

BIRMINGHAM ROYAL BALLET

Company Registration No. 3320538

Registered Charity No. 1061012

**Birmingham Royal Ballet
(A Company Limited by Guarantee)**

Report and Financial Statements

Period ended 2 April 2016

BIRMINGHAM ROYAL BALLET

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BIRMINGHAM ROYAL BALLET

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Professor Michael Clarke CBE DL (Chair)
Mr Charles Parker
Mrs Susan Harrison
Dame Jenny Abramsky
Mr Ross MacGibbon
Councillor Des Hughes
Miss Jan Teo (resigned 07 September 2015)
Mr Ian Squires (appointed 01 October 2015)
Councillor Deirdre Alden (appointed 01 October 2015)
Ms Louise Halliday (resigned 20 June 2016)
Mr Michael Elliott (appointed 20 June 2016)
Ms Deborah Spence (appointed 20 June 2016)

SECRETARY

Mrs Anna Williams FCA, DChA

REGISTERED IN ENGLAND & WALES

Company Number: 3320538

Registered Charity Number: 1061012

REGISTERED OFFICE

Thorp Street
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B5 4AU

BANKERS

HSBC Bank plc
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Birmingham
B2 4JU

SOLICITORS

Veale Wasborough Vizards LLP
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Birmingham
B1 2JB

INVESTMENT MANAGERS

Smith and Williamson
9 Colmore Row
Birmingham
B3 2BJ

AUDITOR

Deloitte LLP
Chartered Accountants and statutory auditor
2 New Street Square, London, United Kingdom, EC4A 3BZ

BIRMINGHAM ROYAL BALLET

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 strategic aims and objectives of Birmingham Royal Ballets for the 2015 - 16 financial year are set out in the Strategic Report below.

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 repertoire 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 performances are supported by a groundbreaking programme of learning and community engagement work. Opportunities include free ballet training for talented individuals, repertoire 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 worked 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.

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CHARITABLE ACTIVITIES

Performance and Production

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.

BRB's artistic and performance related objectives for the 2015-16 period were to:

- 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, including a regular London presence at Sadlers Wells Theatre;
- Increase the number of touring weeks in England in line with BRB's 2015-18 funding agreement;
- Create one new one act ballet; The King Dances by David Bintley;
- Undertake an overseas tour to Japan in April/May 2015;
- 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;
- 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;
- 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.

The complete repertory performed during the year was:

BALLET	CHOREOGRAPHY	MUSIC
Swan Lake	Peter Wright, Lev Ivanov, Marius Petipa	Pyotr Ilyich Tchaikovsky
Cinderella	David Bintley	Sergei Prokofiev
Les Rendezvous	Frederick Ashton	Daniel Auber arr. Constant Lambert
Kin.	Alexander Whitley	Phil Kline
Elite Syncopations	Kenneth Macmillan	Scott Joplin and others
Quatrain	Kit Holder	Astor Piazzolla
Facade	Frederick Ashton	William Walton
Matryoshka	Ruth Brill	Dmitri Shostakovich
The King Dances	David Bintley	Stephen Montague
Carmina Burana	David Bintley	Carl Orff
Sylvia	David Bintley	Léo Delibes
Theme and Variations	George Balanchine	Pyotr Ilyich Tchaikovsky
Enigma Variations	Frederick Ashton	Edward Elgar
The Nutcracker	Peter Wright, Lev Ivanov, Vincent Redmon	Pyotr Ilyich Tchaikovsky
A Month in the Country	Frederick Ashton	Frédéric Chopin arr. John Lanchbery
The Dream	Frederick Ashton	Felix Mendelssohn
Romeo and Juliet	Kenneth Macmillan	Sergei Prokofiev

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The King Dances was premiered in June 2015 and was shortlisted for a Critic's Circle Award whilst Williams Bracewell's performance as Louis XIV was awarded the Critic's Circle Award for the outstanding performance in dance. A BBC 4 programme 'The King Who Invented Ballet' followed by a recording of a performance of 'The King Dances' was broadcast in September 2015 to an audience of 179,100 receiving an 85% overall audience appreciation rating.

In 2016 BRB launched a year-long programme to celebrate the influence of the works of Shakespeare on ballet as our contribution to the celebrations of the 400th anniversary of Shakespeare's death. The February/March 2016 season in Birmingham included performances of *The Dream* and *Romeo and Juliet* which were both welcomed back by appreciative audiences, with *Romeo and Juliet* significantly exceeding income targets with 98% of available tickets sold in Birmingham. The season also included BRB's first performances of Ashton's "*A Month in the Country*" based on the play by Turgenev which were highly critically acclaimed

In 2015-16 the company gave:

- 160 performances - 64 in Birmingham, 88 on tour in the UK and 8 in Japan (2014 - 15: 142 performances – 61 in Birmingham, 81 on tour in the UK).
- Audiences of approximately 160,000 (2014 -15: 130,000) in the UK and estimated 18,000 in Japan.

