

Birmingham Hippodrome Theatre Trust Limited

ANNUAL REPORT

for the period ended

2 April 2022

Company Registration No. 01446309
Charity No. 510842

Birmingham Hippodrome Theatre Trust Limited

TRUSTEES AND PRINCIPAL ADVISERS

TRUSTEES

M Guest
V Hjärdeng
G Howells
I Kaur
H Millington
A Tonks
A Connors
S Lawes
A Hammond
T Powell
E Lawal

SECRETARY

Tim Maycock

EXECUTIVE TEAM

Artistic Director & Chief Executive - Jon Gilchrist
Artistic Director & Chief Executive - Fiona Allan (Resigned 5 November 2021)
Director of Finance & Planning - Tim Maycock (Interim CEO from 5 November 2021 to 11 April 2022)
Director of Operations - Mike Bradford
Director of Audiences and Communications - Chilina Madon
Director of Artistic Programme - Chris Sudworth
Director of Festivals - Graham Callister

REGISTERED OFFICE

Hurst Street
Southside
Birmingham B5 4TB

BANKERS

Lloyds TSB Bank Plc
125 Colmore Row
Birmingham B3 2DS

SOLICITORS

Gowling WLG LLP Two Snowhill Birmingham B4 6WR	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
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AUDITORS

RSM UK Audit LLP
Chartered Accountants
103 Colmore Row
Birmingham B3 3AG

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

Birmingham's motto is "forward" and never did this ring truer for the team at Birmingham Hippodrome than in the year 2021/22. Following 18 months of closure, during the worst of the Covid out-break, the organisation came together to reopen the venue under the most difficult of circumstances, providing much-needed moments of joy for the people of our city region. The emotional reception that we received from our visitors as they returned was overwhelming, demonstrating the special inter-generational relationship that the organisation has with the people of Birmingham.

Throughout the pandemic the Hippodrome remained committed to providing cultural experiences through our extensive Artistic, Learning and Participation programmes of work, not forgetting the spectacular Van Gogh Alive exhibition which had been forced to close prematurely in November 2020.

The reopening of Van Gogh Alive in the Spring of 2021 signalled the start of a new chapter for Birmingham Hippodrome as the venue carefully prepared to safely re-open for staged performance. The programme of events, both on and off stage remained as ambitious as ever, with several shows rescheduled from 2020. Through a time of changing government guidance our teams worked tirelessly to ensure that customers were kept well-informed of social-distanced performances, re-issued tickets, new dates, new Covid protocols and safety information at every step of their journey. New Visitor Service Assistants, technical teams and volunteers were quickly trained up to ensure that guests and visiting companies were provided with the exemplary Hippodrome welcome that we are so well known for.

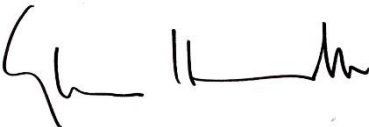
Reopening the venue was a huge challenge in and of itself, yet the Hippodrome, continued to push forward in other areas too: producing Birmingham Weekender with Bullring Grand Central, establishing the Creatives Card, co-producing the Bus Boycott Block Party at Soho House with China Plate and growing our Hippodrome Education Network. Our ambitions became greater and our commitment to the city, its people, artists and creatives became stronger.

When I look back on the full scale of the work delivered across all teams in 2021/22, I cannot help but feel immense pride. I would like to thank former Artistic Director and CEO Fiona Allan for the vision, leadership and inspiration she provided throughout her six-year tenure, she leaves a lasting and formidable legacy. My thanks also to the teams of staff and volunteers whose passion for the venue ensured that Birmingham Hippodrome reopened and continues to thrive despite an ever changing, uncertain landscape. My thanks to the Trustees of the Board who have continued to support me and the venue during this time of change.

I also extend my thanks to the partners and communities that continue to support Birmingham Hippodrome: our donors, members, sponsors, producers, performers and practitioners that all play their part in bringing this phenomenal organisation to life. We are particularly grateful to Arts Council England for awarding us several grants for our festivals programme of work as well as funds from their Capital Investment Programme that will improve accessibility in our building as well as online.

As Birmingham as a city region continues its "forward" trajectory, so too does the Hippodrome under the inspiring leadership of our new Artistic Director and CEO, Jon Gilchrist. He leads a talented, energised and committed team of people that I know will build upon our legacy and continue to enrich lives across the region, driving forward the Hippodrome's ambitious cultural programme as it approaches its 125th year.

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Glenn Howells
Chair
Birmingham Hippodrome Theatre Trust

Date: 14 December 2022

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

The Trustees (who are also the directors for the purposes of company law) submit their annual report including the Strategic Report, the Directors' Report and the audited consolidated financial statements of the charitable company ("the company") and its subsidiary undertakings ("the group") for the period ended 2 April 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Birmingham Hippodrome Theatre Trust Limited was established in July 1979 and its constitution is set out in a Memorandum and Articles of Association. The company is limited by shares and is also a registered charity (number 510842). Birmingham Hippodrome Theatre Trust Limited has one trading subsidiary: Birmingham Hippodrome Limited, which was established in June 1981 and which operates Catering and Conference and Events activities and ancillary sales (programmes, merchandise, ice-creams, confectionery and soft drinks) at Birmingham Hippodrome Theatre.

The governing body of the company is a board of non-executive Trustees. During the period, no trustee received travel expenses (2020/21 no trustee received travel expenses). The Trustees of the charitable company during the period were as follows:

M Guest
V Hjärdeng
G Howells
I Kaur
H Millington
A Tonks
A Connors
S Lawes
A Hammond
T Powell
E Lawal

Eight of the Trustees hold one ordinary share in accordance with the qualification required by the company's Articles of Association.

The Trust complies with the Charity Commission Code for the Voluntary and Community Sector "Good Governance".

The Trustees, as required by charity law, have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the Charity's aims and objectives, and while deciding what activities the Charity should undertake.

Trustees are appointed by the Board to serve a three year term with a maximum of three terms, except in exceptional circumstances where the Board agrees otherwise. Trustees are selected by the Board based on their skills, knowledge and experience.

The responsibilities of the Board in respect of the preparation of the financial statements are set out on page 18.

New Trustees meet with the Executive Team and receive a comprehensive Induction Pack which comprises:

- Company Information - history, organisation chart, mission statement and future programme;
- Governing Documents - Memorandum and Articles of Association and the operating agreement between the Hippodrome, Birmingham Royal Ballet and DanceXchange, both resident in the Hippodrome building;
- Directors' responsibilities – Directors' job description, terms of reference, code of conduct for Directors, Charity Commission guidance on the Responsibilities of Charity Trustees, a copy of the Charities SORP, risk assessments, safeguarding training and the Trust's health and safety policy;
- Committee Terms of Reference – as appropriate;

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- Financial and legal information – latest annual reports/ accounts, Board papers, including management accounts, list of insurances.

The Board meets five times each year and has delegated authority to certain committees which are responsible for certain strategic aspects of management. The Trust's committees comprise:

Finance

The finance committee meets at least twice each year and meets annually with the company's auditors to examine the financial statements and recommend approval to the Board. The committee also reviews the scope and results of the statutory audit and reviews internal controls, the annual budget and the effectiveness of systems for the assessment and management of risk, as well as formally reviewing the risk register twice per year. During the year, A Hammond, H Millington, A Connors and T Powell made up the finance committee with A Hammond acting as Chair.

Remuneration

The remuneration committee meets when necessary to review and approve salary amendments recommended. The responsibilities of the committee include negotiation and review of the salary of the Chief Executive and Senior Directors and approval on behalf of the Board of the annual pay award and specific pay awards above annual award as recommended by the Chief Executive. H Millington, A Connors and A Hammond make up the remuneration committee with H Millington acting as chair.

Nomination

The nomination committee meets when necessary to identify and nominate, for the approval of the Board, candidates to fill board vacancies as and when they arise. When considering an appointment, the committee will evaluate the skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the roles and capabilities required for a particular appointment. The committee will consider candidates from a wide variety of backgrounds and will regularly review the size, structure and diversity of the Board. V. Hjordeng, I Kaur, M Guest and A Tonks make up the nomination committee with A Tonks acting as chair.

Hippocampus

The Hippocampus committee meet at least three times per year to provide scrutiny on any significant capital projects undertaken by the Hippodrome, support the Executive through advocacy and lobbying for the continued improvement of the Hippodrome's immediate surrounding environment and to assist in the tender process for any major developments. M Guest, G Howells and A Tonks make up the Hippocampus Committee with M Guest acting as chair.

Festivals

The festivals committee meets at least twice a year to provide scrutiny, guidance, and support to the Executive through a period of ambitious growth for the festival programme. S Lawes and G Howells make up the festival committee with S Lawes acting as chair.

Safeguarding

The safeguarding committee meets three times per year to provide scrutiny, guidance and support on all matters to do with safeguarding. The committee will ensure those with safeguarding responsibilities are fulfilling their duties and working towards best practice, as well as reviewing all policies and receiving reports covering all safeguarding incidents. H Millington and V Hjordeng make up the safeguarding committee with H Millington acting as chair.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Anti-Racism and Inclusion

The Anti-racism and inclusion committee meet six times per year alongside the staff working group to shape, review and approve EDI policy across the whole organisation. The committee will monitor progress against agreed targets and ensure the organisation maintains best practice within the industry. A Tonks, V Hjordeng, E Lawal and T Powell make up the committee with A Tonks acting as chair.

