

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

Report and Financial Statements

31 March 2015

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Professor Michael Clarke CBE DL (Chair)
Mr Timothy Clarke (resigned 16 October 2014)
Mr Charles Glanville (resigned 15 June 2015)
Mr Charles Parker
Mrs Susan Harrison
Dame Jenny Abramsky
Mrs Rebecca Jones (resigned 16 October 2014)
Mr Ross MacGibbon
Councillor Des Hughes
Councillor James Hutchings (resigned 15 June 2015)
Ms Louise Halliday
Mrs Jan Teo (appointed 16 June 2014)

SECRETARY

Mrs Anna Williams FCA, DChA

Registered in England & Wales
Company Number: 3320538

Registered Charity Number: 1061012

REGISTERED OFFICE

Thorp Street
Birmingham
B5 4AU

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

Pinsent Mason LLP
3 Colmore Circus
Birmingham
B4 6BH

Martineau
No 1 Colmore Square
Birmingham
B4 6AA

INVESTMENT MANAGERS

Smith and Williamson
9 Colmore Row
Birmingham
B3 2BJ

AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditor
Four Brindleyplace
Birmingham
B1 2HZ

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STRATEGIC REPORT

STATUS, OBJECTS AND POLICIES

Birmingham Royal Ballet (BRB), a registered charity, is incorporated as a company limited by guarantee, not having a share capital.

The objects of the company are to advance the education of the public in the arts and sciences of ballet, dance, music and drama. Birmingham Royal Ballet seeks to be the UK's foremost international touring ballet company, enriching people's lives through dance, and aspiring to excellence in all that it does.

The achievements of Birmingham Royal Ballets strategic aims and objectives for the 2014 - 15 financial year are set out in the Strategic Report below.

CREATIVITY AND PERFORMANCES

Birmingham Royal Ballet tours the widest range of ballet repertory of any large-scale ballet ensuring access to world class performances to audiences throughout the United Kingdom with more than 90% of performances being given outside of London. The specific artistic objectives for the 2014-15 period were:

- Create two new, one act ballets by young choreographers to be premiered at the Crescent Theatre, Birmingham as part of International Dance Festival Birmingham (IDFB).
- Re-create of *Miracle in the Gorbals* (originally created in 1944 by Robert Helpman) as part of the *Shadows of War* programme in autumn 2014.

These objectives were fully realised and contributed to our artistic highlights below:

- **Two new works by young choreographers;** *Kin* by former BRB dancer Alexander Whitley and *Quatrain* by BRB dancer Kit Holder. Both works received their world premiere at the Crescent Theatre as part of International Dance Festival Birmingham 2014 and were then performed across eight venues as part of BRB's 2014 midscale tour.
- **Miracle in the Gorbals** - a pioneering work originally created in 1944 by Robert Helpman, an example of 'dirty ballet' in which real people were represented in a real environment through both design and movement. BRB commissioned Dame Gillian Lynne (a member of the original cast) to re-create the choreography for the ballet, using the original set designs by Edward Burra, a leading 20th-century British artist. Two other surviving members of the cast Pauline Clayden and Julia Farron assisted with the recreation.
- **Carmina Burana** - the first work that David Bintley created for BRB as Director, was revived with a run of four outstanding performances at the London Coliseum. The performances were enthusiastically received by audiences, critically acclaimed and were noteworthy both for the strength of the dance performances and the outstanding musical presentation by the Royal Ballet Sinfonia (BRB's orchestra) and Ex Cathedra one of the UK's leading vocal consorts, based in Birmingham.

The complete repertory performed during the year was:

Ballet	Choreography	Music
Kin.	Alexander Whitley	Phil Kline
Quatrain	Kit Holder	Astor Piazzolla
Elite Syncopations	Kenneth MacMillan	Scott Joplin
Facade	Frederick Ashton	William Walton
Les Rendezvous	Frederick Ashton	Daniel Auber arr. Constant Lambert
Dante Sonata	Frederick Ashton	Franz Liszt
La Fille mal Gardee	Frederick Ashton	Ferdinand Herold arr. John Lanchbery
Beauty and the Beast	David Bintley	Glen Buhr

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Fin du Jour	Kenneth MacMillan	Maurice Ravel
Miracle in the Gorbals	Gillian Lynne after Robert Helpmann	Arthur Bliss
Flowers of the Forest	David Bintley	Malcolm Arnold, Benjamin Britten
The Nutcracker	Peter Wright, Lev Ivanov, Vincent Redmon	Pyotr Ilyich Tchaikovsky
Coppelia	Peter Wright, Marius Petipa, Enrico Cecchetti	Leo Delibes
Serenade	George Balanchine	Pyotr Ilyich Tchaikovsky
Lyric Pieces	Jessica Lang	Edvard Grieg
In the Upper Room	Twyla Tharp	Philip Glass
Carmina Burana	David Bintley	Carl Orff

In 2014 - 15 the company gave:

- 142 performances - 61 in Birmingham, 81 on tour in the UK (2013 - 14: 145 performances – 63 in Birmingham, 74 on tour in the UK and 8 overseas).
- Audiences of approximately 130,000 in the UK (2013 -14: 150,000 comprising 140,000 in the UK and 10,000 overseas).

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Crescent Theatre, Birmingham as part of IDFB	May 2014	Kin., Quatrain, Les Rendezvous, Facade
Theatre Severn, Shrewsbury Everyman Theatre, Cheltenham	May 2014	Quatrain, Ballet Diverts, Facade
The Lighthouse, Poole Gala, Durham Hall For Cornwall, Truro Wycombe Swan, High Wycombe	May 2014	Les Rendezvous, Kin., Elite Syncopations
Birmingham Hippodrome	June 2014	Les Rendezvous, Dante Sonata, Facade
Birmingham Hippodrome Theatre Royal, Nottingham	June 2014	La Fille Mal Gardee
The Lowry, Salford Birmingham Hippodrome Sadlers Wells, London Theatre Royal, Plymouth Empire Theatre, Sunderland	September and October 2014	Beauty and the Beast
Birmingham Hippodrome	September and October 2014	Fin du Jour, Miracle in the Gorbals, Flowers of the Forest

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Sadlers Wells, London Theatre Royal, Plymouth		
Birmingham Hippodrome	November and December 2014	The Nutcracker
Festival Theatre, Edinburgh Birmingham Hippodrome The Lowry, Salford Empire Theatre, Sunderland Theatre Royal, Plymouth	February and March 2015	Coppelia
Birmingham Hippodrome Theatre Royal, Plymouth	February and March 2015	Serenade, Lyric Pieces, In the Upper Room
The Coliseum, London	March 2015	Serenade, Carmina Burana

Live music of the highest quality is critical to delivering world class ballet performances

Our orchestra, The Royal Ballet Sinfonia, is the UK's only specialist ballet orchestra which continues to thrive under the directorship of Koen Kessels with many critically acclaimed performances throughout the year.

In addition to performances with Birmingham Royal Ballet, the Royal Ballet Sinfonia undertook the following performance work

- Fabulous Beast Dance Company at Sadlers Wells Theatre – April 2014
- Music and Dance Concert at Symphony Hall, Birmingham – January 2015

A second conducting fellow, Jonathan Lo, joined the company in January 2015, funded through a BBC Performing Arts Fund Fellowship Award to support individuals in the early stages of a professional career. The placement is being shared between Birmingham Royal Ballet and Rambert Dance Company to give a broad range of experience and opportunity and the appointment demonstrates BRB's commitment to developing a new generation of conductors with the necessary skills and knowledge to conduct for dance performances.

AUDIENCE DEVELOPMENT

Encouraging new audiences to experience, share and enjoy the work of the company is important and audience research and development programmes are critical to building and diversifying our audience base. Our main audience development objectives were to:

- Continue to offer low cost entries to ensure that price is not a barrier to access and develop pricing plans and offers to attract new audiences and consumers looking for an 'introductory' experience of ballet
- Work with other cultural organisations both in Birmingham and nationally to develop audience understanding and intelligence, cross art form marketing programmes and access opportunities
- Increase access to Birmingham Royal Ballet through the website including provision of information in digital format and increasing the use of video and music on the website and in e-marketing strategies

Pricing and audience intelligence objectives have been achieved through:

- Using demand analysis to influence change in Triple Bill pricing based on similar successful models from UK and abroad to attract a more contemporary 'risk taking' audience and consumers looking for an 'introductory' experience.
- Audience and pricing research undertaken London (2013) leading to more focused and sequential campaigns for the 2015 London Coliseum resulting in 13% growth in paid attendees and 79% new attendees. The learning from this campaign is now being shared across other venue campaigns in order to replicate similar success.
- New marketing and awareness campaigns in Birmingham to attract new audiences from other genres increased new attendees for The Nutcracker by 2%.
- Participation in Birmingham Arts Partnership's Audience Finder project (through the Audience Agency) with the aim of benchmarking audience profiles across the city from 2015-16 onwards
- Collaboration with other national touring ballet companies and the Audience Agency to create a national ballet audience dataset

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Communication via digital media includes:

- Increased capacity to produce and disseminate media resulted in a growth in video production (2014-15 - 15 new videos to Vimeo). Direct links to videos resulted in approx. 40,000 views, which were integral parts of successful social media and digital advertising campaigns.
- Growth of social media focussing on Twitter and Facebook, to drive traffic to Vimeo, our Company and venue websites as appropriate. Followers of @BRB Twitter account have increased by 3500 to approx 19,000, and followers of BRB's Facebook page have increased by 30%
- Booking forms, information sheets, show leaflets and cast sheets being available from the website and we are working to extend availability through our venue partners' websites.