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Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Grand Opera House, York Theatre Royal, Nottingham Theatre Severn, Shrewsbury Gala Theatre Durham	May 2015	Les Rendezvous, Kin., Elite Syncopations
Hall for Cornwall, Truro Lighthouse, Poole Everyman Theatre, Cheltenham Wycombe Swan, High Wycombe	May 2015	Quatrain, Matryoshka, Facade
Birmingham Hippodrome	June 2015	The King Dances, Carmina Burana Sylvia
The Lowry, Salford Birmingham Hippodrome Sadlers Wells, London Sunderland Empire Theatre Royal, Plymouth Grand Opera House, Belfast Wales Millennium Centre, Cardiff The Mayflower, Southampton	September 2015 to January 2016	Swan Lake
Birmingham Hippodrome	September 2015	Theme and Variations, Kin., Enigma Variations
Sadlers Wells, London Theatre Royal, Plymouth	October 2015	Theme and Variations, The King Dances, Enigma Variations
Birmingham Hippodrome	November to December 2015	The Nutcracker
Birmingham Hippodrome	February 2016	A Month in the Country, The Dream
Birmingham Hippodrome The Lowry, Salford Sunderland Empire Theatre Royal, Nottingham	February to March 2016	Romeo and Juliet

It was a pleasure to return to The Mayflower, Southampton after 17 years, performing to audiences in excess of 10,000. Southampton will be a regular and important part of BRB's extended touring circuit.

'First Steps' children's performances based on Swan Lake and The Dream were performed in Birmingham, Plymouth, Cardiff, Salford and Southampton to a total audience of 5,185. These abridged ballets, which offer an introduction to ballet for young children and their families, are proving exceptionally popular and will continue to be included as a regular part of BRB's performance programme.

Dancer Development

BRB offered 52 student placements to graduate year students from The Royal Ballet School and Elmhurst School for Dance to enable them to be part of a professional company and have first-hand experience of all aspects of a ballet career. Student dancers join the Company for one specific production and dance as part of the corps de ballet and may be required to learn several roles within the production either as cast or cover. This requires a high level of adaptability, especially as injuries with other cast members often mean that changes are made at the last minute. This adaptability is vital for all dancers within the corps de ballet and this experience helps to prepare students for life as a professional dancer.

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Choreographic Development

Matryoshka, a short work, by BRB Dancer Ruth Brill was performed on Midscale tour 2015. Ruth has also been invited to create a new production (from work commenced at the January 2016 workshop) which will be performed on the Midscale tour and in Birmingham in 2017.

Choreographic workshop - Jan 2016 in partnership with West Midlands NPO dance companies (Dance Hub partners) to help inform the development of future programmes and creative collaborations.

BRB supported BRB Soloist Kit Holder to produce 'Wolves Are People Too' a production which included new choreography live music and illustration culminating in three performances at Birmingham Hippodrome's Patrick Centre.

Audience Reach and Development

Audience Development objectives for 2015-16

- Use new and existing data and research findings to provide a better understanding core audiences in Birmingham and on tour to create more segmented and targeted marketing campaigns;
- 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; and
- Re-architect and re-design the BRB website that allows for expanded delivery of information in several media, including video.

Audience growth and access are measurably improving; 2015-16 total audiences rose and new audiences (currently measurable only in Birmingham) are a strong growth area (40% of ticket buyers for the Nutcracker 2015 were first time buyers).

The main constituents of BRB's audience development strategy are as follows:

- targeting our audience development initiatives by developing and re-forming our relationships with key venues;
- segmenting messages to existing audiences to deepen their experiences;
- testing new outreach methods, media and messages to attract new audiences;
- developing new digital projects.
- Birmingham Hippodrome has made us a part of their data, segmentation, and survey initiatives resulting in significant steps toward both organisations better understanding audiences.
- Birmingham Hippodrome's new brand presentation has resulted in clearer communications with their patrons as BRB is now visible in every print publication and digital display the Hippodrome releases. BRB will be reviewing its own brand from 2016/17.
- Changes to prices in Birmingham (increasing yield on popular full length ballets and significantly lowering prices for mixed bills) has been notably successful. New bookers to BRB performances numbered nearly 8,000 in the 2015-16 performance year. The Ashton double bill (Feb 2016) attracted nearly 20% first time buyers.
- BRB is forming new strategic relationships with major touring venue partners, focused around the growth of audiences for dance as a core goal. Initiatives include varied and segmented marketing messages and broadening the range of off-stage and ancillary activities (open talks, children's programs, lecture/demonstrations, etc).

