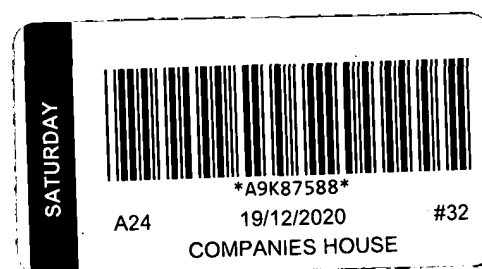


**English National Ballet  
(A Company Limited by Guarantee)**

**Trustees' Report and  
Consolidated Financial Statements  
for the year ended 31 March 2020**



Registered in England and Wales  
Registered Company number: 00735040  
Charity Registration number: 214005

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## COMPANY INFORMATION

### Directors and Trustees

Sir Roger Carr	(Chair)
Sue Butcher	(Deputy Chair)
Marilyn Berk	(Appointed 17 September 2020)
Lady Deborah Buffini	(Appointed 2 March 2020)
Grenville Turner	(Resigned 2 June 2020)
Susan Boster	(Resigned 17 September 2020)
Valerie Gooding	(Resigned 6 February 2020)
Kamara Gray	(Appointed 2 June 2020)
Zachary Lewy	
Christopher Marks	(Appointed 5 February 2020)
Paul Pacifico	(Appointed 5 February 2020)
Tanya Rose	(Resigned 6 February 2020)
Steve Sacks	(Resigned 30 June 2019)
Christopher Saul	
Susan Sloan	(Appointed 1 October 2019)
Caroline Thomson	
Dr Shirley Thompson	(Appointed 4 May 2020)
Sian Westerman	(Resigned 3 December 2019)

### Company Secretary

Grace Chan

### Registered Office and Principal Office

41 Hopewell Square  
London  
E14 0SY

### Principal Bankers

Barclays  
Level 27, 1 Churchill Place  
London  
E14 5HP

### Auditors

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the consolidated financial statements of the English National Ballet (the Charity) and English National Ballet Enterprises Limited (the Group), for the year ended 31 March 2020. The Trustees confirm that the annual report and financial statements of the group comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### OBJECTIVES AND ACTIVITIES

English National Ballet's mission is to take world-class ballet to the widest possible audience, delighting them with the traditional and inspiring them with the new. We aspire to be the United Kingdom's most exciting and creative ballet company.

The primary objectives of English National Ballet are:

- to present productions of classical ballet of the highest quality within England and around the world;
- to offer access to the widest possible audience through affordable pricing and attractive repertoire in a variety of venues including theatres, schools, festivals and digital platforms;
- to inspire, enlighten and uplift the public through performances, events, interaction and experience;
- to develop the art form of ballet by commissioning new choreography, design, and musical composition as well as cherishing the classical repertoire; and
- to maintain the highest artistic standards.

Our objectives can be distilled into four strategic priorities, which underpin everything we do and how we do it. Focusing on these priorities will enable us to deliver our vision and mission:

1. to consistently deliver artistic excellence and creativity;
2. to nurture and develop talent, on and off stage;
3. to extend our reach and relevance;
4. to ensure sustainable growth.

We evaluate our progress against these objectives by:

- measuring our impact with audiences;
- measuring our reputation among artists, critics, industry colleagues and stakeholders;
- checking ourselves and our audiences against wider societal demographics;

### Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's general guidance on public benefit and fee charging, including its guidance 'Public Benefit: Running a Charity (PB2)'. English National Ballet's programme of activities focusses on encouraging as many people as possible to attend our performances. We ensure that our pricing policy

reflects our commitment to enabling audiences, whatever their means, to have access to our work. We work closely with educational providers, community groups and our creative industries colleagues across the country to ensure that there are as few barriers as possible to accessing a performance or activity. Our programmes are broad in their format and multi-disciplinary in their content, which ensures that participation does not require a prior knowledge of ballet. We use our network of partner organisations to help ensure that we maximise opportunities for participation or for affordable tickets, for those sections of the community that may not otherwise engage with ballet, or who may be marginalised in some way. We also offer different mediums in which to see our work, such as film or live-streaming of some of our performances and free digital content offering additional insight.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

English National Ballet is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

English National Ballet is governed by its Memorandum of Association and Articles of Association.

### **The Board of Trustees**

The Board of Trustees are the non-executive and unpaid governing body of English National Ballet, led by the Chair, Sir Roger Carr.

### **Appointment of Trustees**

As set out in the Articles of Association, the Chair of the Trustees is nominated by their fellow Trustees. The Trustees may serve for a period of up to two concurrent three-year terms. Trustees are, for the period of their appointment, also Members of the Company, guaranteeing a maximum of £1 each in the event of the Company's insolvent liquidation.

### **Trustee Induction and Training**

New Trustees undergo an induction meeting with the Chair, and the Company Secretary briefs them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. Trustees are encouraged to keep fully up to date with the latest Charity Commission directives. In addition, regular presentations are made to the Board on key issues of current and ongoing importance, and charity trustee updates are provided by English National Ballet's charity lawyers.

### **Governance Structure**

The Board of Trustees, which can have up to 20 members, administers the Charity and meets a minimum of four times per year. An Executive Director is appointed by the Trustees to manage the day to day business operations of the Charity. To facilitate effective operations, the Executive Director has been delegated authority by the Trustees for day to day operational matters including finance, employment and artistic performance related activity.

During the year, the Board of Trustees met five times to ensure it was maintaining effective control over strategic, financial, organisational and compliance matters. The Executive Director, Artistic Director and Chief Operating Officer attend each of the meetings, along with other members of the Executive Team when relevant. Board members serving during the year and up to the date of this report were as follows:

Sir Roger Carr  
Sue Butcher

(Chair)  
(Deputy Chair)

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Marilyn Berk	(Appointed 17 September 2020)
Lady Deborah Buffini	(Appointed 2 March 2020)
Grenville Turner	(Resigned 2 June 2020)
Susan Boster	(Resigned 17 September 2020)
Valerie Gooding	(Resigned 6 February 2020)
Kamara Gray	(Appointed 2 June 2020)
Zachary Lewy	
Christopher Marks	(Appointed 5 February 2020)
Paul Pacifico	(Appointed 5 February 2020)
Tanya Rose	(Resigned 6 February 2020)
Steve Sacks	(Resigned 30 June 2019)
Christopher Saul	
Susan Sloan	(Appointed 1 October 2019)
Caroline Thomson	
Dr Shirley Thompson	(Appointed 4 May 2020)
Sian Westerman	(Resigned 3 December 2019)

In order to provide effective oversight and to enable particular focus on key areas of the day to day operations, four Board committees support the work of the Board and aim to meet prior to Board meetings. The committees are appointed by and generally made up of members of the Board. The Finance and General Purposes Committee, London City Island Project Steering Board, and Governance, Nominations and Remuneration Committee have some delegated authority from the Board. Additional co-opted members (non-board members) are invited to join committees where their skills and experience are both relevant and highly valued.

The membership of the standing committees is detailed below with co-opted members marked with an asterisk\*.

**Finance and General Purposes Committee**

The Committee met four times in the year and the main responsibilities are the management of finances, tax, audit and risk. The Committee also continued to support the Project Steering Board for the City Island development and project in particular the financing and costs budget, and the combined financial impact on English National Ballet operations. On completion of the project, this Committee assumes responsibility for considering property related matters on behalf of the Board. Membership of this Committee up to the date of this report was:

Christopher Marks	(Chair – appointed 7 February 2020)
Valerie Gooding	(Interim Chair – resigned 6 February 2020)
Sue Butcher	(appointed 16 September 2019)
Zachary Lewy	
Sir David Scott *	(resigned 16 September 2019)

**London City Island Project Steering Board**

The Steering Board met two times in the year and after practical completion of the City Island project in July 2019, met more frequently by telephone conference call. The Steering Board was responsible for all aspects of the new building development at City Island. The Committee included members of the Board and was attended by English National Ballet's internal project team (Executive Director, Chief Operating Officer, Project Director, and mobilisation Project Manager) and the external Project Manager and Quantity Surveyor/Cost Manager. The Steering Board disbanded in June 2020 on retirement of its Chair, Grenville Turner. Membership during the year until June 2020 was:

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Grenville Turner	(Chair – resigned 2 June 2020)
Justin Bickle*	(Resigned as a trustee 21 June 2018 but remained as a co-opted member until committee disbanded in June 2020)
Zachary Lewy	
Sir David Scott*	(Resigned 16 September 2019)

**Governance, Nominations and Remuneration Committee**

The Governance, Nominations and Remuneration Committee met three times in the year. The Committee is responsible for all governance matters relating to English National Ballet, including reviewing board membership and performance, managing potential conflicts of interest, ensuring legal and regulatory compliance and relevant policies are in place, considers staff-related matters, and overseeing the contractual terms of employment, performance, and remuneration of both the Artistic Director and Executive Director. During the year it oversaw the process of new trustee recruitment interviews and appointments. Membership up to the date of this report was:

Christopher Saul	Chair
Valerie Gooding	(Resigned 6 February 2020)
Paul Pacifico	(Appointed 1 June 2020)
Steve Sacks	(Resigned 30 June 2019)
Caroline Thomson	(Appointed 20 June 2019)
Grenville Turner	(Resigned 2 June 2020)

**Development Board**

The Development Board is a group of individuals who contribute to meeting English National Ballet's fundraising target by making introductions to potential donors and, as a group, deliver a specific fundraising target for the Charity's work. During the year the Board was refreshed with new Terms of Reference and a change in focus in order to maximise the fundraising potential of ENB's new physical assets and the opportunities these provide at City Island. They met three times in the year and the members up to the date of this report were:

Sue Sloan	Chair (appointed 12 September 2019)
Marilyn Berk	(Appointed 4 February 2020)
Sarah Blomfield*	
Lady Deborah Buffini	(Appointed 1 June 2020)
Alejandro Caro *	
Nick Claydon*	
Ann-Marie Goodbody *	(Resigned 4 February 2020)
Baroness Rosario de Mandat Grancey *	
Jacquie Gulbenkian *	
Michael Kingston *	(Resigned 12 September 2019)
Lily Liebel *	(Appointed 12 September 2019)
Susan McDonald *	(Resigned 12 September 2019)
Tanya Rose *	(Appointed 12 September 2019)
Sian Westerman	(Resigned 3 December 2019)

**Digital Advisory Group**

The Digital Committee did not convene during the last three periods and was therefore disbanded.

## THE EXECUTIVE TEAM

The Trustees appoint the Artistic Director and Executive Director. The Board delegate the day-to-day management of English National Ballet to the Executive Team, led by the Executive Director. The Executive Team is made up of an executive director in each area of the business. The Executive Team meets weekly during intensive periods and less during less intensive periods, for the purposes of planning, decision making and sharing information. Standing agenda items include artistic programming, finance, sales performance, health and safety, and risk management. During the year, the Executive Team comprised:

Patrick Harrison	Executive Director
Tamara Rojo	Artistic Director
Grace Chan	Chief Operating Officer
Rachel Case	Interim Development Director (fixed term contract appointed 21 October 2019 to 21 April 2020)
Heather Clark-Charrington	Director of Marketing and Communications
Fleur Derbyshire-Fox	Engagement Director
Gazala Hurley	Finance Director (appointed 26 May 2020)
Grace Nugent	Acting Human Resources Director (from 11 January 2019 to 1 September 2019)
Louise Shand-Brown	Executive Producer
Gaby Sumner	Development Director (resigned 19 September 2019)
Gavin Sutherland	Music Director
George Thomson	Technical Director
Wendy Tull	Human Resources Director (appointed 2 September 2019)
Brian Willetts	Development Director (appointed 2 December 2019, resigned 31 March 2020)

### Health and Safety

The health and safety of employees, contractors and visitors is a high priority. Health and safety is communicated throughout the organisation and all new employees are issued with a health and safety policy document. In addition to a consultant health and safety advisor who meets regularly with the building operations team and reviews work in preparation for productions, there are trained first aiders and fire wardens across the organisation. During the year, particular attention was placed on ensuring appropriate policies and practice for health and safety were implemented and reviewed for the new facilities at City Island.