LEARNING AND ENGAGEMENT

The learning and outreach programme for participants of all ages is central to Birmingham Royal Ballet's work and is one of the ways in which the company can take ballet and associated activities out beyond the traditional theatre presentations. Our learning and engagement work is a vital element in making ballet an accessible art form for everyone to enjoy.

Our learning and engagement objectives for the year were to:

- Extend learning and engagement work on tour to expand the regional offer around BRB performances
- Increase the number of family activity days in Birmingham and on tour
- Create an introduction to ballet programme suitable for young children to be premiered in Edinburgh, February 2015
- Run a series of open events to welcome the public to BRB's refurbished studios in 2015 (see under organisational development)

606 learning and outreach sessions were delivered during the year with a total attendance of 13,500.

Learning activities ranged from repertory based projects and ballet training to work with senior citizens and disability groups.

Our increased engagement programmes during the year have included:

- Three touch tours and audio described performances in Birmingham for blind and partially sighted audience members
- **Ballet what's that?** workshops and tours to encourage people to find out more about ballet and attend performances in Birmingham and Sunderland - 500+ attendees
- **Ten Family Activity Days** before weekend matinees Birmingham, Nottingham, Salford, Plymouth and Sunderland - 2,000 attendees
- **First Steps' introduction to ballet** - BRB's first programme specially adapted for children aged 3-7, based on Coppelia. A storyteller guided the audience through the first act and introduced the characters, followed by a full performance of the second act. First Steps: Coppelia was rapturously received by young audiences in Edinburgh and Salford and the programme will be reprised with an adaptation of Swan Lake in Autumn 2015.

New learning programmes on tour in 2014 - 15 were:

- **Shropshire Libraries - Lively Libraries** - connecting rural libraries with the performing arts in partnership with Shropshire Library service and Arts Alive Rural Touring scheme, coinciding with BRB's first visit to Theatre Severn Shrewsbury. Multi art form activity across five main venues included a touring exhibition of ballet costumes and a week-long dance residency for 5-13 year olds, culminating in two performances at SpArC theatre in Bishops Castle (combined audiences 170)
- **Renewal Trust Nottingham - Nott Just Ballet** - BRB's second collaboration with the Renewal Trust, Dance4 and Theatre Royal Nottingham building on the success of a project in 2013. BRB's week long residency for 60 young people ages 8-16 included dance workshops culminating in a performance on the main stage of the Theatre Royal and the formation of a shadow company (of young people) that tracked the process of staging a production with professionals from the technical, creative and media departments.

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Whilst new initiatives in Birmingham were:

- **Flat Out** - Partnership with The Drum, and University of Birmingham funded by Arts Connect West Midlands, Family Arts Festival and in kind contributions from Willmott Dixon. The project was based in a high-rise housing estate in Newtown Birmingham and engaged residents and local community groups in a series of dance workshops (84 attendees) and a professional dance performance watched by 190 people, most of whom had never experienced live ballet.
- **Artlands** - a joint creative venture between Speight of the Art (a Foundation set up in memory of the artist Mark Speight to nurture and inspire artistic talent in children and young people), NHS Heart of England Foundation Trust (HEFT) and Birmingham Royal Ballet. Taking inspiration from Nutcracker and Coppelia the programme engaged over 1500 children, young people and adults in multi-disciplinary artistic workshops, uniting children from 14 schools, residents from 4 residential homes and patients from the Heartlands Paediatric Unit and brought over 360 children into the Hippodrome to explore the behind-the-scenes world of Birmingham Royal Ballet

BRB's established longer term learning programmes include:

- **Dance Track** - This project continues successfully in North and South Birmingham offering free weekly ballet tuition to 80 children from years 1 & 2 who show a talent for dance. 27 individuals also participated in the Dance Track Plus scheme for graduates of the programme who are considering vocational training. 3 Dance Track Plus students started at Elmhurst School for Dance year 7 in September 2014 and 13 students (8 boys and 5 girls) have started on either Elmhurst Associates or Royal Ballet Junior Associates from September 2014. More than 2,000 individuals participated in the wider workshops and auditions programme and work with participating schools also includes teacher training and support to raise the standard of dance in the curriculum.
- **Freefall Dance Company (talented adults with severe learning difficulties)** - Freefall Dance Company is an ensemble of highly gifted dancers with severe learning disabilities. Freefall Dance Company is now into its 13th year and continues to develop its performance (4 performances 320 audiences) and outreach activities, including teacher training sessions on learning disability for University of Birmingham (33 PGCE students participated in training). There has been considerable success with Dance for Film projects films which have been received at 5 international film festivals and the British Institute of Learning Disabilities (BILD) conference
- **Arts in Youth Work** - BRB has continued development of its Ambassadors group. Work in 2014/15 has had a personal development focus for the six participants with emphasis placed on learning new skills (researching, public speaking etc) and developing greater awareness of BRB's work by supporting BRB learning activities and projects including Dance Track, Ballet What's That and Open Days. The group is now working on devising and leading their next major project based around BRB's Shakespeare celebration year in 2016.

ORGANISATIONAL DEVELOPMENT

Investment in developing BRB's organisational infrastructure has continued to ensure that there is the necessary knowledge and skills to meet future challenges as well as supporting the health and well-being of BRB staff.

Organisational development objectives for the year were to:

- Appoint a new Marketing and Communications Director after restructuring the Communications Director role to have a greater focus on income generation, pricing and audience development.
- Continuing investment in staff training and development to maintain Investors in People recognition (reassessment in 2014)
- Undertaking a £2.7 million refurbishment of BRB's main Thorp Street premises between July and December 2014

BRB successfully appointed a new Marketing and Communications Director who joined the team in August 2014.

BRB was successfully reassessed for Investors in People recognition in June 2014 receiving the accolade of being awarded Investors in People Gold.

71 training interventions took place including

- First Aid
- Fork Lift Truck Driving
- Management Development
- Social Media

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- IT
- Assertiveness and Conflict Management
- Alexander Technique
- Confident Performer
- Managing and Motivating Volunteers
- Presentation Skills

BRB hosted two undergraduate placements in the Department for Learning and Technical Department and employed a graduate intern in the Finance Department to undertake research for Birmingham Arts Partnership (BAP).

In October 2013, Birmingham Royal Ballet was awarded a £1.85m grant from Arts Council England to update its Thorp Street premises in a £2.7m project to create a sustainable and adaptable multi-purpose building fit to accommodate the work force and wide range of activities undertaken by a modern, outward facing, world class ballet company. The building was transformed between July and December 2014 into an accessible multipurpose space by addressing design and physical limitations that restricted its use. All studios have been upgraded to ensure contemporary finishes, adequate controllable lighting and ventilation and a third double studio has been created by combing two single studios which can double as a performance space with bleacher seating for 85. New and accessible changing facilities for external groups (including children, vulnerable adults and users with a disability) have been added to extend use of the studios by community and other groups. A small teaching/rehabilitation studio extends BRB's health and wellbeing facilities for dancers.

Dancer changing space has been extended to create suitable accommodation and adequate storage space for 60 dancers plus a relaxation area, kitchen and ice bath. Offices have been reconfigured to improve utilisation and workspace logic. Where necessary corridors have been widened and routes through the building reconfigured to enable DDA access for both employees and visitors to all areas.

Birmingham Royal Ballet is delighted with the result of its refurbishment project. The project was realised on budget and despite some extension to the build period BRB moved back into the refurbished building in accordance with the project timetable. The match funding target was exceeded meaning that BRB only needed to contribute £5,000 of reserves to the project.

BRB welcomed more than 1,400 VIPs, guests and members of the public at a series of special events to celebrate the official opening of the new facilities in January 2015.

Darcey Bussell CBE, President of BRB's Campaign for the Future (which raised the matched funding for the project) said;

"It is a pleasure to join Birmingham Royal Ballet this week as they welcome everyone to their beautiful new home following a £2.7m transformation of its facilities. As President for the Campaign for the Future it is so rewarding to see the results of a fundraising effort that has enabled a company close to my heart to continue to be a first-class rehearsal facility for its dancers, staff and the wider public who can all enjoy this marvellous creative space. The new facilities will allow Birmingham Royal Ballet to welcome the community, nurture the talent of the future and maintain their position at the forefront of both British and international dance. The transformation of Birmingham Royal Ballet's building is a key milestone of our Campaign for the Future."

FINANCIAL REVIEW

Birmingham Royal Ballet's primary financial objectives for the period were to:

- Maintain general, unrestricted reserves at a minimum £500,000.
- Continue to articulate the case for support to demonstrate need and create affinity to BRB and to promote BRB's 'Campaign for the Future' to raise £15 million by 2017 to support Talent, Inspiration, New Work and Legacy. In particular, in 2014-15 to raise at least £750,000 as match funding for the Thorp Street refurbishment project

The results for the period are set out in the financial statements on pages 21 onwards.