Accessibility

The Accessibility committee meets four times per year and works to shape, review and approve access and inclusion policy across the whole organisation, maintaining an awareness of best practice in the industry and monitoring progress made against national benchmarks. V Hjordeng makes up the committee and acts as chair.

Management

The Board is responsible for maintaining a sound system of internal control to safeguard the assets of the company and discharges this responsibility for internal controls and budgets through the finance committee. The Finance department constantly reviews the effectiveness of the company's system of internal control and reports regularly to the Board on all aspects including financial, operational and compliance controls. In addition, the rolling programme of internal audits performed by an external consultant provide further assurance to the finance committee.

The Artistic Director & Chief Executive (Fiona Allan until 5 November 2021, Tim Maycock from 5 November 2021) reports to the Board of Trustees which meets six times per annum. The Executive Team of Director of Finance & Planning (Tim Maycock), Director of Audiences and Communications (Chilina Madon), Director of Operations (Mike Bradford), Director of Artistic Programme (Chris Sudworth), Director of Festivals (Graham Callister) reports to The Artistic Director & Chief Executive and may attend Board meetings by invitation. The Executive Team manages and operates the company with managers in each department. An annual budget is presented to and approved by the Board in February each year, having been reviewed in advance by the finance committee. Management accounts in which actual results are compared against budgeted figures are presented at board meetings for the Board to review.

More than 200 staff worked over several departments: the executive, finance and administration, marketing and sales, visitor services, catering, partnerships and events, technical services, learning and participation, productions and festivals. Staff are generally employed on a permanent full- or part-time basis, although flexible workers are employed within information and sales, visitor services and technical services to service the differing requirements of touring productions and varying selling and audience patterns.

Volunteers work alongside Birmingham Hippodrome staff within the visitor services department to enhance the customer experience and to provide additional cover within the auditorium. There are over 50 volunteers who are used at many performances. In addition, volunteers provide invaluable support across the outdoor arts and archive heritage programme; by acting as ambassadors for the theatre. All volunteers are provided with appropriate training as according to the duties required of them. All staff are very grateful for the contribution made by our volunteers.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

OBJECTIVES, AIMS AND REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Birmingham Hippodrome's vision is to create a world-class cultural scene for our region with the Hippodrome firmly centre stage. As the world emerged from the 2020 lockdowns, so too did the venue, increasing the cultural offering to the city in both our on and off stage programmes of work. Reopening the building during a time of uncertainty and ever-changing policies was a huge undertaking, yet our focus on delivering our charitable objectives remained resolute.

- To be renowned for the quality of cultural work we curate and present
- To be a cultural centre for everyone. Age, ethnicity, income, background or ability should not be a barrier to having a cultural experience at the Hippodrome, on or off stage
- To provide all our visitors with a world class experience at each step of the customer journey
- To be the cultural heart of the city – a creative and cultural destination – playing a leading role in Birmingham's economic and cultural development
- To ensure our business has an independent and sustainable future

AIM 1 TO BE RENOWNED FOR THE QUALITY OF CULTURAL WORK WE CURATE AND PRESENT

Throughout 2021/22 the Hippodrome continued to provide both on and off-stage work, across a wide range of genres, appealing to the varied demographics of the city region.

VAN GOGH ALIVE

In May 2021, we reopened our doors, resuming the Van Gogh Alive interactive exhibition that prematurely closed in November 2020. The exhibition ran for six weeks, attracting over 35,000 people. We were also commissioned to lead on Learning and Access for the exhibition's tours in London and Salford and are now the official Learning and Access Partner for the rest of the Van Gogh Alive tour.

ON-STAGE WORK

In August 2021, having been shut for 543 days, we celebrated our reopening for live performance with the musical *Priscilla Queen of the Desert* and an emotional speech from our Artistic Director and CEO - Fiona Allan. Thereafter, we resumed our main stage programme of activity, with seasons of dance, ballet, opera, new and rescheduled musicals as well as our much-loved pantomime. In total, our main stage and Patrick Studio productions played to over 285,000 people.

OFF-STAGE WORK

Within the building we played host to *Verve Festival* for their annual weekend takeover of the Patrick Studio and Thorp Street, attracting audiences live and online. *UniSlam* returned with over 120 young poets taking part in workshops, heats, semi-finals and a grand final. We hosted an insightful panel event around Black British Ballet in partnership with Birmingham Royal Ballet and Oxygen Arts and displayed *Bangladesh Freedom 50* exhibition with Legacy West Midlands and *The City That Spoke To Me*: a celebration of our city's spoken word scene from local photographer and film-maker Paul Stringer.

Our Festivals team continued to deliver a wide programme of activity including Artist Luke Jerram's work *In Memoriam*, a response to the thousands of deaths during the COVID-19 pandemic, presented in Birmingham with BrumYODO.

We collaborated with our partners Bullring Grand Central on the production of Birmingham Weekender, Chinese New Year, B-Side Hip Hop Festival and *Séance* by sonic artists Darkfield. 15 giant inflatable tentacles were also placed in locations across the city including The Rotunda.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

OBJECTIVES, AIMS AND REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

The team also delivered the final CVX Festival programme, a commission by Coventry UK City of Culture 2021 featuring performances by Guz Khan, Circolombia, Graeae Theatre and national grime/drill artists.

With producing partners China Plate, we delivered a community-based Block Party in the gardens of Soho House Museum offering the first taste of 5 of the songs from the musical in development *To The Streets!* alongside three community-based arts projects.

ASSOCIATE COMPANIES

In our re-opening season we supported Associate companies Rosie Kay Dance Company, ZooNation and Motionhouse to premiere and present new works on our main stage; and Aakash Odedra Company presented a 10th anniversary production in the Patrick Studio. We partnered with Sonia Sabri Company and Open Theatre on community engagement and research activities and continued to collaborate with Break Mission on B-Side Festival.

We partnered with Mayflower Southampton and The Lowry, Salford, to support three emerging musical theatre companies – Fat Rascal, Burnt Lemon and The Good Enough Mums Club – through our respective Associate programmes with two new productions developed, presented and toured.

In total, work with our Associate companies engaged with over 50,000 participants and audiences in 2021/22.

AIM 2 TO BE A CULTURAL CENTRE FOR EVERYONE. AGE, ETHNICITY, INCOME, BACKGROUND OR ABILITY SHOULD NOT BE A BARRIER TO HAVING A CULTURAL EXPERIENCE AT THE HIPPODROME, ON OR OFF STAGE.

INCLUSION & ANTI-RACISM

In 2021 we undertook an HR audit, reviewing our recruitment policies and procedures through the lens of equality and diversity. We now advertise to a wider range of people and apply the Rooney Rule - committing us to interviewing those with protected characteristics if they meet the minimum criteria and now accept video submissions and undertake pre-interview open sessions for specific vacancies.

In September 2021 we circulated the results of a listening exercise conducted for past and present employees to feedback on their experiences of inclusion and diversity at the venue. Consequently, we have created a newly established Inclusion and Anti-Racism staff working group, tasked with leading change within the organisation. This group reports to the Inclusion and Anti-Racism Board Sub-Committee which in turn, reports to the main board. Staff Representative meetings were re-established post Covid and our staff Wellbeing Group instated a range of positive changes including hybrid working policies to help provide a better work/life balance. We established an internal team of Mental Health First Aiders and all Senior Management attended Mental Health Awareness Training.

Our Access Forum – Chaired by Trustee Vidar Hjordeng continued to meet, providing valuable insight and feedback to the teams, with a stronger line into the Board.

Over the year we conducted four Relaxed Performances with three additional training sessions, two for a team of 25 volunteers and two for our Visitor Service Assistants, which included a bespoke session run by the team at Disney for their production of *Beauty and the Beast*.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

OBJECTIVES, AIMS AND REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

OUR WORK WITH YOUNG PEOPLE

In Autumn 2021 we joined forces with Creative Alliance to pilot a scheme with 6 apprentices working in three department, developing opportunities and pathways for people to start a career in the arts.

We launched our Young Advocates programme, made up of 16 young people aged 14-22 who help shape the future of the Hippodrome's work. We also held our first Young Community Drop-In day, welcoming 60 14+ year olds to the venue.

The Hippodrome Education Network programme expanded to 36 schools, employing two additional artists in order to meet demand for weekly in-school provision.

In total the Learning and Participation team worked with over 27,500 individuals with over 73,000 separate interactions.

AIM 3 TO PROVIDE ALL OUR VISITORS WITH A WORLD CLASS EXPERIENCE AT EACH STEP OF THE CUSTOMER JOURNEY.

REOPENING OUR BUILDING

Initially, performances were put on sale as socially distanced, but were quickly opened up to full capacity whilst always keeping customers aware of our changing plans.

At the beginning of December, we announced a change to our Covid policy for visitors, requiring them to demonstrate proof of vaccine, immunity or exemption, reinforcing our policy on mask wearing.