### Equal Opportunities

The Charity recognises its legal and ethical obligations under the Equality Act. Policies and procedures are in place to ensure that the Charity complies with the letter and spirit of the law and that diversity is celebrated strongly within the creative programme and the values of the organisation. ENB wants to be a diverse and inclusive place to work and an equality action plan is in place setting out what the organisation will do to promote Equity, Diversity and Inclusion and to increase representation from those with protected characteristics across the organisation.

### Remuneration

The Charity continues to strive to be an employer of choice and is committed to paying a fair salary for jobs undertaken by our employees. To support this, we are working towards the GLA's Good Work Standards and have committed to paying the London Living Wage as a minimum. The Governance,



Nominations and Remuneration Committee continues to provide oversight and monitor the performance of the Artistic Director and Executive Director, and sets their pay, considering sector-wide benchmarking (UK and internationally) and measuring performance against set objectives. The remuneration for other members of the Executive Team and staff of ENB is covered by the organisation's Remuneration Policy which demonstrates that the Charity is committed to ensuring that what it pays remains competitive in the labour market. As part of this the HR Department has established a robust benchmarking procedure that is followed at the beginning of the recruitment process both for new and replacement roles; to ensure we are continually reviewing pay. In addition, we conduct organisation-wide pay reviews, and regularly consult employee representatives and trade unions (where relevant) on pay levels. General pay awards reflect changes in the wider labour market and levels of inflation and are balanced against affordability to the organisation.

### **Employee Information**

There is an established structure for information and consultation at ENB, and there is regular consultation with union and staff representatives on both a formal and informal basis.

Meetings take place with staff committees representing our dancers, orchestra, and technical teams. In addition to pay and benefits, these staff committees are consulted on health and safety, informed of key business matters and are encouraged to raise any areas that are of interest or concern to the staff they represent. These meetings are minuted and action lists are tracked.

A staff working group with representatives from across the organisation was originally established to support the move to City Island. This group has proved invaluable in considering the impact of the move on ENB's staff and visitors and providing feedback to help the organisation transition to its new home. This group continued to meet on a regular basis throughout the year. The aim is for this group to develop into a formally recognised staff group and be a voice for those who do not belong to one of the unions recognised at ENB. The group will be a further channel for internal communication, provide a consultation forum for changes that may need to be implemented across the organisation and facilitate practical or cultural changes whenever they may be required.

Informal company meetings involving all staff are held every six weeks, each with key topics advised in advance, where all staff are encouraged to ask questions of the Executive Team. In addition, an update on ticket sales, upcoming work being programmed, touring destinations and staffing changes is included. Summary notes are taken and circulated after the meeting to ensure that anyone who was unable to attend is informed.

### **Subsidiaries and Related Parties**

The Charity is the sole fully paid up shareholder of two subsidiary companies. The principal activity of English National Ballet Enterprises Limited is commercial trading and corporate sponsorship, membership and events. The principal activity of ENB Productions Limited is as a theatrical production company (currently dormant).

## STRATEGIC REPORT

### Achievements and performance

The 2019/20 year saw 151 performances in 13 different venues, across 9 towns and cities in the UK. UK paid attendance increased to 231,404, and 16 performances internationally delivered an additional attendance of 16,681. UK performances averaged sales of 79% of available capacity, maintaining a similar rate of growth to the previous year with a 4% year-on-year increase.

In all, 15 full-scale works and 22 divers or excerpts were performed in the year:

- Our *She Persisted* triple bill built on the success of ENB's ground-breaking *She Said* programme of 2016, which promoted female choreographers by commissioning three new works for the main stage. *She Persisted* included ENB's first commission for the main stage from ENB First Artist Stina Quagebeur, who was also appointed Associate Choreographer. The triple bill performed to 96% capacity for 9 performances at Sadler's Wells.
- A new large-scale production of Christopher Wheeldon's *Cinderella-in-the-Round* was created in a joint venture with the Royal Albert Hall and had 14 performances there to family audiences over the summer.
- In addition, ENB acquired Wheeldon's proscenium arch version of *Cinderella*, which toured the UK for the first time, with 11 performances in Manchester and Southampton.
- Akram Khan's *Giselle* was revived and sold out 13 performances at Sadler's Wells in the autumn.
- Anne-Marie Holme's *Le Corsaire* was mounted for 15 performances in Milton Keynes and at the London Coliseum.
- Wayne Eagling's *Nutcracker* had 32 performances at the London Coliseum and 6 at the Liverpool Empire.
- To celebrate the beginning of ENB's 70th anniversary year, a gala performance comprising 17 excerpts had 3 performances at the London Coliseum and was also celebrated with several small films.
- ENB commissioned Antonio Castilla to create *My First: Sleeping Beauty*, which had 44 performances on its UK tour, aimed specifically at children and families, in High Wycombe, Manchester, Oxford, Richmond, Tunbridge Wells and the Peacock Theatre in London.
- Our Emerging Dancer competition, which included four classical pas-de-deux and six specially commissioned new short contemporary works, took place at Sadler's Wells and was seen by 92,000 people across the world via live-stream.
- Internationally, ENB performed Akram Khan's *Giselle* at: Les Theatres de la Ville, Luxembourg; The New Stage at the Bolshoi Theatre, Moscow; and the Teatro Real, Madrid. Akram Khan's *Dust* duet was performed at New York City Center as part of the Fall for Dance festival.

2019/20 was also a notable year in ENB's history as the company entered its 70th year by moving into its purpose-built new facilities at London City Island. The industry-leading new space has been designed to allow ENB to create more efficiently and collaborate more widely, as well as excel in its sector leadership role to develop the artform and its artists through the creation of bold new work and the nurturing of a diverse talent pipeline.

Although access limitations due to Covid-19 are sadly in place at the time of writing, the building is now fully operational and has been enjoyed by staff, participants, visiting creatives and members of the public alike. Following practical completion, the latter part of 2019/20 saw the facilities used, as

intended, to enable more efficient, simultaneous rehearsals and more time to be spent with the whole creative team working in the same space, including alongside the set in the theatre-scale production studio. The building has also enabled the sharing of spaces with other arts organisations and creatives – including free access to support research and development.

The dedicated Engagement studios (a first for ENB despite its long history of putting Engagement and participation at the heart of the artistic vision), enabled the launch of our Bridging Neighbourhoods, Growing Talent programme in 2019/20. Working in partnership with the Mayor of London's Good Growth Fund, the programme, which aims to deliver to 50,000 participants per year, will co-create strands of activity with community partners (principally in Tower Hamlets and Newham) which break down barriers to participation and support borough priorities around access of opportunity, creative placemaking, skills development and combatting social isolation and inactivity.

We were able to use our new home to celebrate ENB's 70th anniversary in late 2019/20 to host an ENB Alumni event and to rehearse 17 pieces of ballet with a number of casts and creative teams traversing all our new studios and spaces at City Island ahead of our 70th anniversary Gala performances. A diverse artistic programme showcasing excerpts from important works from ENB's repertoire throughout its 70 year history was performed at the London Coliseum and allowed us to share the stage with some of the artists and creatives we have helped the Company grow and thrive, as well as the talent of the future, in the form of ENB School students and ENBYouthCo performers. Our anniversary was embraced by ENB's Alumni network who were able to celebrate with us in our new home, as well as in the theatre.

During the Covid-19 lockdown and with venues closed, we have been able to use the spacious and modern facilities at City Island to implement our Emergency Response Plan. This plan focuses on the adaption of artistic repertoire, and the creation of new content to suit social-distancing and therefore enable the gradual reactivation of our organisation post-lockdown. The plan has been made possible by the scale, quality and versatility of the new spaces.

We were delighted that ENB's new home was named Building of the Year 2020 by AJ100 (Architects' Journal) in September 2020 and won the Education category of the RICS Social Impact Awards 2020, London, in June 2020.

ENB's new home will be critical in enabling a bright future for the company and its role in supporting the wider sector and the development of the artform, despite the considerable current challenges. The project was made possible by the generosity of a broad range of charitable trusts, individuals and companies. We would like to thank all those who supported our Next Step campaign, including Arts Council England, the London Mayor's Good Growth Fund, the Holloway Charitable Trust, the Linbury Trust, the Dorfman Foundation, the Garfield Weston Foundation, the Wigoder Family Foundation, the Clore Duffield Foundation, the Foyle Foundation, the London Marathon Charitable Trust, the Stavros Niarchos Foundation, the Wolfson Foundation, the Buffini Chao Foundation, Chanel, the Cockayne Foundation, the Boyes Charitable Trust, the Dolly Knowles Charitable Trust, Lady Rosemary Buchanan, Justin Bickle, Grenville Turner and many current and past trustees of ENB, and many individual donors. To all of whom, ENB is grateful.

## **How ENB met its strategic priorities during the year:**

### **1. Consistently delivering artistic excellence and creativity**

Our objective to present ten diverse programmes (11 productions) to critical acclaim for creative excellence was achieved. In particular, we delivered against our commitment to nurturing and

commissioning female choreographers. We commissioned and premiered Stina Quagebeur's one act ballet, *Nora*, and revived Annabelle Lopez Ochoa's *Broken Wings* and Pina Bausch's *Le Sacre du printemps* as part of our *She Persisted* programme. We also revived Anne Marie Holmes' *Le Corsaire* and Arielle Smith created a new work on ENBYouthCo inspired by the themes of Akram Khan's *Creature*. Morgann Runacre-Temple and Jessica Wright completed their triptych of short films for ENB's Engagement programme with the commission of *Cinderella Games* as part of our dance-for-camera project which combines choreography, film-making and engagement practice. It featured two professional dancers alongside an intergenerational cast of 30 dancers aged 17 – 75 years from an open call. In 2019/20 ENB also commissioned Tamara Rojo to create and produce her first ballet, a reimagining of the classic *Raymonda*.

ENB's long-term aim to evolve the artform and represent new and diverse voices was also strengthened by the commissioning of a new work by Akram Khan, following the huge critical success and impact of his reimagined *Giselle*. Akram's third collaboration with the company, *Creature*, will build on the role of the outcast and explore the themes of exploitation, abandonment and loss. Development of the work, and rehearsals began late in 2019/20. Although the Covid-19 lockdown prevented the world premiere of this work in April 2020, the work will be completed and performed post-Covid.

We were also able to achieve our aim of presenting three different programmes during our Coliseum season with *Nutcracker*, *Le Corsaire* and the 70th anniversary Gala. Our celebratory gala enabled us to stage excerpts from 17 of some of the most important and iconic works from English National Ballet's ground-breaking repertoire, and also included performances from English National Ballet School and ENBYouthCo.

Our investment in both a proscenium arch version of Christopher Wheeldon's *Cinderella* and the creation of an in-the-round production for arena venues enabled one technical, production and rehearsal period to be used to create two high-quality assets for the company. The production was probably the largest that ENB has ever undertaken and involved a significant number of freelance designers and makers. The expansion of the work to suit arena venues enabled innovation in staging and design with the highly effective use of projection and puppetry.

The artistic programme received strong critical acclaim, including Olivier Award and London Theatres Award nominations for Best Dance Production, and winning the South Bank Sky Awards Award for Dance (all for Playlist (1,2)). ENB received six nominations for the National Dance Awards, which included wins for Stina Quagebeur (Emerging Artist Award), Katja Khaniukova (Outstanding Female Classical Performance for Frida Khalo in *Broken Wings*) and Music Director, Gavin Sutherland (Outstanding Creative Contribution).

We achieved critical artistic acclaim internationally from performances in Luxembourg, Moscow, New York and Madrid. ENB now has either future dates pencilled or open invitations to return to all these prestigious venues, and work done in 2019/20 secured international tour dates for future years.

## **2. Nurturing and developing talent, on and off stage**

We continued to invest in the development of our artists by employing a diverse range of world-class teachers and mentors. In 2019/20 ENB exceeded its objective to attract international talent by expanding the number and range of independent creatives that it worked with - 31 UK-based and 31 international. These collaborations with guest and freelance artists comprised choreographers, composers, designers, technicians, orchestrators, repetiteurs, teachers, conductors, dramaturgs, pianists, singers, freelance 'R & D' dancers and choreologists.