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Digital distribution

BRB has been developing new digital content including;

- new ranges of video trailers customised to venues, including more backstage and insight footage
- a re-formatted website with new content, new tagging content delivery, a new gallery and video content
- varied social media content which includes personal insights, information about ancillary events, more tagged content, and more content customised to venue and location.

Channels through which digital content is distributed have also increased through:

- Increased use of paid digital advertising in both internet and social media spaces;
- Enhanced collaboration with some venues digital campaign elements;
- Iterative testing of text and images in social media paid campaigns;
- Deeper use of analytics to drive digital segmentation on interest and geographic measures;
- Experiments with digital remarketing.

Digital engagement rose substantially with video views (Vimeo and You Tube) rising to 315,000 (against 219,000 the previous year). Web traffic grew 6% year-on-year, but the percentage of that traffic originating in social media channels increased 162% (Twitter originated traffic alone was up 57%). The restructured website cut average number of pages viewed per visitor by 25% while increasing visit duration by 10%, suggesting that people are able to find what they want more easily and the number of web visitors leaving via a booking link rose from 20,000 to 49,000.

Orchestra Projects

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 work

- Performances for Dutch National Ballet and Queensland Ballet at The Coliseum (London) – Summer 2015
- Music and Dance Concert, Symphony Hall, Birmingham – January 2016

Birmingham Royal Ballet in partnership with Rambert Dance Company, provided a fellowship opportunity (funded by BBC Performing Arts Fund) to support Jonathan Lo through the early stages of his conducting career by increasing skills through tailored training and development. It has been an exclusive opportunity for the Fellow to experience the work of two world-class companies at first hand, and to work alongside well-established and experienced conductors in the specialised fields of dance, both classical and contemporary.

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Learning Engagement and Participation

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, engagement and participation objectives for the year were to:

- Deliver 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;
- Extend 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;
- Continue 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; Continue BRB's leadership role in ballet and learning disability with Freefall Dance Company and the development of an open class programme from 2016 onwards;
- Grow 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;
- Support Arts Awards by offering an annual programme of Arts Award days through schools and youth services.

BRB delivered 856 learning, outreach and engagement sessions with a total attendance of over 20,000 in 2015/16. Activities have ranged from repertory based projects and ballet training to work with senior citizens and disability groups.

These included:

- 12 Audience Open Days in all regions, which took place at the theatre before a matinée performance. Audience Open Days involve activities such as face painting, arts and crafts, costume and wig displays from current productions, a make-up demonstration by a dancer, opportunities to try on our costumes and the chance to see the stage being set for that afternoon's performance;
- 6 Discovery Days for school groups and community groups for older adults in Birmingham and Sunderland. Discovery Day participants can take part in creative dance and music workshops, see behind the scenes of the production, and learn more about the work that goes into putting ballets on stage;
- 13 community dance workshops with various groups, including a group of hospice patients in Salford, older adults at risk of isolation in Plymouth, children from the Romany and traveller community in Cardiff and a musical theatre youth group in Southampton. These workshops are tailored to the needs and abilities of the participants and use ballet as a jumping-off point to encourage and enable physical activity, creativity and teamwork in a supportive and friendly environment;
- 119 dance workshops at schools and colleges in Birmingham, Salford, Sunderland, Cardiff, Plymouth and Southampton. Workshops were led by former professional ballet dancers and involved warm-up exercises followed by a creative activity in which the participants were able to devise their own short routine based on a theme from a current Birmingham Royal Ballet work, at an age-appropriate level and with guidance from the workshop leader. Schools involved in workshops also received free teacher resource packs to help develop ideas further;

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Our activities in Birmingham, Salford, Sunderland, Plymouth, Nottingham, Belfast, Cardiff and Southampton reached:

- 1,625 children and families at the Audience Open Days;
- 85 people at “Ballet? What’s That?”;
- 161 children and older adults at the Discovery Days;
- 305 people at community dance workshops;
- 3,411 children and teenagers at school workshops.

BRB has introduced regular pre performance talks and paid for opportunities to watch class and rehearsals. In 2015-16 approximately 3,500 individuals attended these events in Birmingham and on tour.