Disney's Beauty and the Beast went on sale in Autumn 2021 encouraging audiences to make their first post-lockdown bookings to the theatre. The production opened in March 2022 to packed out houses, playing to over 50,000 people over a four-week period. We used the opening of this iconic production to re-launch the press nights that we were so well known for pre-Covid.

Rescheduled productions for the period including Birmingham Royal Ballet's *Nutcracker* and *SIX the Musical*, retained the majority of their audiences from the original 2020 dates and over the financial year we welcomed over 285,000 people through our doors for staged events whilst also providing an extensive festival, educational and participatory programme of work. 90% of surveyed audiences agreed or strongly agreed that Birmingham Hippodrome offered a programme with broad appeal.

PANTO RETURNS TO BIRMINGHAM

Goldilocks and the Three Bears brought pantomime back to the city in spectacular fashion, playing to audiences of 88,000. On Christmas Day, leading actor Matt Slack was confirmed Covid positive. The teams worked closely with production company Crossroads to source a replacement, Johnny Mac who opened the show less than 48 hours later to standing ovations and critical acclaim. Whilst Boxing Day performances were cancelled, the venue and production teams worked tirelessly to ensure that customers were well looked after, doing everything possible to minimise the risk of further cancellations.

Despite the last-minute upheaval for customers, 95% rated our customer facing teams as either Good or Brilliant.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

OBJECTIVES, AIMS AND REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

BUILDING WORKS

We completed the project to install a new set of doors on Inge Street, primarily to enable future development of our foyer spaces, supporting accessibility and customer flow. The work was principally funded in 2020 by Greater Birmingham and Solihull Local Enterprise Partnership.

AIM 4 TO BE THE CULTURAL HEART OF THE CITY – A CREATIVE AND CULTURAL DESTINATION – PLAYING A LEADING ROLE IN BIRMINGHAM’S ECONOMIC AND CULTURAL DEVELOPMENT.

COMMONWEALTH INVOLVEMENT OVER 2021/22

During 2021/22 we negotiated and secured positioning and partnerships with Birmingham 2022 Festival, the six-month cultural programme wrapped around the Commonwealth Games. Through building new and expanded partnerships with local independent producers China Plate, Verve Festival and Soul City Arts – as well as aligning our key annual festivals, a broadcast takeover with the BBC and an exciting new relationship with Rambert Dance to co-produce *Peaky Blinders* for the stage - we were able to secure our position as a central thread of the city’s cultural offering in this significant year for the region.

Delivery within this period included: workshop weeks on script and music, the start of three community-based projects, a Block Party for *To The Streets* (with China Plate); project and production design workshops for *Waswasa* (with Soul City Arts); and pre-production, design and launch for *Peaky Blinders*.

CULTURAL DESTINATION

In 2021/22, Birmingham Hippodrome continued to play its part in driving the visitor economy, bringing culture to the heart of Birmingham. 87% of surveyed respondents said that *Birmingham Weekender* produced with Bullring Grand Central gave them a sense of pride in the city and 83% said it improved and enhanced the public spaces and streets where it took place.

5% of visitors to the Hippodrome used their visit for an overnight stay with 77% of those visitors booking into hotels, B&B’s or hostels. 77% of surveyed visitors believed that the organisation leads the way for culture in the region.

REGIONAL ARTIST DEVELOPMENT

Following a thorough consultation period, the Hippodrome Creatives initiative was launched in October, responding to the needs of local and regional artists and creatives seeking to develop their practice. The Creatives Card offers free rehearsal space, support, social events and discounts. It received over 200 sign ups in the first week following its launch.

Programming of local creatives across our stages increased significantly, with over 50% of the work featured in our spring 2022 brochure being made in the Midlands. We provided regular workshop space for two local performer training programmes supporting minoritised creatives and started new partnerships with leading national theatre companies nurturing global majority artists, Talawa, Tamasha and New Earth.

REGIONAL AND INDUSTRY LEADERSHIP

Until her departure in November 2022, Artistic Director and CEO, Fiona Allan was the Chair of the West Midlands Tourism Board, President of industry association - UK Theatre and a Director at West Midlands Growth Company. Members of the Senior Team also continued to sit on local and industry boards including the local Southside Business Improvement District, the Cultural Leadership Board for West Midlands Combined Authority and Outdoor Arts UK. These connections helped ensure that the venue remained well networked across the city and sector. Former Board Chairman and Special Board Advisor– John Crabtree MBE was Chairman of the Birmingham 2022

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

OBJECTIVES, AIMS AND REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Commonwealth Games and Trustee Harj Millington, sat on the United by 2022 Legacy Charity for the Commonwealth Games.

AIM 5 TO ENSURE OUR BUSINESS HAS AN INDEPENDENT AND SUSTAINABLE FUTURE

BOARD

In March 2022 the venue confirmed the appointment of Elizabeth Lawal to the Board of Trustees. Elizabeth has helped diversify the experience and breadth of voices on the board as a firm believer in the power of creativity, tech, innovation, doughnut economics and social good.

RESIGNATION OF ARTISTIC DIRECTOR AND CEO – FIONA ALLAN

In August, we announced the resignation of Artistic Director and Chief Executive, Fiona Allan, who was leaving to undertake the position of Chief Executive Officer at Opera Australia.

Fiona joined Birmingham Hippodrome in 2015, overseeing a significant period of development for the venue. During this time we doubled the number of people we reached through live performance, education programmes, festivals and visual arts to over 1 million annually.

The board appointed firm Saxton Bampfylde to lead a search for Fiona's successor and in December, announced the successful recruitment of Jon Gilchrist to the role of Chief Executive Officer and Artistic Director. Jon started in his post in April 2022.

HR, RECRUITMENT

Reopening the venue required a large-scale recruitment drive with 197 new people joining the teams over the financial year. 32 of those recruited were placed in permanent roles, marking a 16% increase for the venue since closing. We rebuilt our teams to better reflect the demographics of the city, increasing the percentage of global majority staff members from 10% to 19%.

In March 2022 we employed Director of People and Culture – Ruth Power to the Senior Team, recognising the need to develop a long term, consistent people strategy, embedding the principles of inclusion and diversity across all departments.

ENVIRONMENTAL

In November, Birmingham Hippodrome was reaccredited with the ISO14001, demonstrating compliance in environmental management. Our Green Team – made up of staff from within the organisation reconvened post-Covid identifying ways in which we could reduce waste, our carbon footprint as well as energy consumption. We continued to convert our lighting to LED and reduced wastage on printed material by converting to e-tickets and cutting levels of show print in the building.

A review of our building functions resulted in a decision to install solar panels on our roof, due for installation in Autumn 22.

PUBLIC FUNDRAISING, PHILANTHROPY, LEGACIES, MEMBERSHIPS AND EVENTS

On reopening for live performance at the end of August 2021, we adjusted our public campaign from our emergency funding campaign *Help the Show Go On* to *Arts Matter!* Still ongoing, the new campaign emphasises the importance and impact of the arts in everyone's lives. Over the period, funds raised across the two schemes from supporters, audiences and the local business community totalled more than £55,800.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

OBJECTIVES, AIMS AND REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

In December we participated once again in the nationwide Big Give Christmas Challenge in support of our Hippodrome Education Network, attracting charity champion support from The Reed Foundation and exceeding its fundraising target of £25,000.

The venue continued to develop relationships with high-net-worth individuals who are aligned with our ambitions and have a passion for theatre and our wider charitable work. Several made generous donations to support our youth programme and co-productions.

Membership of the 1899 Club monthly individual giving scheme remained stable and generated £3,000 with scope for expansion. The Patron membership scheme overall retained a healthy membership with several upgrades and new members, with a total membership of 78. 680 Friends memberships were retained over the period.

The Name a Seat initiative remained in place to attract donations from theatre fans choosing to commemorate family members or special occasions with a seat plaque.

GRANT AWARDS FROM TRUSTS AND FOUNDATIONS

Birmingham Hippodrome received a substantial grant from the Arts Council England Capital Investment Programme, to improve the accessibility to the venue for those with an access requirement. £150k was also granted to our Festivals programme of work with additional support from Birmingham City Council and Coventry '21 each providing £100k.

Through coordinated approaches with co-producer China Plate, B2022 granted £150k for the development of new musical - *To The Streets*, with an additional £99k received from Arts Council England to the Hippodrome for an accompanying Community Company and funding for Midlands based Associate roles.

Similarly, £400k was granted by Arts Council England through Leicester Curve for the tour of our award-winning co-production of *The Color Purple* which took place in Autumn 2022.

HSBC Community Fund continues to be the major supporter for our Accessible and Relaxed Performances programmes.

We continued to attract support from grant-awarding bodies for a range of our projects, with a number of successful applications to local Trusts and Foundations, principally from W A Cadbury Trust, the Eveson Charitable Trust and the Saintbury Trust in support of Hippodrome Young Advocates and Young Community, our Special Educational Needs work experience programme, d/Deaf awareness training for staff and the Hippodrome Education Network.

CORPORATE

Our Corporate membership scheme welcomed two new businesses, Wilson Brook Consulting and Voice Fostering, upgrades from BE Wedge Group and Lockton. Other long-standing supporters renewed memberships with the scheme generating approximately £70k. As a new initiative the team introduced a programme of corporate volunteering alongside our Relaxed Performances, Festivals and Young Advocates programme which attracted interest from a range of corporate supporters.