The Aud Jebsen International Talent programme was vital for sustaining our commitment to the very best international talent within the company, as well as enabling us to welcome eight guest artists who performed during the season, including Irek Mukhamedov, Brooklyn Mack, Maria Kotchetkova and Sergio Bernal.

Our commitment to showcasing talent and providing opportunities to create work for the main stage, was strengthened by 2019's Emerging Dancer competition. Six young members of the company, mentored by their peers, presented work by six contemporary choreographers: Miguel Altunaga, Nuno Campos, William Forsythe, Sebastian Kloburg, Fabian Reimar and Sofie Vervaecke. Three of these choreographers were new to the Company and five of the solos were world premieres. A new professional development programme for dancers preparing for artistic leadership positions was also implemented. The successful candidate for the Dance Leaders of the Future programme spent time with members of ENB's executive leadership and was given the project to curate and produce the Emerging Dancer competition in 2020.

A key part of our investment in people saw, with the move to City Island, a transformational enhancement of ENB's medical provision, including a dancer medical suite and the fit-out of an industry-leading gym and Pilates room, all supplemented by the recruitment of new specialists to the Medical team.

The City Island move also enabled us to progress substantially with our objective to support the wider sector. In addition to the sharing of rehearsal and creation space with other artistic partners, the enhancement of dedicated Engagement studios also enabled an upscaling in the ambition and reach of our performance companies for children and young people, which act as a key talent pipeline for the dance sector.

Under the leadership of new ENBYouthCo's Creative Director, Richard Bermange, a Summer Intensive was delivered to 21 young dancers aged 14-18 years, which included three bursary places for participants in our headline Dance Journeys project (now in its sixth year). The Youth Company welcomed a new cohort from September 2019 and were invited to present a short work '...Of What's to Come' as part of the Company's 70th Anniversary Gala performances. We also appointed a Creative Director for our Juniors' Company, which ran a successful 6-week pilot at City Island in preparation for launch as ENB YouthCo-nnect.

Our ENB Youth Dance Roadshow commenced in November 2019, championed by ENB Company Artists, Sarah Kundi and Shevelle Dynott, who also hosted the online teaching resources and films for Akram Khan's *Giselle* Explored – a Continuing Professional Development and interactive resource pack for teachers of Key Stage 3 and 4. This was the second year of our Ballet Explored programme and we engaged with 19 schools in Havering, Tower Hamlets and Newham.

Our Youth Dance Roadshow acted as a key recruitment channel for our performance companies for young people – ENBYouthCo and ENBYouthCo-nnect. This, as well as the recruitment of east London Schools to join our well-established Dance Journeys performance project, enabled us to make progress in our key objective to ensure our organisation reflects the world we live in, by ensuring that our youth performance companies are representative of our local boroughs. In addition, we further developed our working relationships with local partner organisations to support employment opportunities for under-represented groups. In 2019/20 this included working with Tower Hamlets on two of their Workpath programmes: SEP 50+ and SEP Through Care – supporting both initiatives with the recruitment process and offering placements. As we recruited the eight new roles created by our move to a public building at London City Island, we advertised using a variety of newly established links with local authority and university websites, including targeted agents in Tower Hamlets and Newham, as well as the University of East London, to ensure that we achieved as broad a reach as possible, with a

priority focus on underrepresented groups. We continue to work with these and other partners to inform the scope of the work placements, volunteering and apprenticeship positions we will offer at London City Island. In addition to improving workforce representation, we enhanced our Board of Trustees with highly experienced new members to support our network and impact in East London, our organisational priorities around inclusivity and representation, and our artistic and artist development role in promoting the Creative Case for Diversity.

### 3. Extending our reach and relevance

Our touring ensures that we reach a broad section of the UK, but we also aim to tour as broad a range of artistic repertoire as possible. In 2019/20 we achieved our aim of touring four different productions outside of London: our proscenium arch version of Wheeldon's *Cinderella* (including its premiere in Manchester and then Southampton); *Le Corsaire* (which opened, as it had originally premiered in 2013, in Milton Keynes); *Nutcracker* (which had its season opening to sold out performances in Liverpool); and *My First Sleeping Beauty* (which toured to five towns and cities outside of London).

We continued to grow audience numbers to our live performances – a particularly strong performance was recorded at the London Coliseum where we sold 94,570 tickets to three different productions during our six-week Christmas and New Year residency. We also had many attendees who we invited to attend for free, or who were offered discounted rates. In total, around 50,000 discounted and concessionary tickets were sold, and another 10,000 free tickets were issued. Of these, 17,623 were for children and young people. We continued to enhance our performance options, including our first audio-described performance and an onstage 'touch tour', designed to make the production accessible to visually impaired people.

The start of our 70th anniversary gave us an opportunity to celebrate and thank our audiences all across the world, and importantly, in the well-established UK cities to which we normally tour. Although a 17-piece repertoire was not feasible to tour around the country, we developed a number of ways to involve our audiences wherever they were. From the start of the 70th Anniversary Season, ENB gave away 70 free tickets during each run in every UK city we toured to, including Golden Tickets which gave audience members surprise gifts and backstage access. Tickets were offered to celebrate and thank those organisations that help us engage the hardest to reach in the communities to which we tour. Recipients included: staff and volunteers from Lifeshare, who support homeless and vulnerable people in Greater Manchester; Talbot House, who support parents and carers of people who have learning disabilities; The NHS Young Oncology Unit at Christie's Hospital; and Scratch, who work to combat poverty in the Southampton area. We also invited the public to participate in 'ENB 70 Words', using 70 words to nominate people they wanted to recognise as creating positive impact and contributions to their communities. 35 individuals were selected and received a pair of tickets to our Anniversary Gala performance.

Our digital channels continued to help us grow our audiences through the creation and sharing of innovative content and interaction with our social media followers. Our YouTube views grew to over 1 million in the 2019/20 year and we had over 8.5 million views on Facebook. Key content highlights included the creation of 16 short films to celebrate our 70th anniversary, including an interview with one of English National Ballet's original corps de ballet members.

Our well-established digital work also enabled a prompt and creative response to the many challenges of maintaining reach through the Covid-19 lockdown. From the moment lockdown began we worked hard to deliver free access to great content including full-length ballets during our Wednesday Watch Parties (with over 1.1 million views), as well as a variety of classes at different levels to keep people dancing, active, and inspired. These included freely available professional level classes led by Tamara

Rojo from her kitchen, Dance for Parkinson's Classes, BalletFit, ballet classes for families, ballet for boys, beginners' classes, and more, garnering over 4 million views.

The City Island facilities have also delivered a new hub to strengthen reach and relevance through partnership working. Our key Dance for Parkinson's programme is now active in Canning Town, as well as maintaining a west London hub and rolling out taster sessions to other organisations, including Waltham Forest Group for Asian People and support groups in Newham, Limehouse, Havering and Redbridge. These community partners have also enabled the start of planning for a broader range of Dance for Health programmes, including Dance for Dementia which will directly support Tower Hamlets' priority of being a dementia-friendly borough. A key achievement was the start of ENB's participation in the SHAPER project with King's College, which will use evidence to track how Dance for Parkinson's can improve the social wellbeing of patients as part of the world's largest ever study into the impact and scalability of arts on physical and mental health. This is a testament to the continuing strength and new possibilities of the Dance for Parkinson's programme, now celebrating its 10th anniversary and having involved 4,700 participants to-date.

Public access to London City Island was launched soon after opening in 2019. ENB's regular classes programme began as an initial step towards growing the scale of this offer as well as the diversity of its disciplines and creators. Casual visitors, or generally inquisitive members of the public were also encouraged into the building by a refreshed front of house offer, including a welcoming café, and the opportunity to watch activity in a number of the studio spaces from viewing galleries. We also began pilots of our large open access events which the building is designed to facilitate. We co-created the Unity Arts Festival with other arts organisations on London City Island to coincide with Open House weekend.

#### **4. Ensuring sustainable growth**

ENB moved into its new facilities at London City Island in July 2019 and spent much of the remainder of the year bedding into its new home. It was pleasing to see how easily our staff adapted to the new location and have embraced the new facilities. There has also been learning and experimentation along the way as the organisation has had to adapt to changes in operations and becoming a more 'public facing' organisation compared to being tucked behind large institutions when ENB previously resided in Kensington.

The move to new facilities at City Island allowed ENB to establish new earned income streams (Covid-19 impact notwithstanding) from the hire of studio spaces and the delivery of commercial and hospitality events. In the months of 2019/20 that we were able to trade and before lockdown in March 2020, our new Enterprises team launched and delivered an impressive range of largescale hires, from West End theatre technical rehearsals, to innovative brand activation events. This new enterprise contributed £380k to 2019/20 finances from a standing start.

A principal area of focus has been the establishing and coordination of efficient operations to run the building, and adapting to the building being open to the public and for longer hours and more days, receiving external parties for hires and events, and having significantly more rehearsal space for the company to work within compared to our previous premises. Commercial policies and procedures, as well as clear health and safety policies supported with risk assessments have been implemented. While Covid-19 has put a short-term halt to the building being accessible by visitors, the operations infrastructure is in place to enable ENB to reopen quickly. City Island's modern IT systems and digital and stage technology will also add significantly to ENB's sustainable growth as it has not only enabled the company to easily pivot to creating digital content in its rehearsal spaces during Covid-19, but it enabled state of the art technology brands to host their product launches successfully, and technical rehearsals to take place smoothly in the building during the year.

Since moving in in July 2019, ENB has rehearsed an acquired work (Christopher Wheeldon's *Cinderella* for proscenium arch) and started the creation of a new work (Akram Khan's *Creature*) in the building's theatre-scale production studio. The quality and efficiency of both works' creative and rehearsal processes illustrated the benefits of the new facilities, with a greater number of simultaneous rehearsals and more in-studio collaboration from the whole creative team. Over time, this will enable a greater investment in the creation of new artistic assets by reducing the cost of hiring theatre-scale spaces for technical rehearsal, and by using space as a tradeable asset to leverage investment and partnership from others. Because of this longer-term opportunity, 2019/20 saw key financial investment in new artistic assets, with two commissions: from Akram Khan (*Creature*), and Tamara Rojo (*Raymonda*). Both these assets are highly sought after internationally and will enable the company to maximise high-profile international tours which strengthen its financial position. Co-production investment was agreed with Opera Ballet Vlaanderen, Sadler's Wells, Harris Theatre, Southampton's Mayflower Theatre and Finnish National Ballet.

City Island will have played a fundamental role to ENB's long-term financial sustainability throughout the impact of Covid-19. The availability of space, access, and technology has allowed ENB to continue to stay open, remain active, create, and sustain some level of earned income throughout lockdown which will be key to the Company being performance-ready when performance venues reopen.

The building has also been designed to be more environmentally sustainable, and is a significant improvement compared to ENB's previous Victorian premises in Kensington. The design for City Island has achieved a BREEAM Very Good rating and an Energy Performance Certificate rating of 'A'.

## Fundraising report

Raising voluntary funds from charitable trusts and foundations and individual donors, and the income received from corporate partnerships and events, are vital to ENB and used to fulfil our charitable objectives as effectively as possible. We are grateful for the support given by all our donors.

We aim to build and maintain collaborative, long-term partnerships with our supporters and donors, based on mutual understanding and shared values. As part of our commitment to good fundraising practice and to support the Regulator's Code of Fundraising Practice, we are registered with the Fundraising Regulator. Our published Supporter Charter can be viewed online at <https://www.ballet.org.uk/supporter-charter/>.

ENB operates with a small fundraising (Development) team. It does not engage in door-to-door or telephone fundraising activity. The Development team works closely with ENB's Executive Team and with the Board's fundraising sub-committee, the Development Board, to develop the fundraising strategy and potential fundraising prospects. The Development Board was enhanced with skilled new members in 2019/20. In addition, we worked with two freelance fundraising advisers on our capital campaign, whose approaches were monitored by fortnightly review with the executive team and representatives of the Development Board. No performance-related fees were paid out as part of this short appointment.