Wider community based projects included

- **Flash Flock** - 990 people participated in workshops or downloaded the steps to learn from BRB’s website and 200 people participated in BRB’s Flash Flock event at Birmingham’s Bullring shopping centre during the Birmingham Weekender Festival in September 2015.
- **Spring to life project** - High Hopes Community Ballet- (Arts Champions/BRB funded) co-created community performance touring to 3 venues across Ladywood (St Anne’s Community Centre, Pannel Croft Extra Care Home and Ladywood Community Centre). 20 participants between the ages of 18 and 86 with varying degrees of fitness and dance interest created and ran the performance.
- **Nott Romeo and Juliet** – BRB continued its work in Nottingham in partnership with The Renewal Trust. Participants created music and choreography for a work based on Romeo and Juliet performed on the main stage of Nottingham Theatre Royal during BRB’s performance week in March/April 2016.
- **Al Furqan Primary School** – a Muslim faith school in Tyseley, Birmingham - the opportunities for cross cultural understanding and trust through the partnership are vitally important to support work in Birmingham communities. Learning ballet was completely new for almost all of the 90 students who created a piece based on a parade of athletes called “Rio Olympic Parade”. The project created a sustainable foundation for further partnership development in the future with projects in development for 2016/17.

BRB has three flagship engagement projects which have been established for many years and focus on long-term development for the individuals involved:

- **Dance Track** - Dance Track is a talent identification programme aimed at training young dancers aged from six to eight who would not usually have the opportunity to participate in ballet classes. The project endeavours to identify and train young participants showing a potential for ballet and to instil a passion for dance at an early age. There are presently 96 children receiving free ballet training through the programme. Up to 2,500 year 1 children from 36 Birmingham primary schools take part in Dance Track workshops each year. Having expanded the Dance Track project this year to include a new Central strand, there are now 36 primary schools across Birmingham taking part in Dance Track (up from 31 in the previous year): 5 in the centre, 18 in the south and 13 in the north. All 36 schools are in areas of Birmingham which were identified by Birmingham City Council as areas in which lower than average numbers of residents actively take part in arts and culture. 48% of Dance Track children come from black or minority ethnic (BME) backgrounds. Dance Track is often the children’s first contact with arts activity outside of the school curriculum. 27 of the affiliated schools have above-average numbers of pupils eligible for free school meals, and 32 have above-average numbers of pupils from ethnic minorities. 39 schools have signed up for Dance Track in 2016-17.
- **Freefall Dance Company (talented adults with severe learning difficulties)** - Freefall Dance Company is an ensemble of highly gifted dancers with severe learning disabilities. 2015/16 has been a varied and stimulating season for Freefall with two particular highlights; a performance premiere and a new relationship formed with Central England Teacher Training. In autumn 2015 Freefall premiered Freefalling off the Pyramids – their latest full-length piece inspired by ancient Egypt. The piece also saw debut performances by two new recruits, Hannah and Shaun, both graduates of Junior Freefall – Freefall’s informal feeder company. Closely following the performance the company delivered development workshops for students from the University of Birmingham (UoB) and Central England Teacher Training College (CETT). In March 2016 Freefall performed at the "Is This All There Is?" conference addressing lack of arts provision for people with learning disabilities. Freefall’s film and digital dance ambition has progressed. The company continues to be delighted with the successful submissions to international dance and film festivals. The two films ‘Freefall’ ‘One Fine Day’ made by film maker Sima Gonsai have now been shown in cities including: Athens, Colorado, Helsinki, San Francisco,

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Oklahoma, New York, Stockholm, Mexico City, Illinois, Zurich and as part of the Sprout touring Film Festival widely across US towns and cities.

- **BRB Ambassadors** - the Ambassadors programme was established in 2011 as a legacy from the Ballet, Birmingham and Me project. Birmingham Royal Ballet's Ambassadors are a group of young people who have worked on past projects with the Company and now aim to pass on their skills and experience by supporting other young people taking part in new projects. Commencing in early 2016 the Ambassadors have been working in partnership with Birmingham Museums Trust on a project based on Romeo and Juliet project which culminated in performances at Aston Hall, Birmingham in June 2016. There was an overwhelming response to a social media call out for expressions of interest from young people between the ages of 11 and 19 for taster workshops at BRB. 60 young people participated in the project creating a work called 'Lost Souls' and a number of participants will be joining the Ambassadors group.

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FINANCIAL REVIEW

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

- 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;
- Maintain general, unrestricted reserves (excluding capital reserves) at around £1,000,000; and

The results for the period are set out in the financial statements on pages 24 onwards.

The period to 2 April 2016 ended with a surplus on activities of £652,306 (2014-15: £3,184,045) and accumulated reserves of £5,936,964 (2014-15: £5,284,658) taking into account the FRS 102 adjustment for holiday pay accrual of £277,469 in respect of 2014-15. Unrestricted reserves are £3,733,134 (2014-15: £3,422,031) including the designated capital reserve of £2,503,077 (2014-15: £2,611,907) which compares favourably with the stated reserves policy.

The surplus analysed across funds was as follows:

- General unrestricted funds - £311,103;
- Restricted funds Cross Border Touring Activity - £37,299; and
- Endowment Funds - £303,904.