The re-launch of the fundraising event programme was announced, achieving an advance sell-out for the first night of new dance theatre work, Rambert Dance in *Peaky Blinders* and we welcomed stakeholders and supporters to receptions at our major Relaxed Performances and alongside *Matthew Bourne's Nutcracker!*

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT

Financial Review

The results for the period are shown in the consolidated statement of financial activities on page 22, and the financial position at year end is shown in the consolidated balance sheet on page 24.

During the financial year on the main stage, we presented 239 live performances after reopening on 31 August 2021 (2020/21: Nil) attended by 285,855 patrons (total attendance (2020/21: 28,073) with paid capacity of 67% (2020/21: 54%).

Total ticket sales were £8,502,000 (2020/21: £168,000).

Sales by art form were as follows:

	Performances		Tickets Sold		Show Contribution	
	2022	2021	2022	2021	2022	2021
Musicals	29%	0%	41%	0%	35%	0%
Pantomime	30%	0%	27%	0%	33%	0%
Ballet	20%	0%	21%	0%	21%	0%
Other Dance	6%	0%	4%	0%	3%	0%
Opera	2%	0%	1%	0%	1%	0%
Other events	12%	100%	8%	100%	8%	100%

Birmingham Hippodrome's result for the year was an unrestricted deficit of £756,000 compared to a budgeted deficit of £740,000 (2020/21: £35,000 compared to a budgeted surplus of £225,000).

A deficit of £1,651,000 (2020/21: deficit of £2,108,000) has been achieved on unrestricted funds, and a surplus of £468,000 (2020/21: surplus of £1,819,000) has been achieved on restricted funds in the period before transfers.

As set out in Note 3 to the financial statements, the majority of the group's and charity's income is derived from the sale of theatre tickets, however in 2020/21 income from the Coronavirus Job Retention Scheme and the Arts Council England's Cultural Recovery Fund were the main sources of income due to the pandemic.

The results of the trading subsidiary, Birmingham Hippodrome Limited are set out in Note 22 to the financial statements. The covenanted payment from Birmingham Hippodrome Limited was £Nil (2020/21: £ Nil).

Group bank interest in the year was £50,000 (2020/21: £47,000).

Key Performance Indicators

During the year there were 235 individual performances in the main auditorium (2020/21: Nil*) with capacity achieved of 66% (2020/21: 54%).

*Van Gogh Alive was a digital art exhibition with no set performance times

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

Staff Development

With a reopening date confirmed in early summer 2021 there was a co-ordinated effort to re-recruit the staff needed to return to full operational capacity. With limited time, new staff members were put through an intensive induction programme to ensure the high standards achieved in the past were upheld. Notwithstanding this time of change, there has been continued focus on maintaining the development and ensuring the wellbeing of staff members. A dedicated wellbeing working group, who are tasked with highlighting wellbeing issues among staff, has been active with a number of initiatives implemented over the year. Staff have adapted well to a hybrid model of working, with no fixed expectation of time to be spent in the office. Teams are left to decide when and how often they visit the office, with no loss of productivity noted, and an increase in engagement across the staff body.

Gender Pay

All employees at Birmingham Hippodrome in the same role are paid the same. However, due to the impact of the restructure carried out in response to the pandemic the gender pay gap according to the official measure comparing the median male and female employee has decreased to 15.2% (2020/21 10.9%). This increase is primarily due to the unusual circumstances created by the pandemic meaning we employed many fewer flexible workers over the course of the year, and those that did remain were paid less due to the limited nature of the work we were able to present. We expect the gender pay gap to revert to its previous position over the next 12 months.

Birmingham Hippodrome's mean gender pay gap is 6.8% (2020/21: 6.2%).

Hourly earnings fall into the following quartiles

Salary Quartile	Male	Female
£16.10 per hour or more	44%	56%
£12.88 to £16.09	58%	42%
£9.66 to £12.	56%	44%
Less than £9.66	34%	66%

Fundraising

- Our fundraising is managed by an expanded team of three dedicated employees, under the Director of Marketing & Sales, supported by the Theatre Trustees. Where relevant, we work with freelance fundraisers from time to time, and these are always subject to references and the relevant contracts being in place.
- During 2021/22 we were registered with the Fundraising Regulator (<https://www.fundraisingregulator.org.uk>) and are signed up to the Fundraising Code of Practice.
- Our Fundraising Complaints policy is published at the following web address and there were no complaints received during the year. <https://www.birminghamhippodrome.com/giveandjoin/fundraising-complaints/>

Environmental Management

We continued to ensure full compliance with our ISO 14001 Environmental Management standard accreditation. An annual review of our Environmental Management System, and our updated policy statement, along with actions for 2021/22, was completed and we passed a further surveillance audits.

Our overall daily gas and electricity usage has increased versus last year, mainly due to the building being mainly shut during 2020/21. The majority of the energy saving actions have now been implemented with major capital expenditure required to achieve further material savings.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

Environmental Management (continued)

Our total energy usage over the last 14 years, (excluding the period of closure) has continued to drop:

Electricity	- 45.1%
Gas	- 51.8%

Review of Risks

On an ongoing basis the Board reviews the major risks to which the Trust is exposed, and systems have been established to manage these risks. Internal risks are minimised by the implementation of procedures for authorisation and monitoring of all transactions, and potential external risks to future income levels and the availability of product are addressed by the Senior Management and the Board of Trustees.

The Trust has a Strategic Business Plan with aims, objectives and key performance indicators which are monitored to ensure the effective delivery of the plan and the management of risk.

Following a high-level review of risk and the assurance framework, the Trustees consider that the major risks facing the Charity are:

- Continuation of the restrictions due to the Coronavirus pandemic
- IT resilience and cyber security;
- Terrorism and physical security;
- Macro-economic climate.

The Internal Audit programme has completed the first full cycle of audits, which prioritised assurance requirements based on key risks, carrying out reviews of corporate governance (encompassing decision-making arrangements, delegations of authority and risk assessment as well as ensuring clarity and appropriateness of the roles and responsibilities of the Board and its sub-committees), IT resilience and cyber security. A full review of the financial control environment and box office procedures and HR/payroll has also taken place.

All recommendations from these internal audits for improvements have been or are in the course of being implemented.

Financial sustainability continues to be a focus area for the Trust and its subsidiary. A key element in the management of financial risk is via a reviewed reserves policy for the Trust, and retention of sufficient working capital in Birmingham Hippodrome Limited.

Reserves Policy

Restricted funds represent the capital funding received for the refurbishment of the Hippodrome Theatre and reduce annually due to the amortisation of capital grants relating to leasehold improvements.

Unrestricted funds are £3,594,000 for the Group (2020/21: £4,350,000) and £3,614,000 for the Company (2020/21: £4,517,000).

Unrestricted non-designated funds were £1,933,000 at April 2021 (April 2020: £2,108,000) which was decreased by the unrestricted deficit of £756,000 (2020/21: deficit of £35,000) and then was reduced by £140,000 (2020/21: £140,000) transferred to designated funds. Transfers from designated funds were £Nil (2020/21: £Nil), leaving a balance of £1,037,000 (2020/21: £1,933,000) in unrestricted non-designated funds as at year end.

The Board regularly considers the Repairs & Maintenance liabilities of the Trust in order to ensure that sufficient funds are set aside annually to meet the Trust's repairs & maintenance obligations (over a twenty-five-year period) under the lease with Birmingham City Council, as funds allow. Following an Audit Committee review in November

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

2012, Trustees approved an ongoing annual allocation of £140,000 per annum as sufficient in current circumstances, which also takes into account non-reclaimable VAT on repairs reserve expenditure.

The Trust's reserves policy requires the Trust to make a surplus over time and the target range of unrestricted non-designated reserves is £1m-£3m to cover working capital fluctuations.

Birmingham Hippodrome Theatre Trust maintains unrestricted reserves to sustain the long-term success of the organisation.

The Trustees appreciate the careful balance required in continuing investment in building maintenance and improvements, whilst protecting against fluctuations in audience demand and the flow of appropriate repertoire from external producers, alongside the challenge of growing artistic opportunities. In addition to the growing investment in staffing for activity providing public benefit, the Trust provides a ring-fenced core budget for Hippodrome Projects which we supplement with fundraising from supporters.

With total weekly overheads of around £125,000, and further investment plans at early stages of development, we confidently believe our reserves will continue to be maintained at an appropriate level for an organisation of our size and type.

Treasury Policy

The funds available for the Trust to invest are advance box office receipts and the Repairs, Programming and Production Investment Reserve balances. To retain flexibility and availability of these funds, the Trust's current account monies are transferred daily to higher rate call accounts, taking account of beneficial interest rates. The Trust also uses short-term fixed interest money market deposit accounts to maximise interest received and these mature on a rolling basis to ensure availability of funds. The Board has approved a policy whereby only UK owned banks with a minimum AA credit rating are used and money market deposits are split over a minimum of three different institutions. No other investment vehicle is used.

Birmingham Hippodrome Limited

The profit in the trading subsidiary for the period was £152,000 (2020/21: loss £173,000) and the full amount of £Nil (2020/21: £ Nil) was paid under deed of covenant to the parent undertaking.