Our Privacy Policy, published on our website, clearly states what personal data ENB will hold in relation to supporters and how this data will be used. The Privacy Statement is published on the Company's website: <https://www.ballet.org.uk/privacy-statement/>. ENB's complaints procedure, reviewed annually, is also updated and is published online <https://www.ballet.org.uk/fundraising-complaints-procedure/>. No fundraising complaints were received during the 2019/20 financial year.



ENB's Gift Acceptance Policy clearly sets out the expectations of anyone fundraising for the Company, be that a paid employee, consultant or volunteer, and details the policy and decision-making process we will use to assess if there is any risk, reputational or otherwise, to ENB by accepting a donation, sponsorship or membership. The Gift Acceptance Policy is reviewed annually.

## FINANCIAL REVIEW

The basis on which the financial statements have been prepared is explained in Note 1, found on page 33.

The Group includes English National Ballet (ENB or the Charity) and English National Ballet Enterprises Limited (the trading subsidiary). One other subsidiary, ENB Productions Limited, is dormant.

The long-term financial stability of ENB relies on the National Portfolio Organisation (NPO) grant funding that the Charity receives from Arts Council England (ACE) in the form of a revenue grant. In March 2020, in response to the disruption caused by Covid-19, ACE announced that NPO funding period would be extended for a further year to March 2023, at the same annual level, to provide NPO's some level of certainty.

With stand-still grant funding from ACE, even pre-Covid 19, ENB faced the increasing challenge of year-on-year wage and cost inflation, balancing that against the organisation's objective to ensure continued access to its live performances by providing reasonable ticket prices, continuing to evolve the artform, and ensuring work that is performed in London is also performed in the regions wherever possible. Positive box office income from growing attendance numbers, and theatre tax relief have both been instrumental in enabling ENB to continue its mission to deliver excellent work to as many people as possible. Over the longer-term, it is hoped that the additional income that the facilities at City Island can provide will help strengthen ENB's financial sustainability.

The financial year saw the practical completion of ENB's most significant capital project in its history: the fitting out of its new premises at London City Island. While the project was not contractually finished at 31 March 2020, it was fully operational from July 2019. The impact of the costs of fitting-out City Island permeate throughout this financial year.

The Group reported a surplus of £2,376,000 for the year (2019: £17,221,000) which includes grants and donations income relating to the development of London City Island of £4,661,000, and also includes a £1,457,000 depreciation charge predominantly for the London City Island asset. Unrestricted General Funds at 31 March 2020 total £3,001,000 (2019: £2,780,000) which includes the release of £592,000 of available designated funds to be moved to Unrestricted General Funds to assist the organisation's financial resilience as it entered the Covid-19 lockdown in March 2020. Restricted funds total £834,000 (2019: £5,498,000). These results are presented in the Consolidated Statement of Financial Activities (SOFA) on page 28.

Designated funds comprise two funds at 31 March 2020:

- City Island 2020 project fixed asset fund of £21,438,000 (2019: £nil) contains the funds available for depreciation of the assets delivered as part of the London City Island capital project.
- Fixed Asset fund of £206,000 (2019: £202,000) contains the remainder of the unamortised value of certain tangible assets (not including the City Island facilities) which will be reduced each year to match the depreciation charged to expenditure in the SOFA.

Ticket sales and foreign tour fees for the year totalled £8,278,000 (2019: £8,209,000) earned from over 104 (2019: 116) full company performances in the UK, 47 (2019: 44) My First performances for children and families, and 16 (2019: 18) full company performances in three foreign cities (and a smaller company performance in a fourth foreign venue). Box office capacity for the main Company performances during the year averaged 79% (2019: 69%) and contributed 46% of income (2019: 45%) before Theatre Tax Relief and capital donations.

Donation income of £2,799,000 (2019: £2,347,000) included £1,613,000 restricted to the development of London City Island (2019: £1,706,000). Grant income of £9,928,000 (2019: £7,996,000) included £3,048,000 (2019: £808,000) restricted to the development of London City Island.

Trading activity income increased to £1,475,000 (2019: £838,000) due to the new availability of space for hire and commercial events created by the new City Island facilities. This new source of revenue contribution started from when the City Island facilities were completed in July 2019 but were suspended from March 2020 onwards, due to the impact of Covid-19.

Production and performance costs include the commissioning and rehearsal of Christopher Wheeldon's *Cinderella-in-the-round*, the largest production the organisation has ever undertaken, in a joint venture with the Royal Albert Hall. Production costs also included the acquisition of Christopher Wheeldon's smaller *Cinderella* for proscenium arch venues, which ENB has created a set and costumes to enable UK and foreign touring of this production.

As expected, support costs increased significantly compared to previous years at £4,395,000 (2019: £2,256,000). This is due to increased building-related operating costs as the facilities at City Island are almost five times larger than the organisation's previous facilities in Kensington, and a depreciation charge on assets of £1,457,000 (2019: prior to being at London City Island - £77,000). Support costs also include £489,000 of London City Island project expenditure that are not able to be capitalised for statutory accounting purposes, but are funded by designated funds held. In addition, support costs include a proportion of irrecoverable VAT related to overhead costs. Total support costs are allocated to Productions and Performance costs, Outreach and Engagement costs, costs of Raising Funds, and costs of Commercial Trading Operations as a proportion of total expenditure.

Group cash on hand at 31 March 2020 is £2,613,000 (2019: £8,295,000). High levels of cash on hand from the prior year was due to receipts from completing on the sale of Markova House in early 2019; the cash was later used to pay for fit-out works related to City Island. ENB has a £5m revolving credit facility which will expire in June 2021 at which time any outstanding drawdowns will convert to an 8-year term loan. At the balance sheet date, none of the £5m facility had been drawn.

Costs incurred in relation to future productions that are postponed rather than cancelled, due to Covid-19, totalled £683,000 (2019: £1,179,000) and are reflected in the Balance Sheet as Work in Progress. These costs will be released in the year of each production's first performance.

Debtors include £2.0m (2019: £1.1m) of recoverable VAT on costs incurred on the London City Island project based on applying the 'standard method' for VAT recoverability. ENB submitted an application to HMRC for a fairer and more reasonable 'special method' to be applied to London City Island capital costs during 2019 and is currently under review by HMRC. The debtor balance is what ENB believes is refundable by HMRC.

In October 2020, HMRC advised that a capital transaction that took place in January 2019 which ENB treated as exempt following advance disclosure to HMRC in September 2018, is now taxable for VAT and assessed that £2,400,000 of VAT is payable. Having consulted with its VAT advisers, ENB do not agree with this treatment based on the facts and will seek to appeal HMRC's decision. At the date of

approval of these financial statements, trustees believe the likelihood of a liability is remote, however it is not possible to determine the outcome as this matter is in the early stages of discussions with HMRC.

The outstanding liability falling due after one year of £5,090,000 is the cost of the lease premium payable on the City Island facilities for a 199-year leasehold. This payment is due for payment by January 2022.

#### **Financial Risk Management:**

The following statements summarise the Board's policy in managing identified forms of financial risk.

Credit risk: risk on amounts owed to the Charity by its customers is relatively low as payment from venue settlements are with established commercial theatre owners and advances are regularly received ahead of our performances at the venue. Donations are mostly recorded at the point of receipt. Trading income, such as for hires and events using ENB's facilities, require a sizeable upfront deposit or are paid in advance, and is not a material risk to create a credit risk.

Price risk: Payroll costs represent 51% of total expenditure for the Charity and higher levels of inflation represent a risk as over 30% of the total income for ENB comes from Arts Council England, which has been at a stand-still level for many years. The Charity has general freedom over its ticket pricing, and box office income represents over 40% of revenue. The pricing strategy aims to hold the lowest ticket price at an accessible level.

Cash flow risk: Surplus funds are placed with two major clearing banks. Short term working capital requirements can be met with the £5m revolving credit facility available with Barclays Bank.

Liquidity risk: ENB has a revolving credit facility available with Barclays Bank which, at balance sheet date, is fully available for drawdown. Risk on interest payments is low as the annual interest cost of drawing down on the facility in full is less than 0.01% of total income. The loan is secured against the Charity's lease of the facilities at City Island as well as a fixed and floating debenture over the Company's assets.

#### **Reserves Policy:**

The Company operates on the basis that, over a typical Arts Council England National Portfolio Organisation (NPO) funding cycle of three or four years, revenue will exceed expenditure. This model allows for regular investment in new work or repertoire at varying levels of expenditure whose costs can then be recovered over the longer term.

The long-term sustainability of the Company is largely dependent upon continued funding from Arts Council England. The Trustees ensure that the relevant officers of Arts Council England are kept informed of the Company's achievements, plans and aspirations at all times through regular meetings, written reports, and completing Arts Council England data gathering exercises.

Levels of unrestricted funds, both current and forecast, are monitored to ensure that they remain in excess of £2,500,000, which equates to three months of non-performance related operating costs, and up to a maximum of 50 percent of the annual grant award from Arts Council England, currently £6,214,000. The Trustees believe this to be the most appropriate level of reserves to provide financial flexibility and a safeguard against operational and economic risk and will remain under review, especially as the Company has just started to occupy larger premises which will cost more to run and operate. Further information is included on the following page on the expected impact of Covid-19 on the charity's reserves.

The Charity's consolidated general reserves (unrestricted reserves less designated funds) at 31 March 2020 total £3,001,000 (2019: £2,780,000). Unrestricted reserves were slightly above the organisation's unrestricted reserves policy accepted range, as it includes £592,000 of designated funds released to general reserves to support the organisation through the impact of Covid-19. At 31 March 2020, designated funds totalled £21,644,000 (2019: £14,825,000) and restricted funds totalled £834,000 (2019: £5,498,000).

## PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for the management of the risks faced by the Charity. The Finance & General Purposes Committee reviews strategic and operational risks during the year, and the Governance, Remuneration and Nominations Committee reviews risks relevant to governance or remuneration matters as they arise. The full Board of Trustees also undertake an annual review to assure themselves of the adequacy of controls and mitigations in place. The London City Island Project Steering Board (which disbanded in June 2020 upon practical completion of the project) reviewed strategic and operational risks specifically related to the capital project, which it relayed to both the Finance & General Purposes Committee and the full Board of Trustees.

The organisational Risk Register is reviewed periodically and updated by the Executive Director in collaboration with the Chief Operating Officer and other members of the Executive Team. Procedures are then implemented which are designed to minimise the likelihood or potential impact on the charity should those risks materialise. The London City Island capital project-specific Risk Register and risk mitigations were prepared by the Project Director in collaboration with the external Project Manager and Executive Project Team.

The principal risks to English National Ballet are:

### **Covid-19 and post balance date activities**

Financial risk and uncertainty:

The Covid-19 pandemic is the most significant risk that has impacted ENB in its recent history. Since lockdown was mandated by the UK Government in March 2020 which also led to the closure of performance venues and the implementation of social distancing measures, ENB along with most organisations in the performing arts sector faces significant financial challenges. The impact of closure and public health measures has been felt in the wider economy along with all our staff, freelance colleagues, audience members, our many suppliers and venue network, and resulted in unprecedented disruption to our organisation, business, cashflow and reserves. It is estimated that ENB will lose over 60% of its income for the 2020/21 financial year, while still incurring its fixed costs, which include staff costs and fixed overheads.

In any normal year, ENB faces a strategic risk on its medium to long-term financial resilience as it tries to deliver a bold, high quality and ambitious artistic programme with limited revenue sources and increasing cost and wage inflation. It is hoped that over time, the new London City Island facilities will contribute revenue over and above the costs of running the building, although after opening for commercial hire in July 2019, the Covid-19 lockdown has closed off this revenue source in the short-term and will need to be reactivated when reopening is permitted. ENB's production and performance cost base is committed on a timescale significantly ahead of the receipt of revenue. This has always been mitigated through a clear reserves policy, a focus on cost control, robust forward financial planning, and maximising fundraising and co-production proceeds. The pandemic adds significantly to

this year-on-year risk, therefore mitigating procedures have been intensified and ultimately may lead ENB to gradually adapt its business model.

ENB responded quickly to the lockdown by closing its City Island facilities until mid-July, when dancers returned to take class on a voluntary basis but were required to comply strictly with Covid-security rules set up in line with guidance from Public Health England. Other key staff continued to work remotely. Since lockdown, and for the foreseeable future, ENB's City Island facilities will be closed to the public and external guests.