Raising Funds

As in previous years our principal funding sources are:

- Arts Council England – £7,891,000 (2014-15: £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 £182,538 (2014-15: £182,538) for Cross Border Touring and £170,100 (2014-15: £186,805) received as catalyst endowment funding; and
- Birmingham City Council – £730,000 (2014-15: £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 62% of total income (2014-15: 52%).

Arts Council England funding for the next two years is committed as follows:

2016-17 - £7,891,000

2017-18 - £7,891,000

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

Birmingham City Council has confirmed funding of £525,000 for 2016-17.

Total income from donations, membership schemes and other fundraising activity during the year was £882,944 (2014-15: £1,966,606 including £865,000 capital funding) of which income from trusts and foundations for the year was £336,041 (2014-15: £1,196,055 of which £781,000 was capital funding) including £170,100 (2014-15: £186,805) 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.

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We would like to acknowledge the support of the following trusts and foundations that have supported Birmingham Royal Ballet during 2015-16:

Aud Jebsen Private Trust
Baron Davenport's Charity
BBC Performing Arts Fund
BHSF Medical Charity & Welfare Trust
Birmingham Common Good Trust
Birmingham Decorative & Fine Arts Society
Cecil King Memorial Foundation
Chatwin Trust
Clare King Charitable Trust
David & Julia Hunter Charitable Trust
David Hammond Charitable Foundation
David Solomons Charitable Trust
D'Oyly Carte Charitable Trust
Dumbreck Charity
Ensix Charitable Trust
Eric W Vincent Trust Fund
Eveson Charitable Trust
George Fentham Birmingham Charity
GJW Turner Trust
Gordon Edwards Charitable Trust
Hawthorne Charitable Trust
Henry James Sayer Charity
IMI plc Charitable Appeal Committee
James Frederick & Ethel Anne Measures Charity
Langdale Trust
Lillie Johnson Charitable Trust
Miss W E Lawrence 1973 Charitable Settlement
MK Rose Charitable Trust
N J L Foundation
Owen Family Trust
Peter and Teresa Harris Charitable Trust
Provincial Grand Lodge of Warwickshire
Richard Cadbury Charitable Trust
S and D Lloyd Charity
Souter Charitable Trust

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St Thomas' Dole Charity
Stanley Picker Trust
The Alan Woodfield Charitable Trust
The Alison Hillman Charitable Trust
The Aspinwall Educational Trust
The Barbara Saunders Trust
The Bernard Piggott Charitable Trust
The Brian Shaw Memorial Trust
The Bryan Foster Charitable Trust
The Calleva Foundation
The Catherine Cookson Charitable Trust
The Charles Brotherton Trust
The Charlotte Bonham-Carter Charitable Trust
The Connie & Albert Taylor Charitable Trust
The Edward Cadbury Charitable Trust Incorporated
The Evan Cornish Foundation
The George Cadbury Trust
The George Henry Collins Charity
The Gladys Jones Charitable Trust
The GNC Trust
The Grantham Yorke Trust
The Grey Court Trust
The Grimmitt Trust
The GW Cadbury Section Charitable Trust
The Harding Trust
The Idlewild Trust
The Ivor and Aeres Evans Charitable Trust
The John Thaw Foundation
The Kirby Laing Foundation
The Leathersellers' Company Charitable Fund
The Loppylugs and Barbara Morrison Charitable Trust
The Lord Austin Trust
The Lynn Foundation
The Makers of Playing Cards Charity
The Michael Marsh Charitable Trust
The Mirianog Trust

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The Norton Foundation
The Pamela Barlow Charitable Trust
The Patrick Trust
The Provincial Grand Lodge of Warwickshire
The Roger & Douglas Turner Charitable Trust
The Roughley Charitable Trust
The Saintbury Trust
The Sterry Family Foundation
The Wilmcote Charitruist
Tomlinson Family Charitable Trust

Donations (including legacies) from private individuals were £467,365 (2014-15: £675,425 of which £84,000 was capital funding).

Charitable Activities

Income from charitable activities in 2015-16 were £4,066,926 (2014-15: £3,170,064) reflecting increased box office income of £3,181,789 (2014-15: £2,467,731) due to both increased performance numbers including the overseas tour to Japan and improved performance in Birmingham.

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. 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. Birmingham Royal Ballet submitted its first successful claim for Theatre Tax Credit on qualifying expenditure of £284,000 for the period 1 September 2014 to 31 March 2015 and it has calculated that Theatre Tax Credit for 2015-16 will be in the region of £450,000.

Total expenditure for the year was £13,252,857 (2014-15: £12,360,293).

Expenditure on charitable activities in the year was £12,705,589 96% of total resources expended (2014-15: £11,828,112 – 96%).