Birmingham Hippodrome Limited (BHL) restructured in 2016 and comprises the Catering, Business Development, Consultancy and Visitor Services departments.

Fixed Assets

Movements in tangible fixed assets are set out in Note 11 to the financial statements.

Trustee Liability Insurance

Birmingham Hippodrome Theatre Trust Limited holds Trustee liability insurance on behalf of Directors and Officers at a cost of £3,661 (2020/21:£2,469).

Taxation Status

The company is a registered charity, and under the provisions of Section 505 of the Income and Corporation Taxes Act 1988, is exempt from liability to taxation in respect of its charitable activities.

Birmingham Hippodrome Theatre Trust Limited

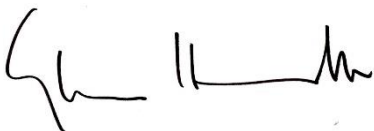
REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

Statement As To Disclosure Of Information To Auditors

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

The Report of the Trustees, incorporating the Strategic Report, is approved by and signed on behalf of the Board



Glenn Howells – Chair
Date: 14 December 2022

Birmingham Hippodrome Theatre Trust Limited

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The trustees (who are also directors of Birmingham Hippodrome Theatre Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 adequate 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 financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM HIPPODROME THEATRE TRUST LIMITED

Opinion

We have audited the financial statements of Birmingham Hippodrome Theatre Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 2 April 2022 which comprise the Consolidated Statement of Financial Activities, the Income and Expenditure Account, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 2 April 2022 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 prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' 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 the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' 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:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM HIPPODROME THEATRE TRUST LIMITED (CONTINUED)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end.

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

Use of our report

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

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

Date: 19 December 2022

Birmingham Hippodrome Theatre Trust Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the 53 week period ended 2 April 2022

		53 week period ended 2 April 2022			52 weeks ended 27 March 2021
	Notes	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
INCOME FROM:					
Donations	2	90	814	904	623
Charitable activities	3	10,178	612	10,790	6,293
Other trading activities	4	1,440	-	1,440	117
Investments	5	50	-	50	47
TOTAL		11,758	1,426	13,184	7,080
EXPENDITURE ON:					
Raising funds	6	1,134	-	1,134	285
Charitable activities	6	12,275	958	13,233	7,084
TOTAL		13,409	958	14,367	7,369
NET EXPENDITURE	8	(1,651)	468	(1,183)	(289)
Transfers between funds	19	895	(895)	-	-
NET MOVEMENT IN FUNDS		(756)	(427)	(1,183)	(289)
RECONCILIATION OF FUNDS:					
Fund balances brought forward		4,350	30,008	34,358	34,647
Fund balances carried forward		3,594	29,581	33,175	34,358

Birmingham Hippodrome Theatre Trust Limited

INCOME AND EXPENDITURE ACCOUNT

for the 53 week period ended 2 April 2022

	<i>53 week period ended 2 April 2022 £'000</i>	<i>52 week period ended 27 March 2021 £'000</i>
Gross income of continuing operations	13,184	7,080
Total expenditure of continuing operations	(14,367)	(7,369)
Net movement in funds for the period	(1,183)	(289)
Amortisation of capital grants	895	895
Net (expenditure)/income	(288)	606

- Net expenditure of £288,000 in the period (2020/21: net income of £606,000) comprises £756,000 deficit from unrestricted funds (2020/21: deficit of £35,000) and £468,000 surplus from restricted funds (2020/21: surplus £641,000).
- The £756,000 unrestricted deficit (2020/21: £35,000 deficit) is net of planned repairs and maintenance with a value £Nil (2020/21: £Nil) funded from reserves set aside for this purpose.
- Total income comprises £11,758,000 (2020/21: £2,756,000) from unrestricted funds and £1,426,000 (2020/21: £4,324,000) from restricted funds. A detailed analysis of income by source is provided in the Consolidated Statement of Financial Activities.
- Income from non-charitable trading activities amounted to £1,252,000 (2020/21: £49,000). A detailed analysis of the subsidiary's trading results is shown in Note 22.
- Detailed analysis of the expenditure is provided in the Consolidated Statement of Financial Activities and Note 6.
- The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 22 which, together with the notes to the accounts on pages 26 to 46 provides full information on the movements during the period on all the funds of the group.
- All income and expenditure derive from continuing activities.

The above income and expenditure account adds back the £895k amortisation of capital grants, as this ordinarily would have been matched with the release of the grant to expend on leasehold improvements in accordance with section 24 of FRS 102, but not permitted under charity SORP (FRS 102).

Birmingham Hippodrome Theatre Trust Limited

BALANCE SHEETS

As at 2 April 2022

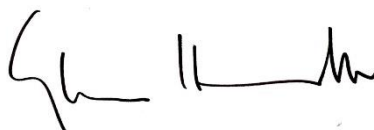
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	Note	Group		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Intangible assets	10	45	79	45	79
Tangible assets	11	30,335	30,928	30,294	30,882
Investments	12	-	-	-	-
		<u>30,380</u>	<u>31,007</u>	<u>30,339</u>	<u>30,961</u>
CURRENT ASSETS					
Stock		36	71	-	-
Debtors	13	1,643	2,045	2,682	2,369
Short term deposits		4,211	4,128	4,211	4,128
Cash at bank and in hand		14,694	6,071	13,524	5,914
		<u>20,584</u>	<u>12,315</u>	<u>20,417</u>	<u>12,411</u>
CREDITORS:					
Amounts falling due within one year	14(a)	(15,622)	(8,964)	(15,394)	(8,847)
Amounts falling due over one year	15	(2,167)	-	(2,167)	-
		<u>2,795</u>	<u>3,351</u>	<u>2,856</u>	<u>3,564</u>
NET CURRENT ASSETS					
		<u>2,795</u>	<u>3,351</u>	<u>2,856</u>	<u>3,564</u>
NET ASSETS					
		<u><u>33,175</u></u>	<u><u>34,358</u></u>	<u><u>33,195</u></u>	<u><u>34,525</u></u>
REPRESENTED BY					
RESTRICTED FUNDS					
	18	29,581	30,008	29,581	30,008
UNRESTRICTED FUNDS					
Share capital	17	-	-	-	-
Non designated	19a	1,037	1,933	1,057	2,100
Designated	19b	2,557	2,417	2,557	2,417
		<u>3,594</u>	<u>4,350</u>	<u>3,614</u>	<u>4,517</u>
		<u><u>33,175</u></u>	<u><u>34,358</u></u>	<u><u>33,195</u></u>	<u><u>34,525</u></u>

Net movement in funds for the parent charity was expenditure of £1,332,000 (2020/21: expenditure of £122,000).

The financial statements on pages 22 to 46 were approved by the board on 28 November 2022, and authorised for issue on its behalf by:

G Howells– Trustee
Date: 14 December 2022



Birmingham Hippodrome Theatre Trust Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 53 week period ended 2 April 2022

	<i>Note</i>	2022 £'000	2021 £'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	20	<u>6,823</u>	<u>(3,599)</u>
NET CASH USED FROM OPERATING ACTIVITIES		<u>6,823</u>	<u>(3,599)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest from short term deposits		50	47
Purchase of property, plant and equipment and intangible assets		<u>(667)</u>	<u>(627)</u>
NET CASH USED FROM INVESTING ACTIVITIES		<u>(617)</u>	<u>(580)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		<u>2,500</u>	<u>-</u>
NET CASH USED FROM FINANCING ACTIVITIES		<u>2,500</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		8,706	(4,179)
Cash and cash equivalents at the beginning of the reporting period		<u>10,199</u>	<u>14,378</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		<u><u>18,905</u></u>	<u><u>10,199</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
		2022 £'000	2021 £'000
Cash at bank		14,694	6,071
Short term deposits		<u>4,211</u>	<u>4,128</u>
TOTAL CASH AND CASH EQUIVALENTS		<u><u>18,905</u></u>	<u><u>10,199</u></u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Birmingham Hippodrome Theatre Trust Limited is a charitable company limited by shares and incorporated in England. Its main activities are the presentation of theatrical productions.

The address of the Charity's registered office is Hurst Street, Southside, Birmingham, B5 4TB.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006.

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

In accordance with FRS 102 the Charity has taken advantage of the exemption from the disclosure requirements of Section 7 'statement of cashflows' – Presentation of a Statement of Cashflows.

The Financial Statements are presented in pounds sterling, with figures being rounded to the nearest £'000, except where otherwise stated. Accounts are drawn up to the nearest Saturday to 31 March, with these accounts prepared for a 53 week period (2020/21: 52 week period).

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

BASIS OF CONSOLIDATION

The group accounts consolidate the financial statements of the Charity and its trading subsidiary undertaking Birmingham Hippodrome Limited. Intra-group transactions are eliminated on consolidation. Surpluses and deficits of organisations entering or leaving the group are included from the date of acquisition or up to the date of disposal. All financial statements have been drawn up to 2 April. The charity has taken advantage of the exemption available under CA06 s408, to omit its profit and loss account from the statutory group accounts.

GOING CONCERN

The theatre opened its doors on the 30 August for live performance and has traded successfully to the date of signing. The Trustees have reviewed the level of reserves and forecasts for the next 12 months in the light of the experience through the pandemic and have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing the financial statements.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

INCOME

Income is represented by gross box office receipts and other income generated in furtherance of the objects stated net of value added tax. The charity's income is derived from continuing operations during the current and the previous period. No operations have been acquired during these two periods.