An Emergency Response Plan for the remainder of the 2020/21 financial year was approved by the Board of Trustees in May 2020 with the aim of minimising ENB's losses while at the same time keeping ENB operating, retaining ENB's elite talent pool, and ensuring ENB would be performance-ready on reopening. The Plan repurposed our available finances to deliver considerably less activity than usual, but it enabled doing as much as possible safely and affordably. This gives ENB the best chance for survival and is the best long-term financial outcome. The closure period has been used to maximise opportunities, such as creating work that can be delivered despite social distancing, strengthening ENB's digital assets, innovating its online offer, sustaining long-term relationships with partner venues, keeping its audiences engaged, and working to continue our outreach work with our local communities. At the same time, to ensure we optimise financial resilience, a programme to reduce as much cost as possible was started and will continue. As much of the Government's assistance schemes that are available and applicable have been taken advantage of, and limited earned income sources have been maximised as fully as possible in a cost-effective way.

Designated funds that were not required to pay for the London City Island capital project have been reallocated to general reserves at 31 March 2020. In May 2020, ENB was awarded £1.305m by the Arts Council Emergency Response Fund and £3m by the Government's Culture Recovery Fund in October 2020. Without this significant financial support, the majority of ENB's reserves will be used up before it can return to large-scale performances.

The Trustees will review ENB's reserves policy and level of reserves required on an ongoing basis.

**Going concern:**

Financial modelling, budgeting and cashflow forecasting work has been done for the remainder of the 2020/21 year and to March 2022. Based on these projections, continuing with a flexible approach to reduce financial risk should there be continued uncertainty about the sector reopening, supported by financial assistance from Arts Council England and the Government's Culture Recovery Fund and with the back-up of a £5m revolving credit facility, ENB's Board of Trustees expects to meet its commitments at least for 12 months beyond the date of signing these accounts. Consequently, ENB's Trustees are content to continue to adopt the going concern basis of accounting. At the same time, all avenues to secure additional financial support will be pursued to ensure ENB's long-term financial sustainability.

**Fundraising risk:**

The expected negative impact on ENB's ability to fundraise is significant. Fundraising income is a key source of contributed income which ENB relies upon to carry out various projects and productions. Since lockdown, ENB has worked hard to continue to attract grants, donations and sponsorship income, assisted by continued engagement with audiences and participants through delivery of activity as part of ENB's Emergency Response Plan.

**Staff and freelancers:**

ENB strive to retain as many of its talented staff and freelancers as possible, especially the elite talent pool of dancers which has taken many years to build and which would take many years to reassemble if not retained. To minimise job losses, all staff agreed to a pay reduction of at least 20% for an initial

period of 6 months, with those less well paid having their pay protected and those on higher pay, accepting a higher reduction. The Government's Coronavirus Job Retention Scheme was taken advantage of, with over 85% of ENB's workforce furloughed at its peak and as many as possible furloughed for the duration of the government scheme.

Throughout this closure period, the health and wellbeing of ENB's workforce was of paramount priority. Once its workforce can return in more normal conditions, ENB will focus on 'build back better' with a focus on staff cohesiveness, resilience and a caring culture.

Continued uncertainty:

At the time of writing, there is uncertainty about when a return to full indoor performances will be allowed, when our partner venues can viably reopen, when social distancing measures will no longer be necessary, when public confidence will return, how long Covid-19 will negatively impact the economy and demand for live performance, and when ENB can viably perform in the UK and internationally. ENB's Board and management team will continue to work flexibly throughout this time, ensuring robust forward planning identifies the levers available to ensure minimal financial risk is taken for the long-term survival of ENB, sustaining strong relationships with stakeholders and partners, while preserving its assets: its talented workforce and its purpose-built facilities at London City Island.

Other principal risks:

Organisational capacity:

ENB is not a large organisation and as a result has limited workforce hours and is continuously needing to strengthen its skills base in order to enable the organisation to consistently and efficiently deliver a bold and ambitious artistic programme in a cost-effective way. The impact of Covid-19 has meant that only a handful of key workers continued throughout lockdown to stabilise the organisation and enable the Emergency Response Plan to be implemented, while the majority of ENB's workforce was furloughed. Post Covid-19, ENB will have an opportunity to mitigate some of this organisational capacity risk by progressing work on culture, values and internal communications, deliver an organisational development and training plan, review the appraisal process, ensure a strategic recruitment process post-Covid, and to try to deliver plans within capacity limits.

There are no material risks facing English National Ballet Enterprises Limited, ENB's trading subsidiary. While trading income is significantly diminished because of the impact of Covid-19 and will need to be rebuilt in challenging market conditions, associated costs of delivering that income are mainly variable in nature and can be quickly downscaled.

The Trustees will continue to regularly review the programme of activity, cashflow forecasts and private income sources. Internal financial controls are periodically reviewed to ensure they are fit for purpose.

## **FUTURE PLANS**

Before lockdown, ENB was preparing for a busy year of artistic investment, the growth and diversification of our Building Bridges, Growing Talent engagement programme, and the consolidation of our new commercial hires and events business. We had a robust plan and budget in place to maintain the rate of growth in income across ticket sales, international touring, new commercial hire income and fundraising – overall delivering a record level of earned income as percentage of turnover.

Achievements in 2019/20 and strong support from funders, coupled with the practical opportunities and business model improvements enabled by our new facilities at London City Island, allowed us to plan investment in two significant artistic assets in 2020/21 – Akram Khan’s *Creature* and Tamara Rojo’s *Raymonda*. In addition to the co-production investment detailed earlier, both projects had strong conditional support from funders and donors, and keen interest from venues across the world. This planned artistic investment was part of our commitment to evolve the artform; enabling a diversity of aesthetic and the re-imagining of traditional ballet narratives by new and contemporary voices. As such, the vision for these works was to also provide high quality assets for our plans to expand the reach and impact of our Engagement programmes in 2020/21. In particular, we had a strategy to use those works to help develop multi-disciplinary local partnership networks focused specifically on children and young people, older people, and those most-isolated or least-engaged in our local boroughs of Tower Hamlets and Newham.

The practical and financial impact of Covid-19 has, however necessitated a radical review of our 2020/21 plans. ENB’s Emergency Response Plan, developed during the lockdown period, is instead designed to maximise safe creativity and performance, protect the company from undue exposure to financial and operational risk, and support the wider sector recovery.

Our new production of *Raymonda* is now a more relevant work than ever, given the production’s celebration of Florence Nightingale and the foundation of modern nursing. However, social distancing severely compromises the rehearsal and creation of largescale work and we have therefore decided to postpone this work, whilst retaining co-production investment and our partnership plans with the NHS. Akram Khan’s *Creature* was close to completion when we locked down and the new asset will be finalised in 2020/21, once social distancing allows. In addition, we will create a film to explore the work’s narrative, as a precursor rather than an alternative to the eventual live performance.

Beyond the impact on these planned new works, our Emergency Response Plan will see us temporarily remodel and repurpose our artistic assets to suit social distancing. This will provide activity and focus for our international talent and provide small-scale performances that can help reactivate our partner venues. Alongside this will be a repurposing of investment into the capture of new works for digital consumption – both new small-scale artistic commissions and professional classes programmes. In the medium term, ENB hope to grow income from monetised content; a digital distribution platform will offer pay-per-view and pay-to-subscribe options, and also capture valuable primary audience data for audience development and to help drive fundraising and participant growth.

Redirecting investment into digital capture and distribution will also help maintain momentum in ENB’s Building Bridges, Growing Talent engagement programmes in 2020/21. Programmes can be moved temporarily to either online teaching or digital distribution and new participants will be secured by using digital distribution to share alternative classes. Lockdown has also led to unexpected opportunities to either expand or accelerate certain projects which will strengthen the sector leadership role that ENB can play in the development of a high-quality and diverse talent pipeline.

Certainly, a key focus for ENB in the coming period will be to ensure it maintains strong financial resilience to continue its journey to deliver its mission and vision.

## **TRUSTEES' REPORT**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of English National Ballet for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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

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

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

In so far as the trustees are 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 to make themselves aware of any relevant audit information and to establish that the 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 the financial statements may differ from legislation in other jurisdictions.

By order of the Board



**Christopher Marks**

Trustee

8 December 2020



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH NATIONAL BALLET**

We have audited the financial statements of English National Ballet for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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 trustees**

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

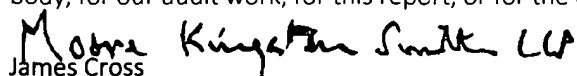
as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude 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 and 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
James Cross

Senior Statutory Auditor

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House

60 Goswell Road

London EC1M 7AD

Date 16 December 2020

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account) for the year ending 31 March 2020

		General Funds 2020 £000	Designated Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000	Total Funds 2019 £000
	Notes					
<b>Income from:</b>						
<b>Donations and Grants:</b>						
Grants	2	6,378	-	3,550	9,928	7,996
Donations		870	-	1,929	2,799	2,347
In kind sponsorships		42	-	-	42	108
<b>Charitable activities:</b>						
Ticket sales and tour fees		8,278	-	-	8,278	8,209
Outreach and engagement		119	-	-	119	166
<b>Other trading activities:</b>						
Trading activities		1,225	250	-	1,475	838
Production hire		88	-	-	88	353
Programmes & merchandising		100	-	-	100	155
Membership subscriptions		97	-	-	97	84
<b>Investment Income</b>		13	-	-	13	6
Other income		83	-	-	83	146
Gain on disposal		-	-	-	-	14,071
		<b>17,293</b>	<b>250</b>	<b>5,479</b>	<b>23,022</b>	<b>34,479</b>
<b>Expenditure on:</b>						
Raising funds	3	(996)	(96)	(1)	(1,093)	(1,224)
Commercial Trading Operations	3	(401)	(39)	(1)	(441)	-
<b>Charitable activities</b>						
Productions and performances	4	(17,013)	(2,071)	(482)	(19,566)	(16,405)
Outreach and engagement	4	(393)	(64)	(273)	(730)	(601)
		<b>(18,803)</b>	<b>(2,270)</b>	<b>(757)</b>	<b>(21,830)</b>	<b>(18,230)</b>
<b>Net (expenditure)/income</b>		<b>(1,510)</b>	<b>(2,020)</b>	<b>4,722</b>	<b>1,192</b>	<b>16,249</b>
Other recognised gains --						
Theatre tax relief		1,184	-	-	1,184	972
Transfers between funds	17	547	8,839	(9,386)	-	-
<b>Net movement in funds</b>		<b>221</b>	<b>6,819</b>	<b>(4,664)</b>	<b>2,376</b>	<b>17,221</b>
<b>Reconciliation of funds:</b>						
Net funds brought forward		2,780	14,825	5,498	23,103	5,882
<b>Net funds carried forward</b>		<b>3,001</b>	<b>21,644</b>	<b>834</b>	<b>25,479</b>	<b>23,103</b>

**ENGLISH NATIONAL BALLET (Limited by guarantee)**

Registered Company Number: 735040

Charity Registration Number: 214005

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The statement of financial activities includes all gains and losses recognised in the year. Income and resulting net movement in funds each year arise from continuing operations. There is no difference between the result for the year stated above and its historical cost equivalent.

The notes on pages 33 to 51 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

As at 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed Assets:</b>			
Tangible assets	9	26,110	14,741
<b>Current assets:</b>			
Work in progress		683	1,179
Debtors	11	4,210	3,048
Cash at bank and in hand		2,614	8,295
<b>Total current assets</b>		<u>7,507</u>	<u>12,522</u>
<b>Liabilities:</b>			
Creditors falling due within one year	12	(3,048)	(4,160)
<b>Net Current assets</b>		<u>4,459</u>	<u>8,362</u>
<b>Total assets less current liabilities</b>		30,569	23,103
Creditors falling due after one year	12	(5,090)	-
<b>Total net assets</b>		<u>25,479</u>	<u>23,103</u>
<b>The funds of the charity:</b>			
General funds	15	3,001	2,780
Designated funds	15	21,644	14,825
<b>Total unrestricted funds</b>		<u>24,645</u>	<u>17,605</u>
<b>Restricted funds</b>	16	834	5,498
<b>Total charity funds</b>		<u>25,479</u>	<u>23,103</u>

The notes on pages 33 to 51 form part of these financial statements.

