disposals	-	-	-	-	-	(19,855)	(19,855)
At 31 March 2023	510,000	13,046,791	756,159	801,801	117,691	-	15,232,442
Depreciation							
At 1 April 2022	-	1,512,710	641,029	519,572	76,577	15,430	2,765,318
Provided in the year	-	131,813	37,882	53,532	13,197	2,973	239,397
Disposals	-	-	-	-	-	(18,403)	(18,403)
At 31 March 2023	-	1,644,523	678,911	573,104	89,774	-	2,986,312
Net book amount							
At 31 March 2023	510,000	11,402,268	77,248	228,697	27,917	-	12,246,130
At 31 March 2022	510,000	11,534,081	115,130	131,992	41,114	4,425	12,336,742

Group and Company

The freehold property was valued by Adair Paxton, Chartered Surveyor as at 31 March 2021 on an open market value basis. If the freehold property had not been re-valued, it would have been included at a cost of £230,300 with accumulated depreciation of £214,957. The trustees have considered whether there are any indications that the open market value as at 31 March 2023 would be materially different to the third party valuation and concluded that there is no material difference.

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 2022 and 31 March 2023	<u><u>71,700</u></u>
Amortisation	
As at 1 April 2022 and 31 March 2023	<u><u>71,700</u></u>
Net book amount	
At 31 March 2022 and 31 March 2023	<u><u>-</u></u>

17 Investments

Fixed asset investments

Group	Listed investments £
Cost	
At 1 April 2022	305,422
Disposal	(280,164)
Fair value movement	(25,258)
At 31 March 2023	<u><u>-</u></u>

Company

	Subsidiary Undertakings £	Listed investments £	Total £
Cost			
At 1 April 2022	106,076	305,422	411,498
Investment disposals	(106,076)	(280,164)	(386,240)
Fair value movement	-	(25,258)	(25,258)
At 31 March 2023	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Included within Current Investments is a balance of £0 (2022: £1,000,000) of cash on deposit.

Notes to the financial statements (continued)

17 Investments (continued)

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

Operations of trading subsidiaries

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
A summary of the results of the trading subsidiary Info Display Limited are set out below:		
Turnover (including interest receivable)	255,768	128,371
Other Income	7,117	59,262
Operating expenses	(334,852)	(337,617)
Operating loss	(71,967)	(149,984)
Retained loss at 1 April 2022	(137,513)	16,848
Loss for the year	(71,967)	(149,984)
Payment under Gift Aid	-	(4,377)
Retained loss at 31 March 2023	(209,480)	(137,513)

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements (continued)

17 Investments (continued)

Operations of trading subsidiary (continued)

	31 March 2023	31 March 2022
	£	£
The net assets and liabilities of the subsidiary Info Display Limited were:		
Fixed assets	-	1,708
Current assets	82,524	56,786
Creditors: amounts falling due within one year	(291,904)	(195,907)
Net current liabilities	(209,380)	(139,121)
Total assets less current liabilities	(209,380)	(137,413)
Aggregate share capital and reserves	(209,380)	(137,413)
	Year ended	Year ended
	31 March 2023	31 March 2022
	£	£
A summary of the results of the trading subsidiary Northern Ballet Productions Limited are set out below:		
Turnover (including interest receivable)	4,123,179	4,139,836
Charges	(5,067,623)	(4,978,416)
Loss	(944,444)	(838,580)
HMRC Theatre & Film Tax Relief Claim	944,444	838,580
Retained in subsidiary	-	-
	31 March 2023	31 March 2022
	£	£
The net assets and liabilities of the subsidiary Northern Ballet Productions Limited were :		
Current assets	1,828,979	1,505,777
Creditors : amounts falling due within one year	(1,828,978)	(1,505,776)
Net current assets	1	1
Total assets less current liabilities	1	1
Aggregate share capital and reserves	1	1

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 £944,444 (2022: £838,580) in relation to this claim.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements (continued)

18 Stocks

	2023	2022
Group and Company	£	£
Ballet shoes	24,603	22,810
Programmes and brochures	-	3,662
	24,603	26,472

During the year £55,369 of Ballet shoes were recognised as an expense. No stocks were written off in the period.

19 Debtors

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Trade debtors	335,693	341,775	299,394	309,843
Other debtors	1,837,414	1,386,988	8,560	15,063
Prepayments	163,461	191,089	143,990	188,794
Amounts due from subsidiary undertakings	-	-	1,828,976	1,617,155
	2,336,568	1,919,852	2,280,920	2,130,855

No interest is charged on intercompany balances, and all are repayable on demand.