Income from theatre admission fees is included in income from charitable activities in the period in which the relevant show takes place.

Other trading activities

Income from other trading activities is included in the period in which the group is entitled to receipt.

DONATIONS AND GRANTS

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

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in income of restricted funds when receivable.

Capital grants in respect of leasehold improvements are amortised in line with the related assets.

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Interest receivable

Interest is recognised when receivable.

EXPENDITURE

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

- Expenditure on raising funds are those costs incurred in attracting donations, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the staging of productions and educational programmes and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Governance costs are included within support costs.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

TAXATION

The Trust is exempt from paying corporation tax in relation to its charitable activities as it is a registered charity. Birmingham Hippodrome Limited gift aids its taxable profits to the Theatre on an annual basis.

FUND ACCOUNTING

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. They may be designated or non-designated.

Designated funds

The trustees may, at their discretion, set aside unrestricted funds for specific purposes. If no longer required, designated funds are reclassified as non-designated, unrestricted funds.

DEBTORS

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

SHORT TERM DEPOSITS

Short term deposits include cash on deposit with a maturity of less than one year but greater than three months.

CASH AND BANK BALANCES

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

TRADE CREDITORS AND LIABILITIES

Trade creditors and bank loans are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

DEFINED CONTRIBUTION PENSION SCHEME

Pension contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

FINANCIAL INSTRUMENTS

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments per Section 11 of FRS 102, and has chosen to follow Sections 11 and 12 of FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

OPERATING LEASES

The annual operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

INTANGIBLE ASSETS

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Computer software: 5 years

On disposal, the difference between net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets with a value below £1,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:

Long lease premium	Over period of the lease of 125 years
Dance Hub	25 years
Hippodrome Theatre long leasehold improvements	10-50 years
Birmingham Royal Ballet long leasehold improvements	50 years
Computer equipment	3 years
Fixtures, fittings & other office equipment	10 years
IT and Box Office Infrastructure project	5 years

Assets under the course of construction are depreciated from the date of completion.

INVESTMENTS

Investments in subsidiaries are included at cost less impairment, being the cost of the share capital owned.

STOCK

Stock of goods for resale have been included at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The Charity and group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees do not believe there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

1 COMPARATIVE INFORMATION – PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

52 week period ended 27 March 2021

	<i>Unrestricted funds 2021 £'000</i>	<i>Restricted funds 2021 £'000</i>	<i>Total funds 2021 £'000</i>
INCOME FROM:			
Donations	174	449	623
Charitable activities	2,418	3,875	6,293
Other trading activities	117	-	117
Investments	47	-	47
	<hr/>	<hr/>	<hr/>
TOTAL	2,756	4,324	7,080
	<hr/>	<hr/>	<hr/>
EXPENDITURE ON:			
Raising funds	285	-	285
Charitable activities	4,579	2,505	7,084
	<hr/>	<hr/>	<hr/>
TOTAL	4,864	2,505	7,369
	<hr/>	<hr/>	<hr/>
NET EXPENDITURE	(2,108)	1,819	(289)
Transfers between funds	2,073	(2,073)	-
	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS	(35)	(254)	(289)
RECONCILIATION OF FUNDS:			
Fund balances brought forward	4,385	30,262	34,647
	<hr/>	<hr/>	<hr/>
Fund balances carried forward	4,350	30,008	34,358
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

2	DONATIONS	53 week period ended 2 April 2022			52 week period ended 27 March 2021
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
	Creative programme donations	90	814	904	623
		<u>90</u>	<u>814</u>	<u>904</u>	<u>623</u>
		<u><u>90</u></u>	<u><u>814</u></u>	<u><u>904</u></u>	<u><u>623</u></u>
3	CHARITABLE ACTIVITIES	53 week period ended 2 April 2022			52 week period ended 27 March 2021
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
	Theatre tickets	8,502	-	8,502	168
	Booking fee, ticket levy and box office handling charges	1,156	-	1,156	58
	Friends memberships	63	-	63	28
	Fundraising	55	-	55	69
	Coronavirus job retention scheme	367	-	367	2,144
	ACE funding	-	400	400	3,185
	Birmingham City Council	-	100	100	36
	Government grants	35	-	35	-
	Birmingham City Council – Inge Street	-	112	112	605
		<u>10,178</u>	<u>612</u>	<u>10,790</u>	<u>6,293</u>
		<u><u>10,178</u></u>	<u><u>612</u></u>	<u><u>10,790</u></u>	<u><u>6,293</u></u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

4	OTHER TRADING ACTIVITIES	53 week period ended 2 April 2022 Unrestricted funds £'000	52 week period ended 27 March 2021 Unrestricted funds £'000
	Catering, Visitor Services, Consultancy and Business		
	Development income – subsidiary	1,252	49
	Technical services income	89	-
	Sundry income	99	68
		<u>1,440</u>	<u>117</u>
		<u><u>1,440</u></u>	<u><u>117</u></u>
5	INCOME FROM INVESTMENTS	53 week period ended 2 April 2022 Unrestricted funds £'000	52 week period ended 27 March 2021 Unrestricted funds £'000
	Interest from short term deposits	50	47
		<u>50</u>	<u>47</u>
		<u><u>50</u></u>	<u><u>47</u></u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

6 EXPENDITURE

	53 week period ended 2 April 2022			52 week period ended 27 March 2021
	Charitable activities £'000	Raising funds £'000	Total £'000	Total £'000
(a) <i>Direct charitable expenditure</i>				
Fees of visiting companies and artistes	5,188	-	5,188	1
(b) <i>Other expenditure – management and administration of the charity</i>				
Wages and salaries	3,100	-	3,100	3,905
Marketing, friends, sponsorship & creative programming	1,711	4	1,715	694
Customer services & security	126	-	126	65
Technical services	1,119	152	1,271	680
Box office and ticketing	188	-	188	93
Financial and administration	122	-	122	168
Depreciation and amortisation of fixed assets	1,294	-	1,294	1,329
Catering and conference and events	-	955	955	180
Support costs (See note 6 (c))	385	23	408	254
	<u>8,045</u>	<u>1,134</u>	<u>9,179</u>	<u>7,368</u>
TOTAL	<u>13,233</u>	<u>1,134</u>	<u>14,367</u>	<u>7,369</u>
(c) <i>Support costs</i>				
General office costs	156	3	159	92
General financial costs	53	7	60	19
Computer support	96	13	109	98
Governance costs	45	-	45	45
Interest on Coronavirus business interruption loan	35	-	35	-
	<u>385</u>	<u>23</u>	<u>408</u>	<u>254</u>

7 TAXATION

The company, which is a registered charity, is entitled to the exemptions afforded by Part XI, CTA 2010 and S256 TCGA 1992, and so is exempt from taxation on its charitable activities.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

8	NET EXPENDITURE BEFORE TRANSFERS	53 week period ended 2 April 2022 £'000	52 week period ended 27 March 2021 £'000
	Net expenditure are stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	1,260	1,294
	Amortisation of intangible assets		
	- owned	34	34
	Operating lease rentals - equipment and vehicles	22	15
	Auditor's remuneration - audit parent undertaking	24	21
	- audit subsidiary undertakings	6	5
	- accountancy services	9	9
	Charity trustees' liability insurance	4	2
		<u> </u>	<u> </u>

9 STAFF COSTS

Birmingham Hippodrome Theatre Trust employs all staff for the group. Staff costs recharged to the trading subsidiary, Birmingham Hippodrome Limited amounted to £443,663 (2020/21: £86,725).

	53 week period ended 2 April 2022 £'000	52 week period ended 27 March 2021 £'000
Wages and salaries	3,785	3,649
Social security costs	313	260
Pension costs	115	97
	<u> </u>	<u> </u>
	4,213	4,006
	<u> </u>	<u> </u>

Included within wages and salaries is £Nil of redundancy costs (2021: £150,000).

Pensions costs are allocated to activities in proportion to employee time spent and are wholly charged to unrestricted funds.

None of the directors received any remuneration from the charity during the period (2020/21: none). No Trustee (2020/21: None) was reimbursed travel expenses (2020/21: £Nil). One trustee was reimbursed general expenses of £40 (2020/21: £Nil).

The total compensation including employer's national insurance and pension contributions payable to key management personnel of the group and charity was £585,866 (2020/21: £616,771).

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

9 STAFF COSTS (continued)

AVERAGE NUMBER EMPLOYED	Number 2022		Number 2021	
Average number of staff/ (full time equivalents):				
Administration	43	(42)	35	(34)
Production and selling				
- permanent	82	(80)	57	(54)
- temporary	280	(106)	54	(31)
	<u>405 (228)</u>		<u>146 (119)</u>	
NUMBER OF EMPLOYEES WHOSE EMOLUMENTS EXCEEDED £60,000	Number 2022		Number 2021	
£60,001 - £70,000	2		3	
£70,001 - £80,000	2		-	
£80,001 - £90,000	1		1	
£90,001 - £100,000	1		-	
£100,001 - £110,000	-		1	
£110,001 - £120,000	1		-	
£120,001 - £130,000	-		1	
	<u> </u>		<u> </u>	

Pension costs for the period for higher paid staff totalled £26,721 (2020/21: £22,964).