These accounts were approved by the Board of Trustees on 8<sup>th</sup> December 2020 and signed on its behalf by:



Christopher Marks

## CHARITY BALANCE SHEET

As at 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed Assets:</b>			
Tangible assets	9	26,110	14,741
<b>Current assets:</b>			
Work in progress		683	1,179
Debtors	11	4,483	3,067
Cash at bank and in hand		2,159	8,170
<b>Total current assets</b>		<b>7,325</b>	<b>12,416</b>
<b>Liabilities:</b>			
Creditors falling due within one year	12	(2,866)	(4,054)
<b>Net Current assets</b>		<b>4,459</b>	<b>8,362</b>
<b>Total assets less current liabilities</b>		<b>30,569</b>	<b>23,103</b>
Creditors falling due after one year	12	(5,090)	-
<b>Total net assets</b>		<b>25,479</b>	<b>23,103</b>
<b>The funds of the charity:</b>			
General funds	15	3,001	2,780
Designated funds	15	21,644	14,825
<b>Total unrestricted funds</b>		<b>24,645</b>	<b>17,605</b>
<b>Restricted funds</b>	16	<b>834</b>	<b>5,498</b>
<b>Total charity funds</b>		<b>25,479</b>	<b>23,103</b>

As permitted by S408 Companies Act 2006, the Charity has not presented its own Statement of Financial Statements and related notes. The total income and net income for the charitable company alone were £21,855,000 (2019 - £34,253,000) and £1,192,000 (2019 - £16,246,000) respectively.

The notes on pages 33 to 51 form part of these financial statements.

These accounts were approved by the Board of Trustees on 8<sup>th</sup> December 2020 and signed on its behalf by:



Christopher Marks

## CONSOLIDATED STATEMENT OF CASHFLOWS

As at 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>Cashflows from operating activities:</b>			
Net cash flow provided by operating activities	18	7,132	3,817
<b>Cash flows from investing activities:</b>			
Bank interest		14	6
Purchase of property, plant and equipment		(12,827)	(12,173)
Disposal of property, plant and equipment		-	14,071
<b>Net cash used in investing activities</b>		<b>(12,813)</b>	<b>1,904</b>
Change in cash in the reporting period		(5,681)	5,721
Cash at the beginning of the reporting period		8,295	2,574
<b>Cash at the end of the reporting period</b>		<b>2,614</b>	<b>8,295</b>

The notes on pages 33 to 51 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

English National Ballet is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The entity is registered in England and Wales with a registered address of 41 Hopewell Square, London, E14 0SY.

#### **Basis of preparation of accounts**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The financial statements have been prepared in British Pounds Sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £'000.

#### **Basis of preparation**

The financial statements have been prepared in accordance with Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with The Financial Reporting Standards applicable in the UK and republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice including Update Bulletin 2.

English National Ballet meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### **Going concern**

The financial statements are drawn up on the going concern basis which assumes that English National Ballet will continue in operational existence for the foreseeable future. The Charity substantially relies on funding through grants from Arts Council England for its current and future commitments and operates on the basis that cumulatively, over the period of the funding cycle (currently April 2018 to March 2023) revenue will at least match expenditure.

In June 2017, Arts Council England confirmed stand-still National Portfolio Organisation funding for English National Ballet for the four-year funding cycle beginning April 2018 and ending March 2023 (extended from March 2022 due to Covid-19).

The Trustees have undertaken financial modelling, budgeting and cashflow forecasting to March 2022 which take into account the specific impact of the government restrictions imposed as a result of the Covid-19 pandemic. Based on these projections, continuing with a flexible approach to reduce financial risk should there be continued uncertainty about the sector reopening, supported by financial assistance from Arts Council England and the Government's Culture Recovery Fund and with the back-up of a £5m revolving credit facility, ENB's Board of Trustees expects to meet its commitments for at least 12 months beyond the date of signing these accounts. Consequently, ENB's Trustees are content to continue to adopt the going concern basis of accounting for the Group. At the same time, all avenues to secure additional financial support will be pursued to ensure ENB's long-term financial sustainability.

In addition, the Trustees have prepared budgets and forecast cashflow relating to the completion of its new facilities at London City Island. Cashflow and funding shortfalls can be met by a £5m revolving credit facility made available by Barclays Bank which converts into a term loan in June 2021.

Having taken all of the above factors into consideration, the trustees have reached a conclusion that the company is able to manage its business risks despite the current uncertain economic outlook and therefore there is no material uncertainty in relation to its ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Basis of consolidation**

A separate Statement of Financial Activities for the Charity is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertakings on a line by line basis. The trading results of the subsidiary undertakings are disclosed in Note 10.

#### **Income**

Grant and donation income, whether for capital or revenue activity, is recognised on an accruals basis in the period in which the Charity is entitled to receipt, any performance conditions have been met, and the amount can be measured with reasonable certainty.

Income from theatre ticket sales and foreign touring fees is included in income in the period in which the relevant performance takes place as is income from Engagement workshops and classes. Income received before the year end relating to activity in subsequent periods is recorded in deferred income.

Sponsorship and corporate membership income is recognised on an accruals basis in the period in which the relevant benefits are consumed. Commercial hire and event income earned from the City Island facilities, and other sundry income is recognised on an accruals basis in the periods in which the Charity, or its trading subsidiary, is entitled to funds (whether for cash or goods and services in kind), when any performance conditions have been met and the amount of income can be measured with reasonable certainty. Donated goods and services are recognised as income at a reasonable estimate of their value to the Charity in the period to which they relate and are matched by equivalent expenditure. The estimate of value is assessed by reference to the donor organisation's standard charity rate card. No amounts are included in the financial statements for services donated by volunteers.

Investment income is interest receivable on funds held on deposit and is recognised when receivable and the amount can be measured reliably.

#### **Expenditure and basis of allocation of costs**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resources.

Costs of raising funds represent the cost of direct fundraising and the costs associated with generating corporate sponsorship and associated events income, which are mainly incurred through the trading subsidiary. These are recognised when incurred and are separately disclosed on the Statement of Financial Activities.

Costs of delivering commercial trading operations, which are incurred through the trading subsidiary, are recognised when incurred and are separately disclosed on the Statement of Financial Activities.

**ENGLISH NATIONAL BALLET (Limited by guarantee)**

Registered Company Number: 735040

Charity Registration Number: 214005

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Costs of charitable activities include the salaries, related staff costs and direct expenditure of rehearsing, staging, performing and marketing ballet, and related irrecoverable VAT, and other costs associated with carrying out outreach and engagement activities undertaken to further the purposes of the charity, and their associated support costs.

Production costs are charged to the Statement of Financial Activities in the year of the first performance. Costs relating to productions which do not have their first performance by the end of the financial year are held on the balance sheet as part of work in progress.

Support costs are those incurred in connection with the administration of the Charity and are in support of expenditure on the objects of the Charity. They include executive management, finance, human resources and organisational development, premises and associated depreciation, facilities costs, IT and communications, archive costs, and related irrecoverable VAT. To the extent that VAT is not recovered, it is included in the cost category to which it relates. Governance costs which are included within support costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements. Support costs are analysed in Note 5.

**Liabilities**

Creditors and provisions are recognised upon receipt of goods and services supplied, or have a present legal or constructive obligation as a result of past events where it is probable that an outflow or resources will be required to settle the obligation, and the amount can be reliably estimated. Where there are significant obligations which do not meet the requirements for recognition as a provision set out in Section 21 'Provisions and Contingencies' of FRS 102 these are disclosed as a note to the accounts.

Contracted commitments are recorded as liabilities on the balance sheet, when the criteria for recognition has been met. These, as well as operating lease commitments are disclosed in Notes 20 and 21.

**Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Individual tangible assets costing less than £3,000 are expensed in the year of purchase.

Depreciation is calculated on a straight-line basis over the expected useful life of the assets as follows:

- |                          |                |
|--------------------------|----------------|
| • Long leasehold         | 50 years       |
| • Leasehold improvements | 10 to 50 years |
| • Plant & Equipment      | 4 to 15 years  |
| • Fixtures & Fittings    | 4 to 10 years  |

The value of fixed assets is regularly reviewed for any potential impairment.

Assets under construction included design fees, professional fees, a deposit on the lease premium, and other direct costs attributable to bringing the Company's new facilities at London City Island development into working condition for its intended use. Assets under construction were transferred out to the relevant classes and began being depreciated during the year, when the building became fully operational.

Website development costs are expensed in the year incurred.

### **Work in progress**

Costs incurred in respect of productions which open in a future accounting period are carried forward at the balance sheet date and included as work in progress at cost.

### **Debtors**

Debtor receivables are recognised at amortised cost less any provision for bad debt. A provision for bad debt is established when there is objective evidence that the debtor will not be collected according to the original terms.

### **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.

### **Financial instruments**

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

### **Pensions**

The Company operates four defined contribution schemes and contributes to a defined contribution scheme run by an independent body. Contributions are expensed in the Statement of Financial Activities in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

### **Employee benefits**

The cost of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period when the employees' services are received. Termination payments are recognised as an expense when the charity is demonstrably committed to terminate the employee or to provide a termination benefit.

### **Fund accounting**

Unrestricted General Funds are funds available which can be used in accordance with furthering the charitable objectives of the charity at the discretion of the Trustees.

Unrestricted Designated Funds are amounts that have been set aside at the discretion of the Trustees. At 31 March 2020 they comprised a and a City Island 2020 Project Fixed Asset Fund. The Fixed Asset Fund is set at a level at least equivalent to the value of the net book value of the Charity's fixed assets (excluding assets purchased using restricted funds).

Restricted funds are donations received which are subject to specific restricted conditions imposed by the donors. Restricted funds are distributed in accordance with the terms of the applicable restriction.

Further analysis of the funds can be found in Note 15 and 16.

### **Operating leases**

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Exchange gains and losses**

The financial statements are presented in pounds sterling, the functional and presentational currency. Foreign currency transactions are translated using the exchange rates prevailing at the date of settlement. Realised and unrealised exchange gains and losses are recognised in the Statement of Financial Activities.

**Taxation**

English National Ballet is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2011 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary companies make qualifying distributions of all taxable profit to the parent charity. No corporation tax liability on the subsidiaries arises in the accounts.

**Theatre tax relief**

Theatre tax relief for each year is claimed in the following year and recognised in the period of submission to HMRC when the amounts are quantifiable.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustees consider that there have been no critical estimates and judgements in the year.