20 Creditors: amounts falling due within one year

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Trade creditors	238,416	276,739	228,249	269,907
Amounts due to subsidiary undertakings	-	-	100	100
Social security and other taxes	223,141	68,322	210,750	54,293
Corporation tax	-	832	-	-
Pension contributions	25,767	27,169	25,767	24,507
Other creditors	28,847	28,552	28,847	28,552
Pension deficit	76,944	59,600	76,944	59,600
Accruals	225,805	162,144	187,051	141,701
Deferred income (note 22)	396,199	583,485	338,468	543,758
	1,215,120	1,206,843	1,096,176	1,122,418

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements (continued)

21 Creditors: amounts falling due after one year

Group and Company

	2023	2022
	£	£
Net present value of future pension deficit reduction payments	<u>436,414</u>	<u>239,292</u>

22 Deferred income

	2023 Group	2022 Group
	£	£
Deferred income brought forward	583,485	1,147,711
Released in the year	(583,485)	(844,292)
Deferred in the year	<u>396,199</u>	<u>280,066</u>
Deferred income carried forward	<u>396,199</u>	<u>583,485</u>

Deferred income at 31 March 2023 includes the following key items; £202,954 Trusts and Foundations income for future projects, £87,890 receipts for the academy and £9,970 received from Arts Council England to support the work of the Company on tour in Wales, Scotland & Northern Ireland and our work on Children's ballets.

23 Commitments under operating leases

At 31 March 2023, the Group's future minimum operating lease payments are as follows:

	2023 Group	2022 Group	2023 Company	2022 Company
	£	£	£	£
Land and buildings				
Not later than 1 year	116,435	116,435	90,000	90,000
Later than 1 year and not later than 5 years	246,356	336,356	135,000	225,000
Later than 5 years	-	-	-	-
	<u>362,791</u>	<u>452,791</u>	<u>225,000</u>	<u>315,000</u>
	2023 Group	2022 Group	2023 Company	2022 Company
	£	£	£	£
Vehicles and equipment				
Not later than 1 year	-	8,137	-	-
Later than 1 year and not later than 5 years	-	-	-	-
	<u>-</u>	<u>8,137</u>	<u>-</u>	<u>-</u>

Operating lease payments recognised as an expense during the year were £113,345 (2022: £131,810).

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements (continued)

24 Share capital

Group and Company

	2023	2022
	£	£
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 (2021: £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 represent all current and prior period unrestricted, undesignated retained income and expenditure.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements (continued)

25 Total funds (continued)

Income funds are analysed as follows:

Group	Balance at 31 March 2022 £	Movement during the year		Balance at 31 March 2023 £
		Incoming resources £	Expenditure £	
Restricted				
Building project fund	11,534,229	-	131,813	11,402,416
Education professional training	-	28,485	28,485	-
Education projects	-	57,657	57,657	-
Production fund	-	29,300	29,300	-
Children's Ballets	335,281	123,300	219,806	238,775
Dance Partnership	82,182	20,000	93,868	8,314
Asset Fund	30,704	64,176	94,880	-
Digital Projects Fund	454,217	-	76,208	378,009
50 th Anniversary Appeal	-	72,917	72,917	-
Cross Border Touring	180,001	240,567	170,349	250,219
Sinfonia	-	17,000	17,000	-
	<u>12,616,614</u>	<u>653,402</u>	<u>992,283</u>	<u>12,277,733</u>
Unrestricted	2,020,675	8,318,084	9,247,827	1,090,933
	<u>14,637,289</u>	<u>8,971,486</u>	<u>10,240,110</u>	<u>13,368,666</u>

Incorporated into table above is a reserve transfer of £66,055 between restricted and unrestricted expenditure.

Company	Balance at 31 March 2022 £	Movement during the year		Balance at 31 March 2023 £
		Incoming resources £	Expenditure £	
Restricted				
Building project fund	11,534,229	-	131,813	11,402,416
Education professional training	-	28,485	28,485	-
Education projects	-	57,657	57,657	-
Production fund	-	29,300	29,300	-
Children's Ballets	335,281	123,300	219,806	238,775
Dance Partnership	82,182	20,000	93,868	8,314
Asset Fund	30,704	64,176	94,880	-
Digital Projects Fund	454,217	-	76,208	378,009
50 th Anniversary Appeal	-	72,917	72,917	-
Cross Border Touring	180,001	240,567	170,349	250,219
Sinfonia	-	17,000	17,000	-
	<u>12,616,614</u>	<u>653,402</u>	<u>992,283</u>	<u>12,277,733</u>
Unrestricted	2,264,063	12,145,532	13,282,245	1,127,350
	<u>14,880,677</u>	<u>12,798,934</u>	<u>14,274,528</u>	<u>13,405,083</u>

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

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 uses, 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 2023.