The increase in expenditure for the year reflects the increased activity levels from additional performance weeks on tour, a major international tour lasting three weeks and increased investment in new and refurbishment of productions.

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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 are 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 Investment Committee** responsible for overseeing implementation of the investment policy and monitoring performance of invested funds.

In 2015-16 the Board also introduced a 'Commercial Review' meeting as part of the regular board programme of work. This is an advisory group which reviews BRB's income generation activity as a whole and reports to and can propose recommendations to the Finance and General Purposes Committee.

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 key management personnel of the charity are the Chief Executive and The Director. The day-to-day management of the affairs of Birmingham Royal Ballet is delegated to the Chief Executive, Jan Teo who joined BRB in September 2015, succeeding Christopher Barron who left in July 2015. The Chief Executive is responsible for overall organisational management. The Director, David Bintley, is responsible artistic strategy and for managing artistic activities.

The critical organisational development for the year was the appointment of a new Chief Executive to succeed Christopher Barron who left the company in July 2015 after ten successful years steering BRB through a period of sustained growth and development.

Jan Teo joined BRB, as Chief Executive, in September 2015, having previously sat on BRB's Board of Directors, bringing significant experience of corporate management. Previously, she served Deutsche Bank as a Director, heading up the Change and Infrastructure Group in Birmingham. Having played a leading role in the exponential growth of the business, Jan became Chief Operating Officer for Deutsche Bank's European Service Centres in early 2011. Jan draws on extensive commercial experience of planning and executing strategy having been formally a senior leader at Legal and General, Barclays Bank, RAC Motoring Services, Lex Transfleet and the Fraikin Group, working in Service and Business Transformation Director roles.

BIRMINGHAM ROYAL BALLET

STRATEGIC REPORT

With the appointment of a new Chief Executive and a new HR Director (from July 2015) it has been agreed that the organisational development plans 2016-17 onwards will be reviewed in line with planning for BRB's NPO funding application for 2018-2022, which will be submitted in early 2017, with a focus on management skills, partnership working and improving organisational adaptability.

BRB has continued to invest in training and skills during the period with 45 training interventions including;

- Child Protection;
- Defib Training;
- Evac Chair Training;
- Fire Marshalling;
- First Aid at work ;
- Myers Briggs Type Indicator; and
- People Management.

BRB hosted an undergraduate placement in the Communications Department and a post graduate placement in the Department for Learning.

BIRMINGHAM ROYAL BALLET

STRATEGIC REPORT

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 2015-16 identified key strategic risks as follows:

KEY STRATEGIC RISK	MITIGATION
High level of reliance on key staff.	We have been reviewing BRB's core support infrastructure during 2015-16 and will be undertaking restructuring of a number of support functions and investing in new support posts in 2016-17 which includes investment in support posts where appropriate to improve.
Failure to achieve box office targets particularly in Birmingham due to increasing competition and changing audience behaviours and tastes.	Finding the right programme balance was critical to BRB exceeding income expectations for the 2015-16 financial year as a whole due to the success of popular repertory (Swan Lake and Romeo and Juliet) on tour.
Withdrawal/reduction of BCC funding post 2015/16.	Birmingham City Council confirmed funding of £525,000 for 2016/17 in December 2015 although year on year reductions remain a possibility going forward. Identifying alternative sources of earned or contributed income remain the priority to safeguard BRB against future revenue funding reductions.
Failure to achieve fundraising targets.	BRB's campaign for the future will be completed in September 2016 and 2016/17 to be used as a year of engagement with major supporters to help inform our fundraising strategy and priorities from 2017-18 onwards. Long term strategic planning remains the best method of securing a reliable stream on income from fundraising with ongoing cost control providing the best mitigation for short-term variations.
Planning lead times being too short to adapt programmes and adequately control and manage resource implications in the event of unplanned contractions in income or core funding.	Planning cycles are being pushed forward to 2022 by autumn 2016 as part of the Arts Council NPO Funding application process from 2018 – 2022. Longer planning lead times give BRB the flexibility to adapt programme plans in a strategic rather than reactive manner.

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.

BIRMINGHAM ROYAL BALLET

STRATEGIC REPORT

PLANS FOR FUTURE PERIODS

Birmingham Royal Ballet's 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.

Birmingham Royal Ballet's key performance indicators include:

Raising Funds

- Balance of income sources;

Charitable Activities

- Balance of programme and repertory across its classical, heritage and contemporary repertoire;
- New works created included commissioning of new music;
- Performance numbers;
- Geographical spread of performances;
- Audiences and participation numbers which will also include assessment of demographic characteristics of the individuals, groups and communities with whom we engage;
- Earned income

Financial Stability

- Levels of general and unrestricted reserves.