**2. GRANT INCOME**

	General Fund £000s	Restricted Funds £000s	Total 2020 £000s	Total 2019 £000s
Arts Council England – revenue funding	6,214	-	6,214	6,214
Arts Council England – capital grant	-	1,877	1,877	915
Other statutory funding	-	820	820	-
Job Retention Scheme	115	-	115	-
Trusts and foundations	49	853	902	867
<b>Total 2020</b>	<b>6,378</b>	<b>3,550</b>	<b>9,928</b>	<b>7,996</b>
<b>Total 2019</b>	<b>6,296</b>	<b>1,700</b>	<b>7,996</b>	

### 3. EXPENDITURE ON:

RAISING FUNDS	Notes	General	Designated	Restricted	Total	Total
		Funds	Fund	Funds	Funds	Funds
		2020	2020	2020	2020	2019
		£'000	£'000	£'000	£'000	£'000
Support costs	5	123	96	1	220	151
Salaries		404	-	-	404	517
Events		154	-	-	154	116
Other fundraising costs		315	-	-	315	440
Total 2020		996	96	1	1,093	1,224
Total 2019		1,222		2	1,224	

### COMMERCIAL TRADING OPERATIONS

	Notes	General	Designated	Restricted	Total	Total
		Funds	Fund	Funds	Funds	Funds
		2020	2020	2020	2020	2019
		£'000	£'000	£'000	£'000	£'000
Support costs	5	49	39	1	89	-
Salaries		155	-	-	155	-
Other Commercial Trading Cost		197	-	-	197	-
Total 2020		401	39	1	441	-

### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Notes	General	Designated	Restricted	Total	Total
		Funds	Fund	Funds	Funds	Funds
		2020	2020	2020	2020	2019
		£'000	£'000	£'000	£'000	£'000
<b>Productions and performances</b>						
Support costs	5	2,193	1,721	25	3,939	2,030
Production and rehearsal costs		2,183	350	287	2,820	1,014
Performance costs		4,477	-	-	4,477	5,804
Artists		3,936	-	73	4,009	3,828
Technical, stage, wardrobe		870	-	-	870	892
Producing		205	-	-	205	218
Music		325	-	15	340	268
Medical and welfare		436	-	-	436	442
Marketing and publicity		2,386	-	82	2,468	1,886
Sundry		2	-	-	2	23
Total 2020		17,013	2,071	482	19,566	16,405
Total 2019		15,617	-	788	16,405	

**ENGLISH NATIONAL BALLET (Limited by guarantee)**

Registered Company Number: 735040

Charity Registration Number: 214005

		General	Designated	Restricted	Total	Total
		Funds	Fund	Funds	Funds	Funds
Notes		2020	2020	2020	2020	2019
		£'000	£'000	£'000	£'000	£'000
<b>Outreach and Engagement</b>						
Support costs	5	82	64	1	147	75
Programme costs		59	-	247	306	314
Programme management & administration		252	-	25	277	212
Total 2020		393	64	273	730	601
Total 2019		422	-	179	601	

**5. SUPPORT COSTS**

	Productions & performance	Outreach & Engagement	Raising funds	Commercial Trading Operations	Total	Total
	2020	2020	2020	2020	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Management and administration	1,463	55	82	33	1,633	1,490
Premises and facilities	731	27	40	16	814	689
City Island Project Costs	439	16	25	10	490	-
Depreciation charge	1,306	49	74	29	1,458	77
Total 2020	3,939	147	221	88	4,395	2,256
Total 2019	2,030	75	151	-	2,256	

**6. EXPENDITURE**

	Total 2020 £'000	Total 2019 £'000
The net income/(expenditure) is stated after charging:		
Operating leases land and buildings, office equipment	144	139
Depreciation charge on tangible fixed assets	1,457	77
Foreign exchange loss/(gain)	1	3
Governance costs:		
Auditors remuneration: group and charity audit	31	32
Non audit services	12	7
Legal costs	85	64
Staff costs	12	12

## 7. REMUNERATION OF TRUSTEES

The Board are all non-executive Trustees and no trustees received remuneration in the year (2019: £nil). No Trustees received expenses for travel or subsistence (2019: £nil).

## 8. STAFF NUMBERS

The average monthly head count was 224 staff (2019: 213 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2020	2019
	FTE	FTE
Engagement and outreach	8	5
Artistic management	10	7
Dancers	75	76
Producing, medical, company management	8	5
Orchestra and music management	14	15
Technical, stages, wardrobe	29	31
Marketing and communications	9	8
Fundraising	13	11
Management and administration	19	14
<b>Total</b>	<b>185</b>	<b>172</b>

	Total 2020 £000s	Total 2019 £000s
The aggregate payroll costs of these employees were:		
Wages and salaries	8,042	7,563
Social security costs	814	720
Pensions	365	331
<b>Total employee costs</b>	<b>9,221</b>	<b>8,614</b>
Freelance staff	685	704
<b>Total</b>	<b>9,906</b>	<b>9,318</b>

The number of employees whose emoluments, including benefits in kind, were in excess of £60,000 was:

	2020	2019
£60,000 to £69,999	4	4
£70,000 to £79,999	7	7
£80,000 to £89,999	2	3
£90,000 to £99,999	2	1
£110,000 to £119,999	1	1
£120,000 to £129,999	1	-
£250,000 to £259,000	1	1
	<b>18</b>	<b>17</b>

Of employees earning in excess of £60,000 during the year, 14 are members of a defined contribution scheme (2019: 17). The Company contributed £97,529 (2019: £96,460) to the defined contribution pension scheme in respect of these employees.



**ENGLISH NATIONAL BALLET (Limited by guarantee)**

Registered Company Number: 735040

Charity Registration Number: 214005

The Group considers its key management personnel to be the Executive Team listed on page 8 together with the charity trustees (who are not remunerated). The total remuneration (including pension contributions, employers' national insurance and private medical insurance) totalled £1,115,242 (2019: £1,116,366).

Members of the Executive Team are entitled to join the Company's private medical scheme should they wish to. In the year, four members (2019: 5) of the Executive Team took advantage of the scheme at a cost of £8,801 (2019: £10,913).

During the year, there was one redundancy payment made totalling £4,609 (2019: £14,131).

No post-employment benefits were provided to any staff during the year.

**9. TANGIBLE FIXED ASSETS**

Group & Charity	Long Leasehold	Leasehold Improve- ments	Plant, Furniture & Fittings	Equipment & pianos	Vehicles	Plant & Equipment	Furniture & Fittings	Assets Under Con- struction	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost</b>									
1 April 2019	-	773	100	717	51	-	-	14,230	15,871
Transfers	2,768	7,369	(1)	(717)	(51)	3,785	1,077	(14,230)	-
Additions	2,485	6,615	0	-	-	2,760	967	-	12,827
Disposals	-	(4)	(99)	-	-	(75)	-	-	(178)
31 March 2020	5,253	14,753	-	-	-	6,470	2,044	-	28,520
<b>Depreciation</b>									
1 April 2019	-	379	99	607	45	-	-	-	1,130
Transfers	-	-	-	(607)	(45)	652	-	-	-
Charge for the year	105	310	-	-	-	753	290	-	1,458
Disposals	-	(4)	(99)	-	-	(75)	-	-	(178)
31 March 2020	105	685	-	-	-	1,330	290	-	2,410
<b>Net book value</b>									
31 March 2020	5,148	14,068	-	-	-	5,140	1,754	-	26,110
31 March 2019	-	394	1	110	6	-	-	14,230	14,741

Following the completion of the fitting out of the London City Island facilities in 2019/20, a review of all tangible fixed asset classes was undertaken. New asset classes were identified and transfers of older assets to the appropriate new classes was made.

## 10. INVESTMENTS

The Charity has two subsidiaries of which it is the sole shareholder and a further subsidiary in which it is a joint and equal shareholder.

### a) Company: English National Ballet Enterprises Limited

	2020	2019
	£	£
Shares in subsidiary undertaking	2	2

The Charity owns the whole share capital comprising two fully paid up ordinary shares of £1 each of English National Ballet Enterprises Limited, a company registered in England and Wales (registration number 2361077). The principal activity of the company is to raise funds through corporate sponsorship and events.

	2020	2019
	£000s	£000s
Turnover	1,363	680
Expenditure	(517)	(225)
Net profit	846	455
Reserves brought forward	-	-
Amount distributed to English National Ballet under deed of covenant	(846)	(455)
Reserves carried forward	-	-

	2020	2019
	£000s	£000s
The assets held in the subsidiary trading company were:		
Current assets	518	455
Current liabilities	(518)	(455)
Net assets	-	-
Aggregate share capital and reserves	-	-

### b) Company: ENB Productions Limited

	2020	2019
	£	£
Shares in subsidiary undertaking	2	2

The Charity owns the whole share capital comprising two fully paid up ordinary shares of £1 each of ENB Productions Limited, a company registered in England and Wales (registration number 9319133). The principal activity of the company is as a theatrical production company. This company is currently dormant and therefore is not consolidated within the English National Ballet group accounts.

## 11. DEBTORS

	2020	2020	2019	2019
	Group	Charity	Group	Charity
	£000s	£000s	£000s	£000s
Trade debtors	139	104	337	332
Amounts owed by subsidiary undertaking	-	335	-	37
VAT	2,554	2,537	1,450	1,451
Other debtors	1,312	1,313	981	981
Prepayments and accrued income	205	194	280	266
	<u>4,210</u>	<u>4,483</u>	<u>3,048</u>	<u>3,067</u>

## 12. CREDITORS

	2020	2020	2019	2019
	Group	Charity	Group	Charity
	£000s	£000s	£000s	£000s
Trade creditors	520	454	493	493
Social security and PAYE	206	206	185	185
Other creditors	106	106	99	99
Accruals	1,530	1,530	3,024	3,024
Deferred income	686	570	359	253
	<u>3,048</u>	<u>2,866</u>	<u>4,160</u>	<u>4,054</u>

Creditors falling due after one year	5,090	5,090	-	-
	<u>8,138</u>	<u>7,956</u>	<u>4,160</u>	<u>4,054</u>

£5,090,000 lease premium is payable on the City Island facility by January 2022.

## 13. DEFERRED INCOME

Deferred income comprises income from future performances and membership.

	2020	2020	2019	2019
	Group	Charity	Group	Charity
	£000s	£000s	£000s	£000s
Balance brought forward at 1 April	359	253	2,810	2,769
Prior year deferred income released in year	(359)	(253)	(2,810)	(2,770)
Income deferred in year	686	570	359	254
Balance carried forward	<u>686</u>	<u>570</u>	<u>359</u>	<u>253</u>

In 2019, £2,542,000 relating to a deposit received on the sale of Markova House was released to the income and expenditure account upon completion of the sale.

## 14. PENSIONS

The Company operates four defined contribution schemes and contributes to a defined contribution scheme run by an independent body. The assets of all the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £365,611 (2019: £321,701).

## 15. UNRESTRICTED RESERVES

2020	Balance at 1 April 2019	Income & other gains	Expenditure	Transfers	Balance at 31 March 2020
Group:	£000s	£000s	£000s	£000s	£000s
General Funds	2,780	18,477	(18,803)	547	3,001
Designated funds:					
Future repertoire fund	650	-	(350)	(300)	-
City Island Capital Project fund	13,681	-	(489)	(13,192)	-
City Island 2020 Project Fixed Asset fund	-	250	(1,390)	22,578	21,438
City Island Operations fund	292	-	-	(292)	-
Fixed asset fund	202	-	(41)	45	206
Designated funds	14,825	250	(2,270)	8,839	21,644
Total Unrestricted Reserves	17,605	18,727	(21,073)	9,386	24,645
2019	Balance at 1 April 2018	Income & other gains	Expenditure	Transfers	Balance at 31 March 2019
Group:	£000s	£000s	£000s	£000s	£000s
General Funds	1,899	17,791	(17,261)	351	2,780
Designated funds:					
Future repertoire fund	650	-	-	-	650
City Island Capital Project fund	-	14,071	-	(390)	13,681
City Island Operations fund	292	-	-	-	292
Fixed asset fund	163	-	-	39	202
Designated funds	1,105	14,071	-	(351)	14,825
Total Unrestricted Reserves	3,004	31,862	(17,261)	-	17,605

**ENGLISH NATIONAL BALLET (Limited by guarantee)**

Registered Company Number: 735040

Charity Registration Number: 214005

2020	Balance at 1 April 2019	Income & other gains	Expenditure	Transfers	Balance at 31 March 2020
Charity:	£000s	£000s	£000s	£000s	£000s
General Funds	2,780	18,477	(18,803)	547	3,001
Designated funds:					
Future repertoire fund	650	-	(350)	(300)	-
City Island Capital Project fund	13,681	-	(489)	(13,192)	-
City Island 2020 Project Fixed Asset fund	-	250	(1,390)	22,578	21,438
City Island Operations fund	292	-	-	(292)	-
Fixed asset fund	202	-	(41)	45	206
Designated funds	14,825	250	(2,270)	8,839	21,644
Total Unrestricted Reserves	17,605	18,727	(21,073)	9,386	24,645
2019	Balance at 1 April 2018	Income & other gains	Expenditure	Transfers	Balance at 31 March 2019
Charity:	£000s	£000s	£000s	£000s	£000s
General Funds	1,899	17,567	(17,037)	351	2,780
Designated funds:					
Future repertoire fund	650	-	-	-	650
City Island Capital Project fund	-	14,071	-	(390)	13,681
City Island Operations fund	292	-	-	-	292
Fixed asset fund	163	-	-	39	202
Designated funds	1,105	14,071	-	(351)	14,825
Total Unrestricted Reserves	3,004	31,638	(17,037)	-	17,605

**Unrestricted General Fund**

Unrestricted funds are available at the discretion of the Board to further the general objectives of the Charity.