Visitor Services Volunteers assist with the welcoming of audiences to the theatre. This includes checking audience tickets entering the auditorium, assisting customers where required and assisting with the evacuation of audience if required. The Volunteers are requested to work at least one shift every six weeks and attend an annual training session in which they go through the evacuation procedure. They make no contribution to the pension scheme.

10 INTANGIBLE FIXED ASSETS	Computer Software	Total 2022
GROUP AND CHARITY	£'000	£'000
COST		
27 March 2021 and 2 April 2022	148	148
	<u> </u>	<u> </u>
AMORTISATION		
27 March 2021	69	69
Charge for period	34	34
	<u> </u>	<u> </u>
2 April 2022	103	103
	<u> </u>	<u> </u>
NET BOOK VALUE		
2 April 2022	45	45
	<u> </u>	<u> </u>
27 March 2021	79	79
	<u> </u>	<u> </u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

11 TANGIBLE FIXED ASSETS

GROUP	<i>Assets under the course of construction</i> £'000	<i>Dance hub</i> £'000	<i>Long lease premium</i> £'000	<i>Hippodrome Theatre long leasehold improvements</i> £'000	<i>Birmingham Royal Ballet long leasehold improvements</i> £'000	<i>Fixtures, Fittings and equipment</i> £'000	<i>IT infrastructure</i> £'000	<i>Total</i> £'000
COST								
27 March 2021	412	4,148	5,001	33,441	4,211	3,582	883	51,678
Additions	484	1	-	-	-	175	7	667
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2 April 2022	896	4,149	5,001	33,441	4,211	3,757	890	52,345
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
DEPRECIATION								
27 March 2021	-	290	778	13,453	2,967	2,578	684	20,750
Charge for period	-	166	40	770	41	186	57	1,260
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2 April 2022	-	456	818	14,223	3,008	2,764	741	22,010
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NET BOOK VALUE								
2 April 2022	896	3,693	4,183	19,218	1,203	993	149	30,335
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
27 March 2021	412	3,858	4,223	19,988	1,244	1,004	199	30,928
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

11 TANGIBLE FIXED ASSETS (continued)

Under the terms of the property lease agreement granted on 1 April 1999, the charity cannot assign, underlet, charge or dispose of the theatre premises or any part thereof, except under specific circumstances detailed in the lease agreement. Furthermore, under the terms of the lease agreement, the company is restricted to using the theatre premises for live stage plays, operas, ballet performances, concerts, other entertainments and necessary ancillary activities. Charges over the charity's leasehold property have been registered as a condition of a £4.35m grant in favour of Birmingham City Council received in 2007 and a £1.35m grant received in 1998, both expiring on 30 April 2023.

CHARITY

	<i>Assets under the course of construction £'000</i>	<i>Dance hub £'000</i>	<i>Long lease premium £'000</i>	<i>Hippodrome Theatre long leasehold improvements £'000</i>	<i>Birmingham Royal Ballet long leasehold improvements £'000</i>	<i>Fixtures, fittings and equipment £'000</i>	<i>IT infrastructure £'000</i>	<i>Total £'000</i>
COST								
27 March 2021	412	4,148	5,001	33,441	4,211	3,086	883	51,182
Additions	484	1	-	-	-	160	7	652
	<u>896</u>	<u>4,149</u>	<u>5,001</u>	<u>33,441</u>	<u>4,211</u>	<u>3,246</u>	<u>890</u>	<u>51,834</u>
DEPRECIATION								
27 March 2021	-	290	778	13,453	2,967	2,129	683	20,300
Charge for period	-	166	40	770	41	167	56	1,240
	<u>-</u>	<u>456</u>	<u>818</u>	<u>14,223</u>	<u>3,008</u>	<u>2,296</u>	<u>739</u>	<u>21,540</u>
NET BOOK VALUE								
2 April 2022	896	3,693	4,183	19,218	1,203	950	151	30,294
27 March 2021	412	3,858	4,223	19,988	1,244	957	200	30,882

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

12 FIXED ASSET INVESTMENTS

Subsidiary undertakings

The charity holds two £1 ordinary shares of Birmingham Hippodrome Limited (company registration: 01545498) at a historic cost of £1 each, which represents the entire allotted share capital of Birmingham Hippodrome Limited, a company which has trading receipts and profits from the Theatre's bars and catering operations and whose profits are covenanted annually to Birmingham Hippodrome Theatre Trust Limited. Birmingham Hippodrome Limited is incorporated in England and its registered address is the same as that of the parent charity given on page 1. Details of the subsidiary's trading results for the period are set out in Note 22.

13 DEBTORS	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts owed within one year:				
Trade debtors	634	436	519	355
Amounts due from Birmingham Hippodrome Limited (see Note 22)	-	-	1,176	414
Other debtors	140	85	137	85
Amounts due from related parties	18	8	-	-
Prepayments and accrued income	851	1,516	850	1,515
	<u>1,643</u>	<u>2,045</u>	<u>2,682</u>	<u>2,369</u>

14 CREDITORS	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
(a) AMOUNTS FALLING DUE WITHIN ONE YEAR:				
Trade creditors	1,515	423	1,463	416
Other taxation and social security	517	138	517	138
Other creditors	1,438	1,777	1,264	1,669
Bank borrowings	333	-	333	-
Accruals	1,653	171	1,651	169
Deferred income (note 14b)	10,166	6,455	10,166	6,455
	<u>15,622</u>	<u>8,964</u>	<u>15,394</u>	<u>8,847</u>

(b) DEFERRED INCOME	Group	Charity
	£'000	£'000
Balance as at 27 March 2021	6,455	6,455
Amount released to income	(6,455)	(6,455)
Amount deferred in period	10,166	10,166
	<u>10,166</u>	<u>10,166</u>
Balance as at 2 April 2022	10,166	10,166

Deferred income comprises advance box office receipts.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

15	CREDITORS: after one year	Group		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
	Bank borrowings	2,167	-	2,167	-
16	BORROWINGS				
		Group		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
	Bank borrowings	2,500	-	2,500	-
	Payable within one year	333	-	333	-
	Payable after one year	2,167	-	2,167	-

On 28 April 2021, the company entered into a loan under the Coronavirus Business Interruption Loan Scheme with Lloyds Bank for an amount totalling £2,500,000. The loan is secured over the assets of the charity and carries an interest rate of 2.0 % plus base rate . The first repayment instalment was made in August 2022 and the final instalment is due in May 2024.

17	SHARE CAPITAL	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
	<i>Allotted, called up and fully paid</i>				
	Ordinary shares of £1 each	8	8	8	8

Eight directors of the company hold 1 ordinary share in accordance with the qualification required by the Articles of Association. No person may hold any share in the capital of the company unless he is a director of the company.

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

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

18 RESTRICTED FUNDS (GROUP AND CHARITY)

- (a) The income funds of the group include restricted funds comprising the following unexpended balances of donations and grants held to be applied for specific purposes.

2022	Balance at 27 March 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance at 2 April 2022 £'000
Lease premium Hippodrome Theatre	4,223	-	-	(40)	4,183
leasehold improvements Birmingham Royal Ballet	20,008	-	-	(648)	19,360
leasehold improvements First Night	1,253	-	-	(41)	1,212
Creative Programme	8	-	(8)	-	-
grants	-	814	(814)	-	-
Dance Hub	3,875	-	-	(166)	3,709
Birmingham City Council	36	100	(136)	-	-
Birmingham City Council – Inge street	605	112	-	-	717
ACE funding	-	400	-	-	400
	<u>30,008</u>	<u>1,426</u>	<u>(958)</u>	<u>(895)</u>	<u>29,581</u>
	<u><u>30,008</u></u>	<u><u>1,426</u></u>	<u><u>(958)</u></u>	<u><u>(895)</u></u>	<u><u>29,581</u></u>
2021	Balance at 28 March 2020 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance at 27 March 2021 £'000
Lease premium Hippodrome Theatre	4,263	-	-	(40)	4,223
leasehold improvements Birmingham Royal Ballet	20,656	-	-	(648)	20,008
leasehold improvements First Night	1,294	-	-	(41)	1,253
Creative Programme	8	-	-	-	8
grants	-	498	(498)	-	-
ACE Culture Recovery Fund	-	3,185	(2,007)	(1,178)	-
Dance Hub	4,041	-	-	(166)	3,875
Birmingham City Council	-	36	-	-	36
Birmingham City Council - Inge Street	-	605	-	-	605
	<u>30,262</u>	<u>4,324</u>	<u>(2,505)</u>	<u>(2,073)</u>	<u>30,008</u>
	<u><u>30,262</u></u>	<u><u>4,324</u></u>	<u><u>(2,505)</u></u>	<u><u>(2,073)</u></u>	<u><u>30,008</u></u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

18 RESTRICTED FUNDS (GROUP AND CHARITY) (continued)

The lease premium, Hippodrome Theatre and Birmingham Royal Ballet leasehold improvements funds relate to assets acquired by way of restricted capital grants.

The First Night fund provides discounted tickets for students between the ages of 16 and 23.

Creative Programme grants relate to amounts for specific artistic programmes.