The strategic objectives for 2016 to 2018 are:

RAISING FUNDS

- Fund new work through collaboration with other companies including co-productions Houston Ballet for The Tempest in 2016;
- Complete the application for Arts Council NPO Funding for the period 2018 – 2022 by 31 January 2017
- Devise a new fundraising strategy to succeed 'The Campaign for the Future' from 2017-18 onwards;

BIRMINGHAM ROYAL BALLET

STRATEGIC REPORT

CHARITABLE ACTIVITIES:

Performance and Production

- Create at least three new one act ballets and one new full length ballet – including:
 - 2016 – New one act ballet ‘Wink’ by Jessica Lang to be premiered in May 2016;
 - 2016 – New full length work ‘The Tempest’ by David Bintley with commissioned score as part of the ‘Shakespeare 400’ celebrations to be premiered in October 2016;
 - Support development of new works by young choreographers for mid-scale presentation in 2017 and 2018,
- 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 at Sadlers Wells Theatre;
- Develop young dancers in transition to professional careers by offering work placements to 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; and
- Work with other NPO funded dance companies in the West Midlands to develop a joint programme of activity to help grow audiences, capacity and resilience for the dance sector in Birmingham and the West Midlands; and
- Create an annual children’s performance programme based on the model trialled in Edinburgh February 2015 including Cinderella (2016-17).

Audience Reach and Development – 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;

BRB will:

- Grow attendance to increase box office income by 10% in Birmingham and between 5% and 10% per week across touring venues by 31 March 2018
- Continue to use research to understand core audiences in Birmingham and develop segmented marketing campaigns and targeted messaging;
- 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.
- Continue to work with key venue partners and other UK touring ballet companies on long-term audience development, with special emphasis on broadening marketing and outreach campaigns beyond traditional dance audience; and
- 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 Participation – Birmingham Royal Ballet will offer unique opportunities and high quality experiences for people of all ages and backgrounds to engage with and participate in 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.
- Continuing BRB’s leadership role in ballet and learning disability through Freefall Dance Company;

BIRMINGHAM ROYAL BALLET

STRATEGIC REPORT

- 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; and
- 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.

FINANCIAL STABILITY

- Maintain general, unrestricted reserves (excluding capital reserves) at a minimum of £1,000,000 with a target to grow to £1,500,000 by 31 March 2018.

BRB is working on a restatement of its objectives to align with five key strategic aims that will be used in future strategy development to create an agile modern company that is fit for purpose in a changing world and able to create opportunities and meet challenges by:

- Delivering what BRB is famous for;
- Doing things differently and providing thought leadership in dance and the performing arts;
- Growing audience attendance and diversity;
- Turning the dial on income ratios;
- Building and leveraging strategic partnerships and working in a bigger matrix;

This work will form part of the development of strategic plans for the period from 2017 to 2022 as the basis for our next application for Arts Council NPO organisation funding which will be submitted in January 2017.

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

Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET

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 3.

All of the SORP 2015 requirements of the Trustees Report have been included within other Reports in the financial statements.

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 Deirdre Alden Councillor Des Hughes

Reimbursements to Directors

Reimbursements of expenses were made to two Directors during the period, totalling £3,591 (2014-15: £3,569).

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT

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

DIRECTORS' REPORT

Management remuneration

BRB is committed to paying staff fairly and in a way to attract and retain the right skills to deliver its charitable objectives.

The Board is responsible for agreeing the annual pay award for the staff as a whole and a sub-committee of the Board will be convened as necessary to consider the remuneration of The CEO and The Director.

The main responsibilities of the Board in respect of remuneration are to:

- Determine the remuneration package of the Chief Executive and The Director;
- Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account prevailing inflation rates and recommendations from the Chief Executive; and
- Approve pension arrangements and pension policy.

In determining BRB's remuneration, the Board takes into account all factors which are deemed necessary and the present remuneration policy and benefits and rewards strategy is being reviewed during 2016-17 as part of the planning process to realise BRB's strategic plans for 2018-2022

Delivery of BRB's charitable objectives is primarily dependent on our staff, which is the largest single element of charitable expenditure. In 2015-16 BRB awarded staff a 1.5% cost of living uplift in salary.

Reserves:

The reserves policy was reviewed in March 2016 in the light of the prevailing funding and economic environment, in particular, the ongoing uncertainty around the level of future funding from Birmingham City Council.

The Directors have agreed that given the increasing need for financial flexibility to respond to unexpected events as well as to be able to take advantage of new opportunities that it is appropriate to maintain general unrestricted reserves at a minimum of £1,000,000 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.