The period ended with a surplus on activities of £3,184,045 (2013-14: (£12,718)) and accumulated reserves of £5,562,127 (2013-14: £2,378,082) at 31 March 2015 of which unrestricted reserves are £3,699,500 (2013-14: £1,090,826) including the designated capital reserve of £2,611,907 (2013-14: £nil) which compares favourably with the stated reserves policy.

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General, unrestricted income and expenditure before transfers between reserves showed a deficit of £106,326. Across all funds there was an overall surplus comprising this deficit and

- income for the capital refurbishment of Thorp Street
- Increase in the value of the Endowment Fund which includes both realised and unrealised profits

As in previous years our principal funding sources are:

- Arts Council England – £7,304,977 revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering performances and activities including touring nationally, middle scale touring, audience development activity and our learning and outreach programme. Additional Arts Council England funding included £1,850,000 for the refurbishment of Thorp Street, £182,538 for Cross Border Touring and £186,805 received as catalyst endowment funding.
- Birmingham City Council – £730,000 revenue funding to contribute towards BRB's core operating costs and the costs of delivering performances and learning and outreach activities primarily in Birmingham.

Core revenue funding from our major funders, Arts Council England and Birmingham City Council, accounted for 52% of total income (2013-14: 64%). The reduced percentage is a reflection of the increase in total income for the year primarily as a result of BRB's capital project and increased income for investment in the Endowment Fund.

Arts Council England funding for the next three years is confirmed as follows:

2015-16 - £7,891,000

2016-17 - £7,891,000

2017-18 - £7,891,000

Birmingham Royal Ballet continues to be a National Portfolio Organisation and is in receipt of one of the eight NPO awards in excess of £5,000,000 per annum

We were delighted to have been awarded an increase in Arts Council National Portfolio Organisation Funding for the period 2015-18 based on our proposal to extend English touring weeks and to create a 'Dance Hub' in Birmingham in partnership with other dance organisations and venues in the city and wider West Midlands region. This success underlines Birmingham Royal Ballet's key role not just in the distribution of large scale classical ballet but also the development of the art form and and a key driver to establish Birmingham as the UK's leading centre for dance outside of London.

Birmingham City Council has confirmed funding of £730,000 for 2015-16 and will confirm revenue funding for cultural activity for the period 2016-18 in December 2015.

Incoming resources from charitable activities in 2014-15 were £3,170,064 (2013 - 14: £3,319,176). Box office income was slightly lower for the period £2,467,731 (2013 - 14: £2,578,973) reflecting fewer performances and a challenging sales environment particularly in Birmingham.

Total income from donations, membership schemes and other fundraising activity during the year was £2,154,061 (2013 - 14: £1,095,823) of which income from trusts and foundations for the year was £1,196,055 (2013 - 14: £552,510) this includes grants totalling £781,000 for the capital refurbishment project and £186,905 (2013 - 14 £27,400) from a number of the Cadbury Family Trusts for the Catalyst/Cadbury Family Endowment Fund. The endowment grants have been matched funded by Arts Council Catalyst Endowment Funding.

We would like to acknowledge the support of the following trusts and foundations that have supported Birmingham Royal Ballet during 2014 - 15:

Alan Woodfield Charitable Trust
Alison Hillman Charitable Trust
Arts Connect West Midlands
Austin & Hope Pilkington Trust
Barbara Saunders Trust
Baron Davenport's Charity
BBC Performing Arts Fund
Birmingham Common Good Trust
Birmingham Decorative and Fine Arts Society
Brian Shaw Memorial Trust
Bryan Foster Charitable Trust
Calleva Foundation
Catherine Cookson Charitable Trust
Cecil King Memorial Foundation
Charles Brotherton Trust
Chatwin Trust

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Clore Duffield Foundation
Connie And Albert Taylor Charitable Trust
Cutler Trust
David & Helen Lowe Charitable Trust
Douglas Turner Trust
D'Oyly Carte Charitable Trust
Dr Mortimer and Theresa Sackler Foundation
Dumbreck Charity
Ensix Charitable Trust
Eric W Vincent Trust Fund
Evan Cornish Foundation
Eveson Charitable Trust
Fenton Arts Trust
Fenton Arts Trust
Fidelity UK Foundation
Garfield Weston Foundation
George Fentham Birmingham Charity
George Henry Collins Charity
GJW Turner Trust
Grantham Yorke Trust
Grey Court Trust
Grimmitt Trust
Harding Trust
Hawthorne Charitable Trust
Helen Rachael Mackaness Charitable Trust
Henry James Sayer Charity
Howard Victor Skan Charitable Trust
IMI plc
J P Getty Jr Charitable Trust
James Frederick and Ethel Anne Measures Charity
John Avins Trust
John Thaw Foundation
Key 103's Cash for Kids
Ladbroke's in the Community Charitable Trust
Langdale Trust
Lillie Johnson Charitable Trust
Limoges Charitable Trust
Listers Ltd
Loppylugs and Barbara Morrison Charitable Trust
Lord Austin Trust
Lord Leverhulme's Charitable Trust
Margaret Guido Charitable Trust
Marjorie and Geoffrey Jones Charitable Trust
Marsh Christian Trust
Miss W E Lawrence 1973 Charitable Settlement
Misses CM Pearson & MV Williams Charitable Trust
Owen Family Trust
Patricia Routledge Charitable Trust
Ratcliff Foundation
Ratcliff Foundation
Richard Cadbury Charitable Trust
Rogers Stirk Harbour & Partners Charitable Foundation
Roughley Charitable Trust
RTR Foundation/Baily Thomas Charitable Fund
Saintbury Trust
Sir James Knott Trust
Sir Sigmund Warburg's Voluntary Settlement
Souter Charitable Trust
St Jude's Trust
St Thomas' Dole Charity
Stanley Picker Trust
Sterry Family Foundation
Sylvia Adams Charitable Trust
The Linbury Trust
The Wolfson Foundation
Tomlinson Family Charitable Trust

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Truemark Trust
Vandervell Foundation
Veronica Awdry Charitable Trust
WED Charitable Trust
WED Charitable Trust
Whalley White Charitable Trust
Wilmcote Charitruist

Birmingham Royal Ballet increased donations from private individuals to £675,425 (2013 - 14: £541,922) demonstrating the ongoing success of BRB's 'Campaign for the Future'.

Notable fundraising successes in the year included raising £865,000 matched funding for BRB's Capital Project from both private donors and charitable trusts and foundations which exceeded the target of £750,000 as identified in our financial objectives.

New legislation came into force on 1 September 2014 which enables companies producing and performing theatrical productions (which include dance and opera) to claim a tax credit on expenditure incurred on producing and closing productions. Birmingham Royal Ballet has submitted its first claim for Theatre Tax Credit on qualifying expenditure of £284,000 for the period 1 September 2014 to 31 March 2015. The new Theatre Tax Credit regime is a positive recognition of the contribution that both commercial and subsidised theatre makes to the economy and will help BRB to continue its commitment to investment in both new works and major revivals.

Total resources expended for the year was £12,360,293 (2013-14: £12,935,140)

Expenditure on charitable activities in the year was £11,793,179 - 95% of total resources expended (2013 - 14: £12,394,733 - 96%).

The reduction in expenditure for the year reflects the fact that there was no significant investment in new productions in the period as contrasts with 2013-14 (Prince of the Pagodas) plus a reduction of orchestra project costs due to lower activity levels. Other costs for the period remain comparable with previous years.

GOVERNANCE STRUCTURE

Birmingham Royal Ballet, as a company limited by guarantee, is governed by a board of non-executive directors (charitable trustees). In accordance with the Memorandum of Association the directors are also the members of the company.

The Board of Directors is responsible for decisions covering the significant areas of Birmingham Royal Ballet's affairs including overall strategy, appointment of The Director and Chief Executive, approval of budgets, approval of major capital expenditure projects, and development of key policies including general treasury and risk management policies. To enable the Directors to perform their duties all directors have full access to relevant information and to services of the Company Secretary and the Officers of the Company. If necessary, the Directors may take independent professional advice at the Company's expense.

In order to carry out their duties as effectively as possible the Board of Directors is assisted by three sub committees:

- **The Finance and General Purposes Committee** is responsible for detailed review of financial reports, planning documents, budgets and policies prior to recommendation for approval. In addition the Finance and General Purposes Committee fulfils the role of the Audit Committee.
- **The Nominations Committee** is responsible for the review and recommendation of candidates for appointment as Directors bearing in mind the particular needs of the Board at the time as well as the future needs of the Board (succession planning). The Nominations Committee is also responsible for ensuring the appropriate induction of new directors. It is the responsibility of the Board of Directors as a whole to approve candidates for appointment. The Governors of the Royal Ballet have the right to nominate one of their members to be a member of the Board of Directors; Birmingham City Council nominate two representatives (usually Councillors) to be members of the Board of Directors. All such nominations are approved and appointed by the Board of Directors as a whole
- **The Remuneration Committee** responsible for overseeing the remuneration policy for Birmingham Royal Ballet senior officers and staff.
- **The Investment Committee** responsible for overseeing implementation of the investment policy and monitoring performance of invested funds.