Dance Hub funding has been received to develop a new space providing dance studio facilities to local dance groups and choreographers and office space to house One Dance UK, who have relocated to the Hippodrome.

The Board have entered into an agreement with the Birmingham City Council to receive a grant of £605,000 for a front of house development project in 2021 and a further grant of £112,000 in 2022. The Board have made a commitment to continue £300,000 of unrestricted funds in order to receive this grant. Overall, £896,000 (2020/21 £412,000) has been spent on the project up to the year end, and is included as assets under the course of construction (see Note 11).

The ACE Culture Recovery Fund is a rescue package for cultural organisations put in place by the Government in response to the Coronavirus pandemic. Part of the funding agreement allowed for an element of the funding to be used to boost reserves and the transfer to unrestricted reserves represents the satisfaction of the initial restriction.

There are floating debenture and fixed property charges totalling £5m held by the Arts Council of England resulting from grants for refurbishment, expiring 2022 (£4m) and 2024 (£1m).

Transfers to unrestricted funds relate to the amortisation of the capital grants within each fund.

(b) ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	2 April 2022			
	Fixed assets	Current Assets	Current and non-current liabilities	Total
	£'000	£'000	£'000	£'000
RESTRICTED FUNDS	29,537	44	-	29,581
UNRESTRICTED FUNDS:				
Share capital	-	-	-	-
Non designated	843	17,983	(17,789)	1,037
Designated	-	2,557	-	2,557
	<u>30,380</u>	<u>20,584</u>	<u>(17,789)</u>	<u>33,175</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

18 RESTRICTED FUNDS (GROUP AND CHARITY) (continued)

		27 March 2021			
	Fixed assets £'000	Current Assets £'000	Current liabilities £'000	Total £'000	
RESTRICTED FUNDS	29,771	237	-	30,008	
UNRESTRICTED FUNDS:					
Share capital	-	-	-	-	
Non designated	1,236	9,661	(8,964)	1,933	
Designated	-	2,417	-	2,417	
	<u>31,007</u>	<u>12,315</u>	<u>(8,964)</u>	<u>34,358</u>	

(c) ANALYSIS OF NET ASSETS BETWEEN FUNDS (CHARITY)

		2 April 2022			
	Fixed assets £'000	Current Assets £'000	Current and non-current Liabilities £'000	Total £'000	
RESTRICTED FUNDS	29,537	44	-	29,581	
UNRESTRICTED FUNDS:					
Share capital	-	-	-	-	
Non designated	802	17,816	(17,561)	1,057	
Designated	-	2,557	-	2,557	
	<u>30,339</u>	<u>20,417</u>	<u>(17,561)</u>	<u>33,195</u>	

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

18 RESTRICTED FUNDS (GROUP AND CHARITY) (continued)

		27 March 2021			
		Fixed assets £'000	Current Assets £'000	Current liabilities £'000	Total £'000
	RESTRICTED FUNDS	29,771	237	-	30,008
	UNRESTRICTED FUNDS:				
	Share capital	-	-	-	-
	Non designated	1,190	9,757	(8,847)	2,100
	Designated	-	2,417	-	2,417
		<u>30,961</u>	<u>12,411</u>	<u>(8,847)</u>	<u>34,525</u>
19a	UNRESTRICTED NON-DESIGNATED FUNDS			Group £'000	Charity £'000
	27 March 2021			1,933	2,100
	Net expenditure			(1,651)	(1,798)
	Transfer from restricted funds			895	895
	Transfer to designated funds			(140)	(140)
				<u>1,037</u>	<u>1,057</u>
	2 April 2022			1,037	1,057
				<u>1,037</u>	<u>1,057</u>
				Group £'000	Charity £'000
	28 March 2020			2,108	2,108
	Net expenditure			(2,108)	(1,941)
	Transfer from restricted funds			2,073	2,073
	Transfer to designated funds			(140)	(140)
				<u>1,933</u>	<u>2,100</u>
	27 March 2021			1,933	2,100
				<u>1,933</u>	<u>2,100</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

19b UNRESTRICTED DESIGNATED FUNDS (GROUP AND CHARITY)

	<i>Balance at 27 March 2021 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Transfers between funds £'000</i>	<i>Balance at 2 April 2022 £'000</i>
Repairs reserve	2,167	-	-	140	2,307
Hippodrome Square	250	-	-	-	250
	<u>2,417</u>	<u>-</u>	<u>-</u>	<u>140</u>	<u>2,557</u>
	<u><u>2,417</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>140</u></u>	<u><u>2,557</u></u>
	<i>Balance at 28 March 2020 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Transfers between funds £'000</i>	<i>Balance at 27 March 2021 £'000</i>
Repairs reserve	2,027	-	-	140	2,167
Hippodrome Square	250	-	-	-	250
	<u>2,277</u>	<u>-</u>	<u>-</u>	<u>140</u>	<u>2,417</u>
	<u><u>2,277</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>140</u></u>	<u><u>2,417</u></u>

The Board regularly considers the Repairs and Maintenance liabilities of the trust in order to ensure that sufficient funds are set aside annually to meet the Trust's repairs and maintenance obligations (over a twenty five year period) under the lease with Birmingham City Council, as funds allow and will be drawn down over that period. Following an Audit Committee review in November 2012, Trustees approved an ongoing annual allocation of £140,000 according to planned maintenance over a five year period. In 2021/22 £Nil (2020/21: £Nil) was expended on Repairs and Maintenance included in this plan.

The Board have also committed to improving the area outside of Birmingham Hippodrome Theatre Trust to assist the rebrand of Hippodrome Square, as such £250,000 has been designated for this purpose. The work is ongoing, but the designated funds are expected to be used in the near future.

20 CASH GENERATED/(ABSORBED) FROM OPERATIONS

RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

Net expenditure for the reporting period	(1,183)	(289)
ADJUSTMENTS FOR:		
Depreciation charges	1,260	1,294
Amortisation charges	34	34
Interest from short term deposits	(50)	(47)
Interest paid	35	-
Government grant received for CBIL interest paid	(35)	-
Decrease/(increase) in stock	35	(30)
Decrease/(increase) in debtors	401	(516)
Increase/(decrease) in creditors and deferred income	6,326	(4,045)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	<u>6,823</u>	<u>(3,599)</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

21 ANALYSIS OF CHANGES IN NET DEBT

GROUP	27 March 2021 £'000	Cashflows £'000	2 April 2022 £'000
Cash and cash equivalents	10,199	8,706	18,905
Borrowings excluding overdrafts	-	(2,167)	(2,167)
Borrowings excluding overdrafts (current)	-	(333)	(333)
	<u>10,199</u>	<u>6,206</u>	<u>16,405</u>

22 RELATED PARTY ACTIVITIES

NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY UNDERTAKINGS – BIRMINGHAM HIPPODROME LIMITED (company number: 01545498)

A summary of the Birmingham Hippodrome Limited trading results are shown below. Audited accounts are filed annually with the Registrar of Companies. Its registered office is the same as that of the parent charity, detailed on page 1.

	Period ended 2 April 2022 £'000	Period ended 27 March 2021 £'000
PROFIT AND LOSS ACCOUNT	Total	Total
Turnover	1,252	49
Cost of sales	(343)	(26)
Administrative expenses	(757)	(196)
Profit/(loss) on ordinary activities before tax	152	(173)
Taxation	-	-
Profit/(loss) after tax	<u>152</u>	<u>(173)</u>

The aggregate amount of the company's assets, liabilities, share capital and reserves was:

	2022 £'000	2021 £'000
Fixed assets	42	46
Current assets	1,343	317
Creditors: amounts falling due within one year	(1,400)	(530)
Net (liabilities)	<u>(15)</u>	<u>(167)</u>
Represented by share capital plus (deficit) on reserves	<u>(15)</u>	<u>(167)</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

22 RELATED PARTY ACTIVITIES (continued)

Transactions between Birmingham Hippodrome Theatre Trust Limited and Birmingham Hippodrome Limited and balances at the year-end date are as follows:

	2022 £'000	2021 £'000
Distribution of profit from trading subsidiary	-	-
Staff costs recharged	443	86
Amounts owed by group undertakings	1,176	414
	<u> </u>	<u> </u>

Transactions between Birmingham Hippodrome Theatre Trust Limited and Dance Consortium Limited and balances at the year-end date are as follows:

Management charge	18	8
Amounts due from related parties	18	8
	<u> </u>	<u> </u>

The balances noted above are unsecured.

23 PENSION COSTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £115,000 (2020/21: £97,000). Contributions totalling £2,000 (2020/21: £15,000) were payable to the fund at the period end and are included in other creditors.

24 CONTINGENT LIABILITIES

Birmingham Hippodrome Theatre Trust Limited is a member of a VAT group with its subsidiary Birmingham Hippodrome Limited. It has entered into a guarantee for all group companies with HMRC. At the year end, this potential liability was £399,000 (2020/21: £69,000).

25 RESULTS OF PARENT CHARITY

The total income of the parent charity was £11,932,000 (2020/21: £7,032,000).

The net movement in funds of the charity was £1,332,000 net expenditure (2020/21: £122,000 net expenditure).

The movement in unrestricted funds of the parent charity was £903,000 net income (2020/21: £132,000 net income).