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

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

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

Northern Ballet Sinfonia reflects funding received specifically for the Sinfonia to promote their activities.

Northern Ballet Limited
Financial statements for the year ended 31 March 2023

Notes to the financial statements (continued)

25 Total funds (continued)

Designated Reserves

Group and Company	Balance at 31 March 2022 £	Movement during the year			Balance at 31 March 2023 £
		Incoming resources £	Expenditure £	Gains and losses £	
Designated Reserves					
The Flood Reserve	249,788	-	249,788	-	-
The Investment Reserve	340,392	-	340,392	-	-
	<u>590,180</u>	<u>-</u>	<u>590,180</u>	<u>-</u>	<u>-</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. The decision was made during the year to change the planned use for these funds therefore they were reclassified to unrestricted general funds during the year to 31st March 2023.

The Investment Reserve represents funds set aside by the trustees to invest as a managed investment. The decision was made during the year to change the planned use for these funds therefore they were reclassified to unrestricted general funds during the year to 31st March 2023.

26 Analysis of group net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	716,429	11,529,701	12,246,130
Investments	-	-	-
Current assets	2,266,606	507,464	2,774,070
Current liabilities	(1,215,120)	-	(1,215,120)
Long term liabilities	(436,414)	-	(436,414)
Total net assets	<u>1,331,501</u>	<u>12,037,165</u>	<u>13,368,666</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

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Notes to the financial statements (continued)

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.

The principal conclusions of the last triennial valuation at 31 March 2022 estimated a funding shortfall of £2,947,000. Northern Ballet, as one of several employers responsible for funding this shortfall, agreed to make monthly contributions of £6,412 (£5,185 2022) until 31st March 2031, payments commenced 1st April 2023. 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 4.8%. The net present value of the sum of the remaining monthly contributions as at 31 March 2023 is £513,358 (2022: £298,892) and this has been recorded as a liability in the balance sheets of the Group and the Company, £76,944 (2022: £59,600) in creditors falling due within one year and £436,414 (2022: £239,292) 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. In this financial year there have been transactions to the value of £182,050 (2022: £194,010) with AKA, a Company which a Board member has significant influence over. At the year end the amount owed to AKA was £1,498 (2022: £40,438).

29 Capital commitments

There were no capital commitments as at 31 March 2023 (2022: £Nil).

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Notes to the financial statements (continued)

30 Consolidated Statement of financial activities - comparative

	Note	Unrestricted Funds £	Restricted funds £	2022 £
INCOME				
Income from donations and legacies	3	4,601,820	1,148,135	5,749,955
Income from trading activities	4	246,472	-	246,472
Income from charitable activities	6	1,465,274	96,833	1,562,107
Income from job retention scheme		177,145		177,145
Investment income	5	859	-	859
Total income		6,491,570	1,244,968	7,736,538
EXPENDITURE				
Expenditure on raising funds				
Fundraising	7	320,970	-	320,970
Building		329,848	23,726	353,574
Leaflet distribution		312,617	-	312,617
		963,435	23,726	987,161
Charitable activities				
Touring	8	6,541,946	988,664	7,530,610
Academy (classical training)	8	339,009	56,853	395,862
		6,880,955	1,045,517	7,926,472
Total expenditure		7,844,390	1,069,243	8,913,633
Taxation				
Theatre tax relief income		838,580	-	838,580
Tax on profit on ordinary activities		-	-	-
		838,580	-	838,580
Other recognised gains				
Fair value loss on unlisted investments	17	(58)	-	(58)
Profit on sale of fixed assets		-		-
		(58)	-	(58)
Net expenditure		(514,298)	175,725	(338,573)
Reconciliation of funds				
Total funds brought forward	25	2,534,930	12,440,889	14,975,819
Total funds carried forward	25	2,020,632	12,616,614	14,637,246

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Notes to the financial statements (continued)

31 Financial assets and liabilities

	2023 £	2022 £
Financial assets measured at fair value through statement of financial activities		
Investments	-	305,422
	<u>-</u>	<u>305,422</u>
Financial assets measured at amortised cost		
Bank and Cash	412,899	493,227
Investments	-	1,000,000
Trade debtors and other debtors	2,173,107	1,728,763
	<u>2,586,006</u>	<u>3,221,990</u>
Financial liabilities measured at amortised cost		
Trade Creditors	238,416	276,739
Other Creditors	131,558	115,321
Accruals	212,805	162,144
	<u>582,779</u>	<u>554,204</u>