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All new Directors receive a comprehensive information pack, a tour of the company and opportunities to meet with The Director, Chief Executive and other senior members of staff as necessary. All Directors have regular access to performances, learning and other events so that they are familiar with the work of the company. An extended board session is held annually in the summer, giving opportunities to discuss subjects such as artistic policy and planning, diversity and governance. In June 2013 this session covered Birmingham Royal Ballet's proposed capital redevelopment and a review of pricing and audience development potential for BRB's performances at The Coliseum, London.

The day to day management of the affairs of Birmingham Royal Ballet is delegated to the Chief Executive – Christopher Barron who is responsible for overall organisational management and The Director – David Bintley who is responsible artistic strategy and for managing artistic activities.

RISK MANAGEMENT

The Directors and Senior Management have produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Directors review the plan on a regular basis and a comprehensive update of the plan is carried out annually. As part of this process, the Directors have implemented a risk management strategy, which comprises:

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The review of risks for 2014 – 15 identified strategic risks as follows:

- High level of reliance on key staff
- Dancers not performing due to injury
- Failure to achieve box office targets
- Withdrawal/reduction of BCC funding post 2015/16
- Increasing competition from other shows at Birmingham Hippodrome
- Changing audience behaviour and demographic

The risk management process has been a vital tool in assisting the Board and Senior Management in setting out the actions and controls necessary to help manage the major risks identified above thus ensuring successful outcomes in high risk areas of activity.

PUBLIC BENEFIT

In shaping objectives and planning activities for the year, the Directors have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee-charging.

Birmingham Royal Ballet is one of the UK's most creative and exciting ballet companies and aims to inspire audiences with work that is entertaining, relevant, exciting and technically excellent. It is committed to inclusion and access as ballet, dance and music are art forms for everyone to experience, participate in and enjoy.

Creating new ballet is an essential part of ensuring that the art form remains vibrant and relevant. Birmingham Royal Ballet is one of the few ballet companies in the world that not only creates new full length narrative ballets but also regularly commissions new music for these works, adding richness to the cultural offer of the country. Birmingham Royal Ballet plays an important role in preserving the classical and heritage repertoire, in particular those works associated with the English tradition of classical ballet, ensuring their continued existence for future generations to enjoy.

With the support of its major funders, Arts Council England and Birmingham City Council, Birmingham Royal Ballet presents world class performances of the widest possible range of repertory throughout the United Kingdom in both large scale and middle scale venues. The company also tours internationally on a regular basis.

Birmingham Royal Ballet is committed to the principle that that cost should not prohibit access to performances. Tickets for performances in the UK are priced across affordable ranges (between £10 and £65) which reflect the regional economies where the company performs. A wide range of concessions and special offers are offered on tickets. Schools can access performances for around £10 per pupil. Birmingham Royal Ballet continues to explore ways of taking ballet performances into the community and presenting it in new and unusual settings.

BIRMINGHAM ROYAL BALLET

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STRATEGIC REPORT

Birmingham Royal Ballet performances are supported by a groundbreaking programme of learning and community engagement work. Opportunities include free ballet training for talented individuals, repertory based programmes for schools and community groups, disability led work and continuing professional development for professional dancers and teachers. Many projects include free access to a Birmingham Royal Ballet performance and it is hoped that every child in Birmingham will have an opportunity to experience ballet at some point during their school career.

In addition to learning and community engagement work free talks and activity days are offered around performances and membership schemes such as Birmingham Royal Ballet Friends, The Directors' Appeal and The Dancers' Circle that give members access to talks, rehearsals and other special events that help to give a greater insight into and understanding of the work of the company.

Above all Birmingham Royal Ballet believes in the importance of taking the arts to everyone and will work hard, through ballet, dance and music, to break down barriers perceived or real that prevent people from the pleasure of experiencing or engaging with the arts in its many and varied forms.

PLANS FOR FUTURE PERIODS

Birmingham Royal Ballet's ambitious 2015-18 Business Plan sets out how Birmingham Royal Ballet will

- Find and develop the best talent to create, perform and present classical ballet that continues to resonate and connect with modern audiences nationally and internationally
- Maintain the commitment to live music as a core element of artistic policy and delivery
- Create opportunities for children and young people to learn about and engage with the arts through creating, performing and gaining a critical understanding of ballet and associated art forms.
- Create a greater market for all aspects of its work enabling more people and communities to encounter and engage with the company and its art forms
- Be sustainable and future proof by adapting its business model to increase self-sufficiency by reducing its reliance on traditional models of public subsidy

The main objectives for the period are

Creativity and Performances - over the period 2015/18 Birmingham Royal Ballet aims to:

- Create at least three new one act ballets and one new full length ballet – including
 - 2015– New one act ballet by David Bintley – The King Dances
 - 2016 – New one act ballet by Jessica Lang for a Shakespeare inspired programme
 - 2016 – New full length work 'The Tempest' by David Bintley with commissioned score as part of the 'Shakespeare 400'celebrations
 - Two new works by young choreographers for mid-scale presentation in 2016 and 2017
- Be the UK's leading large-scale, touring classical ballet company by offering the most comprehensive annual performance circuit to ensure that the company's extensive repertory is available to audiences across the UK in both large-scale and mid-scale venues.
- Maintain a regular London presence with at least two performance seasons per annum from 2016-17 onwards - one week at Sadler's Wells and a second week at a West-End venue
- Undertake at least two overseas tours including Japan (2015) and Virginia USA (2017)
- Develop young dancers in transition to professional careers by offering work placements to up to 40 students from Elmhurst School for Dance and the Royal Ballet School with opportunities to rehearse, perform and tour with the company, through the Robin Cadbury Dance Fellowship programme supported by the Cadbury Family/Catalyst Endowment Fund
- Support the development of young choreographers through an annual choreographic programme, which will work towards creating two new works for public presentation from 2016 onwards
- Work with the UK's other ballet companies to create an annual showcase for new choreography
- Explore the possibility of at least one live broadcast or streamed performance in the three year period to 2018
- Work with the BBC to produce a documentary about 'The King Dances' which includes the relay of a full performance of the new work to be broadcast in 2015 and made available digitally via BBC i-player

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STRATEGIC REPORT

- Undertake an annual artistic programme review as part of regular Board business to draw together the results of internal and external monitoring and evaluation processes to help inform future planning

Birmingham Royal Ballet as a cultural ambassador – Birmingham Royal Ballet will act as a cultural ambassador by

- Leading on the development of a Birmingham and West Midlands Dance Hub to be the UK's centre for dance performance and development outside of London giving Birmingham a pivotal role in the national dance infrastructure.
- Supporting International Dance Festival Birmingham (IDFB) 2016 produced by BRB's partner organisations Birmingham Hippodrome and DanceXchange
- Promoting Birmingham as a cultural destination in collaboration with Birmingham Arts Partnership through joint initiatives including festivals (2016 – and 2018), themed programming and promotion

The Relationship with our Audience – Birmingham Royal Ballet wants to create a market place for its work amongst as wide and varied an audience as possible to demonstrate that ballet is an art form for all;

Over the next three years BRB will:

- Use existing research combined with Audience Agency research (currently under way) to better understand core audiences in Birmingham and develop a work program, applying the segmentation findings to specific marketing activities
- Invest in new marketing, promotion, and outreach campaigns that work together to build new (and repeat) audiences in Birmingham, to increase paid attendance at performances in Birmingham by 10% by 31 March 2018
- Agree annual pricing structures with all venues to ensure income growth whilst retaining opportunities for entry for all
- Upgrade the current in-house database system to appropriately house patron data by September 2015
- Continue to work with presenting partners (touring venues) and other UK touring ballet companies on long-term audience development, with special emphasis on broadening marketing and outreach campaigns beyond traditional dance audiences
- Re-architect and re-design the BRB website that allows for expanded delivery of information in several media, including video. The new site to be fully operational by December 2017
- Work to clarify BRB's brand, distinguish it more clearly from other companies, and rebalance its emphases on history and contemporary appeal by March 2018

Learning, Engagement and Equality of Opportunity – Birmingham Royal Ballet will offer unique opportunities and high quality experiences for people of all ages and backgrounds to engage with ballet and the performing arts by

- Delivering an exciting and innovative learning programme both in Birmingham and on tour (nationally and internationally) by offering opportunities to at least 12,500 participants of all ages and backgrounds per annum through inclusive, enjoyable and empowering experiences which reflect BRB's values and work
- Growing BRB's Ambassadors programme to 12 Ambassadors by 2017 and deliver an annual project developed and led by the Ambassadors to support young people in their personal development
- Continuing a talent development programme through Dance Track in the North and South of Birmingham and opportunities for further expansion and development using BRB's refurbished Thorp Street premises from 2015 onwards
- Continuing BRB's leadership role in ballet and learning disability with Freefall Dance Company and the development of an open class programme from 2016 onwards
- Supporting Arts Awards by offering an annual programme of Arts Award days through schools and youth services
- Working to deliver the Arts Connect Bridge Programme (joint programme delivered by Birmingham Arts Partnership and University of Wolverhampton) in the West Midlands for the 2015-18 period in accordance with the successful bid and agreed Business Plan