**Designated Future Repertoire Fund**

The purpose of this fund was to allow the Company to commission new repertoire, both full scale and one-act ballets. The Board aim to maintain this fund to support the development of new full-scale productions and new one-act ballets.

The Charity applied £350,000 of this fund to the creation and development of its production of Cinderella in the round, in 2019/20. Remaining funds were released to Unrestricted General Funds in order to provide more financial resilience as ENB entered Covid lockdown in March 2020.

**City Island 2020 Project Fixed Asset Fund**

This fund is set at the total level of funds obtained by 31 March 2020 for ENB's new London City Island facilities. The Charity entered into a 199-year Lease for the premises however the Lease Premium is not payable until January 2022 and so is included in the Charity's liabilities in the Balance Sheet. The Charity has agreements in place to provide funding for this liability and so when these are completed, this fund will be set at the level of the net book value of the Charity's fixed assets delivered as part of the London City Island project. As the facilities were in use and the Lease underway, depreciation of these assets have commenced during the year.

### City Island Capital Project Fund

This fund consisted of remaining funds from the sale of ENB's previous leasehold building, Markova House. £489,000 was applied to non-capitalisable City Island project expenditure, and the remaining funds were released to the City Island 2020 Project Fixed Asset Fund.

### City Island Operations Fund

This fund was originally designated to support ENB in its first two years of operations at City Island, however this has also been released to Unrestricted General Funds at year-end to support ENB through the financial impact of Covid-19.

### Fixed Asset Fund

This fund is set at a level equivalent to the net book value of the Charity's fixed assets, excluding assets purchased via the Arts Council England Recovery Plan Fund and other restricted funds.

## 16. MOVEMENTS IN RESTRICTED FUNDS

2020 Group and Charity:	Balance at 1 April 2019 £000s	Income £000s	Expenditure £000s	Transfers £000s	Balance at 31 March 2020 £000s
Outreach and engagement	44	284	(288)	-	40
Production development	322	265	(273)	-	314
Talent development	-	39	(39)	-	-
Dancer health and welfare	11	15	(26)	-	-
Systems development	2	-	(2)	-	-
Guest teachers and dancers	8	-	(8)	-	-
Special digital projects	79	-	(79)	-	-
Music Circle	-	15	(15)	-	-
Good Growth Fund	-	200	-	-	200
Capital project – London City Island	4,725	4,661	-	(9,386)	-
Arts Council Recovery Plan	307	-	(27)	-	280
	<u>5,498</u>	<u>5,479</u>	<u>(757)</u>	<u>(9,386)</u>	<u>834</u>

2019 Group and Charity:	Balance at 1 April 2018 £000s	Income £000s	Expenditure £000s	Transfers £000s	Balance at 31 March 2019 £000s
Outreach and engagement	35	186	(177)	-	44
Production development	127	331	(136)	-	322
Talent development	-	58	(58)	-	-
Dancer health and welfare	21	70	(80)	-	11
Systems development	34	-	(32)	-	2
Guest teachers and dancers	120	351	(463)	-	8
Special digital projects	-	79	-	-	79
Capital project – London City Island	2,211	2,514	-	-	4,725
Arts Council Recovery Plan	330	-	(23)	-	307
	<u>2,878</u>	<u>3,589</u>	<u>(969)</u>	<u>-</u>	<u>5,498</u>

#### **Outreach and Engagement Fund**

The Charity supports its objectives through various engagement and outreach projects. This fund represents grants or donations received for specific projects the Charity undertook including Dance for Parkinson's, Dance for Health, ENBYouthCo, Dance Journeys, and a Ballet First appeal to subsidise the cost of young people attending ballet, especially for the first time. The balance of the grants received will be used in the coming two financial years. A fund for each activity is accounted for separately and income and expenditure is reported to donors.

#### **Production Development Fund**

Each year donations are received to support investment in new productions. The current balance represents support for the creation and development of Akram Khan's *Creature* (2020/21), and Tamara Rojo's *Raymonda* (currently scheduled for 2021/22).

#### **Talent Development Fund**

This fund comprises donations received to support new and developing talent at ENB, including scholarship funds for the winners of the Prix de Lausanne 2018. This fund was fully expended during the year ended 31 March 2020.

#### **Dancer Health & Welfare Fund**

This fund comprises the income and expenditure of grant funding received to support the health and welfare of the dancers. This includes expenditure on medical equipment, massage, sports scientist support, psychologist support, Pilates and nutrition. Unspent funds represent unexpended depreciation costs on equipment purchased by the fund. This fund was fully expended during the year ended 31 March 2020.

#### **Systems Development Fund**

This fund is to support the ongoing development of the customer relationship management system and was fully expended during the year ended 31 March 2020.

#### **Guest Teachers and Dancers Fund**

Each year funds are received to sponsor and support the employment costs or fees, and expenses of various ballet teachers and guest artists of the Company as well as support for specific dancers. This fund was fully expended during the year ended 31 March 2020.

#### **Special Digital Projects Fund**

The fund includes donations received to support special projects, especially relating to digital recordings of our performances or rehearsals for wider distribution or archive purposes. All funds received covered projects that have been delivered and the fund was fully expended during the year ended 31 March 2020.

#### **Music circle**

This fund comprises donations from individuals towards equipment for the music department. The fund was expended during the year.

#### **Good Growth Fund**

This fund comprises a proportion of statutory funding received from the Greater London Authority that will contribute towards costs of various engagement projects that will be undertaken from London City Island and our local neighbourhoods.

### Capital Project Fund – London City Island

This fund was transferred to the Designated City Island 2020 Project Fixed Asset Fund as the restriction on these funds was released upon completion of the new facilities at London City Island.

### Arts Council England Recovery Plan Fund

In 2008 the Charity received a restricted grant from Arts Council England (ACE), part of which was used to purchase various fixed assets. This is a restricted fund which is equal to the remaining depreciation on fixed assets purchased via the ACE grant. Each year this fund is reduced by the equivalent of the depreciation charge on these assets.

## 17. GROSS TRANSFERS BETWEEN FUNDS

Depreciation and premises expenditure are part of the Charity's support costs and are initially charged to the unrestricted undesignated fund. They are subsequently transferred to the appropriate unrestricted designated or restricted fund.

2020	Unrestricted General Funds £000s	Unrestricted Designated Funds £000s	Restricted Funds £000s	Total 2020 £000s
Transfer from City Island Operations fund	292	(292)		
Transfer of designated Fixed Asset fund	(45)	45		-
Transfer of Restricted LCI Fixed Asset Fund	-	9,386	(9,386)	-
Transfer of Future Repertoire Fund	300	(300)	-	-
	547	8,839	(9,386)	0

2019	Unrestricted General Funds £000s	Unrestricted Designated Funds £000s	Restricted Funds £000s	Total 2019 £000s
Transfer to designated Fixed Asset Fund	(39)	39	-	-
Transfer of non-capitalisable City Island project costs prior year	222	(222)	-	-
Transfer of non-capitalisable City Island project costs prior year	168	(168)	-	-
	351	(351)	-	-

## 18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES:

	2020 £000s	2019 £000s
Net income for the reporting period (as per the Statement of Financial Activities)	2,376	17,221
Adjustments for:		
Depreciation charge	1,458	77
Gain on disposal of tangible assets	-	(14,071)



**ENGLISH NATIONAL BALLET (Limited by guarantee)**

Registered Company Number: 735040

Charity Registration Number: 214005

Interest receivable	(14)	(6)
Decrease /(increase in work in progress	496	(649)
Decrease/(increase) in debtors	(1,162)	1,357
Increase/(decrease) in creditors	3,978	(112)
Net cash inflow / (outflow) from operating activities	7,132	3,817

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

2020 Group	Unrestricted General Funds '£000s	Unrestricted Designated Funds '£000s	Restricted Funds '£000s	Total 2020 Funds '£000s
Fixed assets		25,830	280	26,110
Work in progress	683			683
Debtors	4,210			4,210
Cash at bank	1,810	250	554	2,614
Creditors	(3,702)	(4,436)		(8,138)
	3,001	21,644	834	25,479

2019 Group	Unrestricted General Funds '£000s	Unrestricted Designated Funds '£000s	Restricted Funds '£000s	Total 2019 Funds '£000s
Fixed assets	813	13,883	45	14,741
Work in progress	1,179			1,179
Debtors	3,048			3,048
Cash at bank	1,900	942	5,453	8,295
Creditors	(4,160)			(4,160)
	2,780	14,825	5,498	23,103

**20. CAPITAL COMMITMENTS**

At 31 March the charity and group had the following capital commitments relating to the new building at City Island which are not reflected in the balance sheet:

	2020 £000s	2019 £000s
Land and buildings: modifications to shell and core build	-	241
Fit-out contract	-	2,082
Leasehold improvements	-	14
Furniture, fittings and equipment	-	44
Land and buildings lease cost	-	4,750
	-	7,131

At 31 March 2020, all prior year commitments have been included in the Balance Sheet on practical completion of the London City Island capital project. Commitments reported in the previous year have either been paid or accrued as a liability in the Balance Sheet.

In January 2019, Barclays Bank PLC was granted a charge over the Lease for City Island as part of their security package for loan facilities made available to the entity, as part of a fixed and floating charge over all present and future group entities and property. Arts Council England have a 25-year second-ranking charge over the Charity's lease for City Island.

## 21. COMMITMENTS UNDER OPERATING LEASES AND OPERATING LICENSES RECEIVABLE

### Commitments under Operating Leases

At 31 March, the Group and Charity had outstanding commitments for maximum lease payments under non-cancellable operating leases which fall due as follows:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total 2020	Total 2019
	£000s	£000s	£000s	£000s	£000s
Office equipment	4	9	-	13	10
Land and buildings	138	550	963	1,651	1,788
	142	559	963	1,664	1,798

### Operating Licenses Receivable

At 31 March, the Group had license agreements for the following minimum license payments:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total 2020	Total 2019
	£000s	£000s	£000s	£000s	£000s
Minimum license payments	-	180	225	405	-
	-	180	225	405	-

## 22. CONTINGENT ASSETS

In June 2018, ENB submitted a four year back-claim for overpaid VAT on the basis that some of the organisation's performances are partially exempt for VAT and fall under the rules for cultural exemption. Of the back-claim, £655,000 relating to applying the 'standard method' was refunded by HMRC in June 2020 on a 'without prejudice' basis. An additional claim was made using a use-based 'standard method override' rate which ENB considers is fairer and more reasonable than the 'standard

method'. This additional claim of £355,000 remains under review by HMRC and is reported as a contingent asset.

## **23. RELATED PARTY TRANSACTIONS**

All related party transactions are entered into in the ordinary course of business and on an arm's length basis, consistent with ENB's policy on potential conflicts of interest. During the year ENB entered into the following material transactions with related parties:

English National Ballet and English National Ballet School are separate entities, and no one entity controls or exerts influence over the other, however the two organisations have a close relationship and during the year, three governors of English National Ballet School are also trustees of English National Ballet (one remaining at the date of reporting). During the year, ENB paid £19,125 (2019: £29,658) to English National Ballet School for a share of proceeds from My First: *Sleeping Beauty* performances during 2019/20. ENB received £14,717 (2019: £6,377) during the year from the School for tickets and costume rental. The balance outstanding at 31 March 2020 was £11,769 (2019: £nil).

English National Ballet's trustees and board sub-committee members are often drawn from key stakeholders, and staff may at times have links to supplier organisations, and therefore English National Ballet may have some transactions which are classified as related. All transactions are entered into the ordinary course of business and on an arm's length basis, consistent with the Charity's policy on potential conflicts of interest. All related party transactions were with organisations, not with the individuals who have the association.

Donations were also received from ten trustees during the year totalling £211,095 (2019: nine trustees, £250,000 total).

### **Transactions with group undertakings:**

During the year, English National Ballet Enterprises (ENBE) had transactions totalling £650,047 (2019: £455,531) with English National Ballet (ENB). At 31 March 2020, £139,242 was owed by ENBE (2019: £37,410 owed by ENBE).