BIRMINGHAM ROYAL BALLET

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STRATEGIC REPORT

- Extending the annual programme of free engagement activities in local communities and performance venues to touring venues (including 'Ballet What's That?' Events, Discovery Days and short introductory performances and talks) to achieve attendance at engagement events of 3,500 per annum by 31 March 2018
- Create an annual children's performance programme based on the model trialled in Edinburgh February 2015 including Swan Lake (2015-16) and Sleeping Beauty (2016-17)

Organisational Development – Birmingham Royal Ballet will continue to review its organisational needs to ensure that it is appropriately structured to meet the challenges of the future through:

- Appointing a new Chief Executive to succeed Christopher Barron after July 2015
- Maintaining Investors in People - Gold Standard recognition when re-assessed in 2017
- Continuing training and skill sharing programme with Birmingham Arts Partnership organisations by undertaking at least one shared training programme per annum
- Offer apprenticeships and internship opportunities to develop skills and transfer of knowledge by employing at least one apprentice and hosting at least two graduate interns per annum)
- Review and finalise pensions policy for all staff groups to ensure affordability of increase in auto-enrolment contributions by April 2018

Financial Stability – Birmingham Royal Ballet will ensure financial sustainability by increasing and diversifying income streams as follows:

- Fund new work through collaboration with other companies including co-productions with IDFB and Houston Ballet
- Continue to articulate the case for support as part of BRB's 'Campaign for the Future' to raise £15 million by 2017 to support Talent, Inspiration, New Work and Legacy
- Increase box office income by 10% in Birmingham by 31 March 2018
- Increase box office income by between 5% and 10% per week across touring venues by 31 March 2018
- Maintain general, unrestricted reserves (excluding capital reserves) at an absolute minimum of £500,000 with a target of at least £1,000,000 by 31 March 2018
- Working with Birmingham Arts Partnership on to establish an 'arts development trust' or similar by 31 March 2016 to help safeguard the future of Birmingham's arts infrastructure

Approved by the Board of Directors
and signed on behalf of the Board of Directors

Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS REPORT

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

The Directors of the charitable company who are also trustees for the purpose of charity law, are referred to in this report as "Directors" or "the Board of Directors".

The names of the Directors, Officers and Professional Advisers who served throughout the year and at the date of signing are provided on page 1.

Organisation

The Board of Directors' membership includes those with appropriate professional experience of dance, education, arts and charity administration, fundraising, marketing and communications, general management and financial management.

Directors' Interests in Related Bodies

Body	Director
Governors of the Royal Ballet	Professor Michael Clarke
	Dame Jenny Abramsky
Birmingham City Councillors	Councillor James Hutchings
	Councillor Des Hughes

Reimbursements to Directors

Reimbursements of expenses were made to two Directors during the period, totalling £3,591 (2013 - 14: £3,569).

POLICIES

Financial Management:

- **Board authority** - the Board is responsible for agreement of Birmingham Royal Ballet's overall strategy including agreement of business plans and approval of key organisational policies to meet Birmingham Royal Ballet's legal obligations, operational requirements and/or strategy implementation. This includes approval of the Annual Budget prepared in accordance with agreed activity plans, approval of proposals for significant capital investment projects over £50,000, approval of fundraising programmes, significant changes in financial procedures and other internal controls, approval of the Annual Report, the appointment of Bankers and investment managers, approval of changes to banking arrangements and approval of the reserves, investment and remuneration policies.
- **Budget setting and control** - the Senior Management Team is responsible for proposing their departmental budgets based on the planned activity for the year. These departmental budgets are reviewed and combined to build a master budget for Birmingham Royal Ballet as a whole. The Finance Director and Chief Executive are responsible for proposing a final balanced budget for approval by the Board of Directors. Senior Managers are authorised to commit expenditure in accordance with their final approved budgets unless these are subject to further revision during the course of a financial year in the light of prevailing circumstances (see under financial reporting and review). All expenditure is reviewed and approved for payment by the Finance Director or Chief Executive.
- **Financial reporting and review** - A company finance report and forecast to the year end is presented at each Board and Finance and General Purposes Committee meeting. All Senior Managers receive a copy of this finance report in addition to their individual monthly budget reports. Where significant variances against budget are identified, compensating actions are identified and agreed by the Senior Management Team. This will usually involve identifying cost savings as performing activity for the year is fixed at least a year in advance and our major sources of income are also fixed. The major financial risk that faces the organisation is a shortfall in earned income sources such as box office income and fundraising income. Both these income sources can be highly variable and are subject to a number of influences that are outside the direct control of Birmingham Royal Ballet. As a result the key to financial stability is careful cost control in conjunction with growing existing income and identifying and developing new income streams.

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS REPORT

Reserves:

The directors have reviewed the reserves policy in the light of funding decisions from Arts Council England and Birmingham City Council and the prevailing economic conditions.

Factors such as funding cuts, increasing inflation and ongoing uncertainty regarding the recovery of the economy have combined to create greater uncertainty about the decisions and actions which may have to be taken in the short to medium term to protect the financial stability of the organisation. The Directors have agreed, given the riskier financial environment in which Birmingham Royal Ballet is operating, that a higher level of undesignated general reserves is required to give greater contingency to the organisation and to improve flexibility to respond to unexpected events or to exploit new opportunities.

The Directors consider it is appropriate to maintain general undesignated reserves at a minimum of £500,000 and will work towards building a maximum general undesignated reserve of £1,500,000 which is roughly equivalent to one month's running costs plus the costs of winding up of the company following a significant withdrawal of revenue funding, should that eventuality arise in the future.

From time to time, the Directors may set aside designated funds for specific purposes or projects.

Designated funds include:

- **Capital Fund** – being funds designated for investment in major projects to purchase new or replace existing fixed assets
- **Thorp Street Refurbishment** - being the funds relating to the Thorp Street refurbishment works; on completion of the project as the asset is used for unrestricted purposes, it has been transferred from restricted into designated funds.
- **Community Engagement Fund** – represents funds received from the sale of investments by Birmingham Royal Ballet Trust prior to the winding up of the Trust on 31 March 2005 to support educational activities particularly in association with dance and choreographic training. The use of these funds has been widened and re-designated to support further development of our community engagement activity in accordance with our 2012-15 Business Plan.
- **New Production Fund** - to support investment in new productions that will increase the repertory available for performances where funding is not available from private philanthropic sources.

Restricted funds - Restricted funds include donations, gifts, grants and legacies received whose use is restricted to purposes specified by the donor.

Endowment funds - Endowment funds are amounts that have been donated with the intention that they be invested to produce income, whose use is restricted to purposes specified by the donor.

- **The Catalyst/Cadbury Family Expendable Endowment Fund** - represents donations received specifically for the purpose of funding dance fellowships (The Robin Cadbury Dance Fellowships) to support young dancers with teaching, training and mentoring in perpetuity. The donations received are matched by funding from Arts Council Catalyst Endowment Scheme. This endowment period is 25 years till 1st November 2037 after which the fund is expendable.

The reserves policy was reviewed in June 2011 following the confirmation of Arts Council funding through to 2015.

Investments:

- **General objectives** - The cash and other investments of Birmingham Royal Ballet must be managed in such a way as to safeguard the capital value of those assets to enable Birmingham Royal Ballet to carry out its charitable purposes effectively in both the short term and over the longer term. Where possible, the value of invested assets should be enhanced so as to at least keep pace with inflation.
- **Short term cash and cash contingency funds** - To retain flexibility and availability of these funds, current account monies in excess of monthly operating requirements are transferred to higher rate call accounts or short-term fixed interest money market deposit accounts to maximise interest rates received. Cash investments mature on a rolling basis to ensure availability of funds and no cash investment is invested for notice periods exceeding 12 months.
- **Medium term investments** - Where there are surplus cash funds available for investment in excess of one year but likely to be required for expenditure within a three to five year time frame fixed interest vehicles such as gilts, bonds including index linked bonds can be considered. Investment in such vehicles should be assessed for
 - financial return
 - protection against inflation in addition to offering a financial return
 - risk of default

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS REPORT

- tradeability in the event of the need to liquidate assets
There are no medium term investments held by Birmingham Royal Ballet at present.

- **Long term investments and endowment funds** - Funds held for the long term (a minimum of three years but more likely to be in excess of five years) or as expendable endowment funds are held for the purpose of securing a financial return which can be applied in the furtherance of Birmingham Royal Ballet's charitable objects and cannot be used in a way which would erode the capital of the fund, subject to any special provisions which would allow the expenditure of capital in certain circumstances.

Acceptable risk - Funds invested for the short to medium term will be held in low risk deposit accounts or fixed interest investments in order to avoid significant reductions in capital value and will be available to liquidate over a maximum of 12 months. Long term investments and endowments will be held across a mixed portfolio of investments to achieve both capital growth and return over the long term (minimum of five to seven years). It is accepted that some investments within the portfolio may be higher risk but overall the portfolio should not be exposed to more than a medium risk profile to balance the opportunity for increased investment returns against the risk of capital loss. It is accepted that the investments held for the long term are likely to see volatility over the short to medium term and may even have periods of negative return for certain asset classes

The Investment Committee of the Board met with the fund managers in May and November 2014. Funds are being managed in accordance with the investment strategy agreed with Smith and Williamson and the performance of the fund to date is in line with our policy of achieving a balance between income and capital growth in accordance with the investment policy for endowment funds.

TAXATION

The Company is a charity for tax purposes and is entitled to claim charitable tax exemptions. The Company has no liability to tax on its charitable activities.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board of Directors

Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET

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DIRECTORS' RESPONSIBILITIES STATEMENT

The directors (who are also trustees of Birmingham Royal Ballet) are responsible for preparing the Directors' Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors 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.

BIRMINGHAM ROYAL BALLET
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

We have audited the financial statements of Birmingham Royal Ballet for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**BIRMINGHAM ROYAL BALLET
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)
(continued)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Jonathan Dodworth

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

BIRMINGHAM ROYAL BALLET
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STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Period ended 31 March 2015

	Note	Un- restricted Funds £	Restricted Funds £	Endowment Fund £	2015 Total Funds £	2014 Total Funds £
Incoming resources:						
<i>Incoming resources from generated funds:</i>						
<i>Voluntary income:</i>						
Grants and donations	3	8,854,552	2,897,538	373,710	12,125,800	9,429,186
<i>Activities for generating funds:</i>						
Memberships and other funds	4	95,776	-	-	95,776	92,722
<i>Investment income:</i>						
Bank interest receivable		5,590	-	-	5,590	5,295
Dividends		-	-	32,402	32,402	20,608
		<u>8,955,918</u>	<u>2,897,538</u>	<u>406,112</u>	<u>12,259,568</u>	<u>9,547,811</u>
<i>Incoming resources from charitable activities:</i>						
Performance and related activities	5	3,170,064	-	-	3,170,064	3,319,176
Total incoming resources		<u>12,125,982</u>	<u>2,897,538</u>	<u>406,112</u>	<u>15,429,632</u>	<u>12,866,987</u>
Resources expended:	6					
<i>Costs of generating funds:</i>						
Costs of generating voluntary income		367,040	-	-	367,040	368,917
Costs of generating memberships and other funds		65,153	-	-	65,153	59,580
<i>Charitable activities:</i>						
Production and performance		11,011,575	119,805	-	11,131,380	11,692,524
Orchestral projects		277,546	-	-	277,546	339,445
Education projects		384,253	-	-	384,253	362,764
Governance costs		126,741	-	-	126,741	106,956
Other Expended Resources		-	-	8,180	8,180	4,954
Total resources expended		<u>12,232,308</u>	<u>119,805</u>	<u>8,180</u>	<u>12,360,293</u>	<u>12,935,140</u>
Net incoming/ (outgoing) resources for the period before transfers and other gains and losses, being net income/ (expenditure)	8	(106,326)	2,777,733	397,932	3,069,339	(68,153)
Unrealised/Realised gains on revaluation of investments	13	-	-	114,706	114,706	55,435
Transfers	14	2,715,000	(2,715,000)	-	-	-
Net (outgoing)/incoming resources for the period after transfers		2,608,674	62,733	512,638	3,184,045	(12,718)
Opening funds 1 April 2014		1,090,826	10,238	1,277,018	2,378,082	2,390,800
Closing funds 31 March 2015		<u>3,699,500</u>	<u>72,971</u>	<u>1,789,656</u>	<u>5,562,127</u>	<u>2,378,082</u>

All the above results are derived from continuing activities.

BIRMINGHAM ROYAL BALLET
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BALANCE SHEET
31 March 2015

	Note	31 March 2015	31 March 2014
		£	£
FIXED ASSETS			
Tangible assets	9	3,019,177	426,798
Investment assets	13	1,789,556	1,277,018
CURRENT ASSETS			
Stocks	10	72,079	73,646
Debtors	11	1,682,545	1,156,557
Cash at bank and in hand	18	498,367	1,440,348
		<u>2,252,991</u>	<u>2,670,552</u>
CREDITORS: amounts falling due within one year	12	<u>(1,499,597)</u>	<u>(1,996,286)</u>
NET CURRENT ASSETS		<u>753,394</u>	<u>674,266</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u><u>5,562,127</u></u>	<u><u>2,378,082</u></u>
FUNDS			
Unrestricted designated funds	14	3,083,446	477,276
Unrestricted general funds	14	616,054	613,550
Restricted funds	14	72,971	10,238
Endowment fund	14	1,789,656	1,277,018
		<u>5,562,127</u>	<u>2,378,082</u>

These financial statements of Birmingham Royal Ballet (registered number 3320538) were approved by the Board of Directors on 19 October 2015.

Signed on behalf of the Board of Directors

Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
Period ended 31 March 2015

	Note	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	16	2,269,077	276,753
Returns on investments	17	37,992	25,913
Capital expenditure	17	(2,851,119)	(115,555)
Financial investment	17	(397,931)	(1,221,593)
(Decrease) in cash in the period		<u>(941,981)</u>	<u>(1,034,482)</u>
 Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash in the period		(941,981)	(1,034,482)
Change in net funds resulting from cash flows		<u>(941,981)</u>	<u>(1,034,482)</u>
Net funds at 1 April		<u>1,440,348</u>	<u>2,474,831</u>
Net funds at 31 March		<u>498,367</u>	<u>1,440,349</u>

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently with the previous year, are as follows:

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared in accordance with, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable United Kingdom Accounting Standards and the Companies Act 2006. These accounts have been prepared on a going concern basis. The financial statements of BRB Production Services Ltd, a dormant subsidiary, incorporated during the year, have not been consolidated on grounds of materiality.

Going concern

The company's activities and future plans are set out in the directors' report.

The company has no external borrowing facilities and manages its activities with positive unrestricted bank balances. The company's forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure, show that the company should be able to continue to operate on this basis.

Grant funding represents the company's largest income stream and Birmingham City Council have confirmed their commitment to fund Birmingham Royal Ballet to 31 March 2016 and Arts Council England have confirmed their funding for Birmingham Royal Ballet up to the year ended 31 March 2018.

The directors review and manage short-term fluctuations in our other income streams: box office, commercial and development income.

The company also relies on support from other funders including individuals, trusts, foundations and corporate bodies for maintaining the high standards and diversity of its output.

Based on the above, the directors believe that the company is well placed to manage its business risks successfully, despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Incoming resources

Box office income, performance related fees and programmes

Box office income, performance related fees and income generated from the sale of programmes are recognised in the period of the related performances.

Donations and legacies

Donations and legacies are credited to the statement of financial activities on when received unless donated for a stated purpose by the donor in which case income will be deferred to the relevant period.

Deferred income

Amounts invoiced in advance and other incoming resources, which are subject to conditions imposed by the donor relating to the charity's entitlement to the funds, are carried forward as deferred income in the balance sheet. Amounts are recognised as income when the services are performed or the conditions imposed by the donor are satisfied.

Grants receivable

Capital grants receivable are recognised in the year of receipt. Revenue grants receivable are recognised in the year to which the grants relate. Revenue grants received in advance of the year to which they relate are carried forward as a creditor in the balance sheet.

Capital funds comprise grants/donations towards the cost of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost.

Investment income

Investment income is recognised on an accruals basis.

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

Resources expended

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure categories include salaries, depreciation and other costs as analysed in note 6.

Costs of generating voluntary income are the costs associated with generating core funding grants, legacies and donations. These include any direct costs associated with these activities as well as an appropriate proportion of relevant staff costs, support costs, premises costs and depreciation.

Costs of activities for generating funds are the direct costs of our membership schemes, sponsorship and merchandising activities including direct staff costs and an appropriate proportion of support costs, premises costs and depreciation.

Costs of charitable activities include all costs relating to delivering the charitable objectives of the company as stated in the Directors' report plus an appropriate proportion of support costs, premises costs and depreciation.

Governance costs are the costs relating to the governance arrangements and infrastructure for Birmingham Royal Ballet. These include audit fees, certain legal fees, the costs of trustees' meetings, a proportion of the costs of the Chief Executive and Finance Director and appropriate proportion of support costs, premises costs and depreciation.

Support costs include general administration and management costs including HR, finance, IT and other general overheads of the business. These costs are necessary for delivering activities but do not directly produce or constitute the activity.

Costs have been allocated on a direct basis whenever possible and on an appropriate alternative basis (mainly staff numbers) in other instances.

New production and revivals

The costs to the company of sets and wardrobe for new productions are charged in full to the relevant production's initial performance season. Where the performance season spans more than one financial year the costs are amortised evenly over the total number of performances of the tour.

Revival costs are written off on the first night of the relevant production's performance.

Costs incurred in the transport and set up of a production are assigned to the appropriate tour, in the year in which the tour occurred.

Prepayments for the next season are made in respect of productions to be presented in the next financial year.

Operating leases

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the leases.

Pension costs

All permanent employees of the company are eligible to be members of one of the following defined contribution pension schemes:

- Dancers' Pension Scheme
- Birmingham Royal Ballet Pension Scheme
- Musicians' Union Pension Scheme

The pension costs charged to the income and expenditure account represent the amount of contributions payable by the company to the pension schemes in respect of the accounting year.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Office equipment	10 - 25% per annum
Computer equipment	25% per annum
Technical equipment	10 - 33.3% per annum
Premises transferred from Royal Opera House:	Written off over the remaining life of the lease

Fixed assets below £1,000 are not capitalised.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

Investments

Investments are included in the financial statements at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Stock

Stock consists of ballet shoes and merchandise for sale and is stated at the lower of cost and net realisable value.

Fund accounting

Unrestricted funds

Unrestricted funds are those which are expendable at the discretion of the Directors in furtherance of the objects of the charity.

Restricted funds

Restricted funds include donations, gifts, grants and legacies received whose use is restricted to purposes specified by the donor. Such purposes must be within the overall aims of the charity.

Designated funds

Designated funds are amounts which have been put aside at the discretion of the Directors and comprise funds for specific projects.

Expendable endowment fund

Endowment funds are amounts that have been donated with the intention that they be invested to produce income, whose use is restricted to purposes specified by the donor. Such purposes must be within the overall aims of the charity.

Taxation

The company is a charity for tax purposes and is entitled to claim charitable tax exemptions. The company has no liability to tax on its charitable activities.

2. FUTURE FUNDING

The Company is dependent on the continuing financial support of Arts Council England and Birmingham City Council. Income from these sources in 2014-15 totalled £10,254,320 (2013-14: £8,334,754) representing 66% (2013-14: 65%) of total income.

Arts Council England and Birmingham City Council have committed revenue funding of £7,891,000 and £730,000 respectively for the 2015/16 financial year.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

3. VOLUNTARY INCOME

	2015 Un- restricted Funds £	2015 Restricted Funds £	2015 Endowment Fund	2015 Total Funds £	2014 Total Funds £
Grants:					
Arts Council England					
Revenue funding	7,304,977	-	-	7,304,977	7,269,244
Cross Border Touring Managed Funds	-	182,538	-	182,538	129,610
Catalyst Endowment Funds	-	-	186,805	186,805	27,400
Capital Funding	-	1,850,000	-	1,850,000	-
Birmingham City Council					
Revenue funding	730,000	-	-	730,000	908,500
Donations					
Grants – Trusts and Foundations	228,150	781,000	186,905	1,196,055	552,510
Legacies	5,000	75,000	-	80,000	9,195
Other	586,425	9,000	-	595,425	532,727
	<u>8,854,552</u>	<u>2,897,538</u>	<u>373,710</u>	<u>12,125,800</u>	<u>9,429,186</u>

4. ACTIVITIES FOR GENERATING FUNDS

	2015 Un- restricted funds £	2014 Total funds £
Memberships	95,126	91,331
Sale of merchandise	650	1,391
	<u>95,776</u>	<u>92,722</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015 Un- restricted funds £	2015 Restricted funds £	2015 Total funds £	2014 Total funds £
Performance and related activities				
Box office income	2,467,731	-	2,467,731	2,578,973
Overseas touring	-	-	-	194,713
Production sales and hires	99,657	-	99,657	103,953
Programmes	101,096	-	101,096	112,453
Friends	23,093	-	23,093	31,061
Orchestra projects	95,196	-	95,196	203,379
Education	87,467	-	87,467	39,155
Other fees and services	11,824	-	11,824	55,489
Theatre Tax Credit	284,000	-	284,000	-
	<u>3,170,064</u>	<u>-</u>	<u>3,170,064</u>	<u>3,319,176</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	UNRESTRICTED FUNDS						
	Direct staff Costs 2015 £	Other direct Costs 2015 £	Support costs 2015 £	Premises 2015 £	Depreciation 2015 £	Total Expenditure 2015 £	Total 2014 £
Costs of generating funds:							
Costs of generating voluntary income	248,887	92,098	9,583	14,150	2,322	367,040	368,917
Costs of generating memberships and other funds	22,294	32,084	5,122	4,717	936	65,153	59,580
Charitable activities:							
Production and performance	6,652,258	2,939,774	648,136	528,251	243,156	11,011,575	11,686,607
Orchestra projects	247,775	19,974	4,144	4,717	936	277,546	339,445
Education projects	179,863	162,375	18,432	18,866	4,717	384,253	362,764
Governance costs	<u>64,418</u>	<u>52,714</u>	<u>3,956</u>	<u>4,717</u>	<u>936</u>	<u>126,741</u>	<u>106,956</u>
Total - Unrestricted	<u><u>7,415,495</u></u>	<u><u>3,299,019</u></u>	<u><u>689,373</u></u>	<u><u>575,418</u></u>	<u><u>253,003</u></u>	<u><u>12,232,308</u></u>	<u><u>12,924,269</u></u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

6. ANALYSIS OF TOTAL RESOURCES EXPENDED - CONTINUED

	RESTRICTED FUNDS						
	Direct staff Costs 2015 £	Other direct Costs 2015 £	Support costs 2015 £	Premises 2015 £	Depreciation 2015 £	Total Expenditure 2015 £	Total 2014 £
<i>Charitable activities:</i>							
Production and performance – New Media Project	-	-	-	-	5,836	5,836	5,917
Production and performance - Edinburgh	59,691	54,278	-	-	-	113,969	-
Total - Restricted	<u>59,691</u>	<u>54,278</u>	<u>-</u>	<u>-</u>	<u>5,836</u>	<u>119,805</u>	<u>5,917</u>
	ENDOWMENT FUNDS						
	Direct staff Costs 2015 £	Other direct Costs 2015 £	Support costs 2015 £	Premises 2015 £	Depreciation 2015 £	Total Expenditure 2015 £	Total 2014 £
Other Expended Resources	-	8,180	-	-	-	8,180	4,954
Total – Endowment	<u>-</u>	<u>8,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,180</u>	<u>4,954</u>
Total Expenditure	<u>7,475,186</u>	<u>3,361,477</u>	<u>689,373</u>	<u>575,418</u>	<u>258,839</u>	<u>12,360,293</u>	<u>12,935,140</u>

**NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015**

6. ANALYSIS OF TOTAL RESOURCES EXPENDED - CONTINUED

Support costs comprise £332,475 (2014: £349,656) staff costs and £362,641 (2014: £397,322) overhead costs.

Support costs have been allocated on a direct basis whenever possible and on an appropriate alternative basis (mainly staff numbers) in other instances.

Premises costs comprise £6,747 staff costs (2014: £10,157) and £568,671 overhead costs (2014: £553,729).

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015	2014
	£	£
Employee costs during the period		
Wages and salaries	6,740,708	6,880,913
Redundancy costs	30,000	114,953
Social security costs	692,398	700,066
Pension costs (including Dancers Career Development Fund)	344,555	318,212
	7,807,661	8,014,144
	7,807,661	8,014,144
 Average number of full time equivalent employees employed	 2015	 2014
	No	No
Permanent:		
Artists and ballet staff	63	64
Sinfonia and music staff	46	46
Production and technical	17	17
Education	5	5
Support	16	15
Publicity and Development	13	13
Central management and administration	3	3
	163	163
	163	163
Temporary:	2015	2014
	No	No
Support	1	1
Production and technical	12	12
	13	13
	13	13
 Employees with total emoluments greater than £60,000 fell into the following bands:	 2015	 2014
	No	No
£ 60,001 - £ 70,000	10	11
£ 70,001 - £ 80,000	4	3
£ 80,001 - £ 90,000	3	2
£ 120,001 - £130,000	1	1
£ 130,001 - £140,000	-	1
£ 140,001 - £150,000	1	-
	1	-
	1	-

During the period pension contributions of £72,190 (2013-14: £68,011) were paid in respect of 19 employees (2013-14: 18 employees) with total emoluments greater than £60,000.

The Directors received no remuneration in the period (2013-14: nil).

During the period the total expenses reimbursed to two members of the Board amounted to £3,591 (2014: two members claimed £3,569). This principally represents reimbursed travelling expenses and sundry expenses incurred in the management of the charity's affairs.

The charity has arranged insurance to protect the charity from loss arising from neglect or default of its trustees, employees or agents and to indemnify the trustees and officers from the consequences of any neglect or default on their part. The annual cost of such insurance which covers the trustees and the officers was £3,699 (2014: £3,250).

The Directors are not aware of any material transaction, contract or other arrangement with any connected person.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

8. NET INCOMING/(OUTGOING)RESOURCES

Net incoming/(outgoing) resources are stated after charging:	2015	2014
	£	£
Operating lease rentals	232,002	237,881
Depreciation of owned assets	258,840	123,612
Auditor's remuneration:		
Payable to the Company's auditors in respect of the external audit	13,000	13,400
	<u>13,000</u>	<u>13,400</u>

9. TANGIBLE FIXED ASSETS

	Leasehold property	Computers	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 01 April 2014	344,094	555,895	1,413,126	2,313,115
Additions	2,720,738	45,988	84,393	2,851,119
Disposals	-	(343,670)	(133,366)	(477,036)
	<u>3,064,832</u>	<u>258,213</u>	<u>1,364,153</u>	<u>4,687,198</u>
Accumulated depreciation				
At 01 April 2014	273,949	479,158	1,133,210	1,886,317
Charge for period	129,721	42,301	86,818	258,840
Disposals	-	(343,770)	(133,366)	(477,136)
	<u>403,670</u>	<u>177,689</u>	<u>1,086,662</u>	<u>1,668,021</u>
Net book value				
At 31 March 2015	<u>2,661,162</u>	<u>80,524</u>	<u>277,491</u>	<u>3,019,177</u>
At 31 March 2014	<u>70,145</u>	<u>76,737</u>	<u>279,916</u>	<u>426,798</u>

10. STOCKS

	31 March 2015	31 March 2014
	£	£
Shoes	70,999	72,177
Merchandise	1,080	1,469
	<u>72,079</u>	<u>73,646</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

11. DEBTORS

	31 March 2015 £	31 March 2014 £
Trade debtors	534,838	512,476
Other debtors	701,316	134,354
VAT	11,228	-
Prepayments	435,163	509,727
	<u>1,682,545</u>	<u>1,156,557</u>

Other debtors includes £63,375 (2014: £63,375) in respect of a rent deposit which is due in more than one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2015 £	31 March 2014 £
Trade creditors	580,998	455,437
Other creditors	133,530	73,642
Taxation and social security	187,561	294,088
Accruals and deferred income	597,508	1,173,119
	<u>1,499,597</u>	<u>1,996,286</u>

Movements in deferred income:

	2015 £	2014 £
Balance at 01 April 2014	689,320	556,121
Amounts released during the period	(679,320)	(531,121)
Deferred in the current period	242,358	664,320
	<u>252,358</u>	<u>689,320</u>

Deferred income at 1 April 2014 comprised membership scheme income and donations and legacy income relating to activity in the periods to 31 March 2015, 31 March 2016 and 31 March 2017.

Deferred income at 31 March 2015 comprised membership scheme income and donations and legacy income relating to activity in the periods to 31 March 2016 and 31 March 2017.

BIRMINGHAM ROYAL BALLET
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NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

13. INVESTMENTS

	31 March 2015	31 March 2014
	£	£
Market value at 1 st April 2014	1,263,149	-
Additions at cost	313,775	1,504,249
Disposals	(172,803)	(296,535)
Un-realised/Realised gain	<u>114,706</u>	<u>55,435</u>
	1,518,827	1,263,149
Cash Held with Investment Advisors	<u>270,729</u>	<u>13,869</u>
Closing value at 31 March 2015	<u><u>1,789,556</u></u>	<u><u>1,277,018</u></u>

The historical cost of the investment is £1,358,497 (2014: £1,205,919).

The portfolio consists of the following:

	Market Value 2015	% of portfolio	Market Value 2014	% of portfolio
UK Equities	559,904	31	580,416	46
Overseas Equities	486,327	27	363,479	28
UK Fixed Income	178,485	10	97,941	8
Overseas Fixed Income	78,203	5	54,482	4
Alternative Assets	153,695	8	131,943	10
UK Property	62,213	4	34,888	3
Cash	<u>270,729</u>	<u>15</u>	<u>13,869</u>	<u>1</u>
	<u><u>1,789,556</u></u>	<u><u>100</u></u>	<u><u>1,277,018</u></u>	<u><u>100</u></u>

There were no investments representing over 5% by value of the portfolio.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

14. FUNDS

a) Restricted Funds

	At 1 April 2014 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2015 £
New Media Project Fund	10,238	-	(5,836)	-	4,402
Thorp Street Refurbishment	-	2,715,000	-	(2,715,000)	-
Cross Border Touring	-	182,538	(113,969)	-	68,569
	<u>10,238</u>	<u>2,897,538</u>	<u>(119,805)</u>	<u>(2,715,000)</u>	<u>72,971</u>

b) Designated funds comprise amounts set aside by the Directors in respect of:

	At 1 April 2014 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2015 £
Capital Grants Fund	150,000	-	-	(5,737)	144,263
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	-	150,000
Thorp Street Refurbishment	-	-	(108,830)	2,720,737	2,611,907
	<u>477,276</u>	<u>-</u>	<u>(108,830)</u>	<u>2,715,000</u>	<u>3,083,446</u>

The Capital Grants Fund represents income designated for the acquisition of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying assets is charged to the designated fund.

The Community Engagement Fund represents amounts received following the decision to wind up Birmingham Royal Ballet Trust. These funds have been re-designated from the former education fund to support community engagement work in accordance with our 2012-2015 Business Plan.

The New Productions Fund represents income designated to support major new productions that will extend the repertory available for Birmingham Royal Ballet performances.

Restricted funds were received to fund the refurbishment works on the Thorp Street property. Following the completion of this work, the restriction had been met and therefore the value of the asset was transferred into designated funds

c) Unrestricted, undesignated funds:

	At 1 April 2014 £	Net Inflows in the period £	Transfer in the period £	At 31 March 2015 £
General fund	613,550	2,504	-	616,054
	<u>613,550</u>	<u>2,504</u>	<u>-</u>	<u>616,054</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

14. FUNDS (CONTINUED)

d) Endowment funds:

	At 1 April 2014 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2015 £
Catalyst/Cadbury Family Endowment Fund	1,277,018	512,638	-	-	1,789,656
	<u>1,277,018</u>	<u>512,638</u>	<u>-</u>	<u>-</u>	<u>1,789,656</u>

- The Catalyst/Cadbury Family Endowment Fund represents donations received specifically for the purpose of funding dance fellowships to support young dancers with teaching, training and mentoring. The endowment period is 25 years till 1st November 2037 after which the fund is expendable.

e) Allocations of net assets between funds

	2015 Un- restricted funds £	2015 Restricted funds £	2015 Endowment funds £	2015 Total funds £	2014 Total Funds £
Investments	-	-	1,789,556	1,789,556	1,277,018
Cash at Bank and in Hand	425,296	72,971	100	498,367	1,440,348
Debtors	1,682,545	-	-	1,682,545	1,156,557
Stocks	72,079	-	-	72,079	73,646
Fixed Assets	3,019,177	-	-	3,019,177	426,798
Creditors	(1,499,597)	-	-	(1,499,597)	(1,996,286)
	<u>3,699,500</u>	<u>72,971</u>	<u>1,789,656</u>	<u>5,562,127</u>	<u>2,378,082</u>

15. LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital.

In the event of a winding-up order, each member guarantees to pay such amount as may be required, not exceeding £1, in respect of payment of the company's debts and liabilities.

Any assets remaining in the event of a winding-up order are to be transferred to another institution with similar objectives to those of the company. Consequently, no disclosures in respect of shareholders' funds are given as the members have no rights to such funds.

At 31 March 2015, there were 10 (2014: 11) members of the company.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

16. RECONCILIATION OF INCOMING RESOURCES TO OPERATING CASH FLOWS

	2015	2014
	£	£
Net incoming/(outgoing) resources for the period before transfers and other gains and losses	3,069,339	(38,621)
Depreciation	258,840	123,612
Decrease/(Increase) in stocks	1,567	(16,550)
(Increase)/Decrease in debtors	(525,988)	206,848
(Decrease)/Increase in creditors	(496,689)	56,899
Returns on investments and servicing of financing	(37,992)	(55,435)
Net cash (outflow)/inflow from operating activities	<u>2,269,077</u>	<u>276,753</u>

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	5,590	5,295
Dividends received	32,402	20,608
	<u>37,992</u>	<u>25,903</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	2,851,119	115,555
Net cashflow from movements in investment portfolio	397,931	1,221,593
Net cash outflow	<u>3,249,050</u>	<u>1,337,148</u>

18. ANALYSIS OF NET FUNDS

	At	Cash	At
	1 April	flow	31 March
	2014	£	2015
	£		£
Cash in hand and at bank	1,440,348	(941,981)	498,367
	<u>1,440,348</u>	<u>(941,981)</u>	<u>498,367</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2015

19. FINANCIAL COMMITMENTS

Capital commitments

At 31 March 2015 the company had £nil (2014: £nil) capital commitments which were contracted for but not provided in the financial statements.

Operating lease commitments

At 31 March 2015, the company was committed to making the following payments during the next year in respect of operating leases:

	Premises		Other	
	2015	2014	2015	2014
	£	£	£	£
Leases which expire:				
Within one year	100,000	-	-	-
Within two to five years	-	100,000	-	5,880
After five years	132,002	132,001	-	-
	<u>232,002</u>	<u>232,001</u>	<u>-</u>	<u>5,880</u>

20. PENSION COSTS

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2015 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2015	2014
	£	£
Dancers' Pension Scheme	121,817	106,492
Birmingham Royal Ballet Pension Scheme	104,790	96,764
Musicians' Union Pension Scheme	69,398	66,013
	<u>296,005</u>	<u>269,269</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2014-15 the company contributed a total of £48,550 (2013-14: £48,943).

As of 31 March 2015 there were £4,726 outstanding contributions due in respect of the current reporting period (2014: £nil).

21. RELATED PARTY TRANSACTIONS

BRB Productions Services Ltd is a wholly owned trading subsidiary of Birmingham Royal Ballet and was incorporated on 11 August 2014. The company has been dormant throughout the period.

There were no related party transactions in 2014-15 £nil (2013-14: £nil).