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. This fund will be used to support further investment in BRB's premises in 2016-17 and 2017-18 to ensure space is used to best effect and that all office work areas are of an appropriate standard
- **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. This fund is expended over 25 years from 2014/15. This fund could only be realised by disposal of the BRB Thorp Street premises which is leased by Birmingham Royal Ballet from Birmingham Hippodrome on a 125 year lease from 200;
- **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 2015-18 Business Plan. This fund will be used to support the development of our participation and engagement programmes in Birmingham and on tour particularly in support of open access opportunities with the intention that the fund will be expended by 2025
- **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. This fund will be used to support productions of new one act ballets in 2016-17 and 2017-18.

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

Restricted funds comprise the Cross Border Touring Fund which will be used to fund performances at the Grand Opera House Belfast in 2018.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT

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 until 1 November 2037 after which the fund is expendable.

The reserves policy was reviewed in March 2016.

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; and
 - 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.

BIRMINGHAM ROYAL BALLET

DIRECTORS' REPORT

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors (who are also trustees of Birmingham Royal Ballet for the purposes of company law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgments and estimates that are reasonable and prudent;
4. state whether applicable UK Accounting Standards have been followed; and
5. 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 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.

In so far as the directors are aware:

1. there is no relevant audit information of which the charitable company's auditor is unaware; and
2. the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BIRMINGHAM ROYAL BALLET

We have audited the financial statements of Birmingham Royal Ballet for the Period ended 2 April 2016 which comprise the statement of financial activities, balance sheet, cash flow statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and the trustees those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees 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 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 charity'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 on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 2 April 2016, 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 requirements of 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 Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the charitable company, 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.

Jayne Rowe (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

BIRMINGHAM ROYAL BALLET

STATEMENT OF FINANCIAL ACTIVITIES (Including income and expenditure account) Period ended 2 April 2016

	Notes	Unrestricted 2016 £	Restricted 2016 £	Endowment 2016 £	Total 2016 £	Restated Total 2015 £
Income from:						
Grants, Donations and Legacies	3	9,258,406	182,538	340,100	9,781,044	12,125,800
Charitable activities:						
Performance and related activities	4	3,840,689	226,237	-	4,066,926	3,170,064
Other trading activities	5	79,576	-	-	79,576	95,776
Investments	6	1,951	-	46,897	48,848	37,992
Total income		13,180,622	408,775	386,997	13,976,394	15,429,632
Expenditure on:						
Raising funds						
Costs of generating voluntary income	7	461,343	-	-	461,343	458,800
Activities for generating funds		74,063	-	-	74,063	65,202
Charitable activities						
Production and Performance	8	11,629,836	371,476	-	12,001,312	11,166,069
Orchestral Projects		309,652	-	-	309,652	277,595
Education Projects		394,625	-	-	394,625	384,448
Other resources expended		-	-	11,862	11,862	8,180
Total expenditure	10	12,869,519	371,476	11,862	13,252,857	12,360,293
Net losses on investments	13	-	-	(71,231)	(71,231)	114,706
Net income for the year		311,103	37,299	303,904	652,306	3,184,045
Reconciliation of funds:						
Total funds brought forward as previously reported		3,699,500	72,971	1,789,656	5,562,127	2,378,082
Prior year adjustment		(277,469)	-	-	(277,469)	(277,469)
Total funds brought forward as restated		3,422,031	72,971	1,789,656	5,284,658	2,100,613
Net movement in funds for the year		311,203	37,299	303,904	652,306	3,184,045
Total funds carried forward		3,733,134	110,270	2,093,560	5,936,964	5,284,658

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

See note 17 for comparative Statement of Financial Activities analysed by funds.

See note 24 for details of restatement.

BIRMINGHAM ROYAL BALLET

BALANCE SHEET

As at 2 April 2016

	Note	2016 £	Restated 2015 £
FIXED ASSETS			
Tangible assets	12	2,890,219	3,019,177
Investment assets	13	2,093,560	1,789,556
		<u>4,983,779</u>	<u>4,808,733</u>
CURRENT ASSETS			
Stocks	14	89,162	72,079
Debtors	15	1,759,843	1,682,545
Cash at bank and in hand		820,038	498,367
		<u>2,669,043</u>	<u>2,252,991</u>
CREDITORS: amounts falling due within one year	16	<u>(1,715,858)</u>	<u>(1,777,066)</u>
NET CURRENT ASSETS		<u>953,185</u>	<u>475,925</u>
Total assets less current liabilities		<u>5,936,964</u>	<u>5,284,658</u>
FUNDS			
Unrestricted funds:			
General Funds	18	758,518	338,585
Designated funds	18	2,974,616	3,083,446
Restricted funds	18	110,270	72,971
Endowment funds	18	2,093,560	1,789,656
		<u>5,936,964</u>	<u>5,284,658</u>

See note 24 for details of restatement.

These financial statements of Birmingham Royal Ballet registered number 3320538 were approved by the Board of Directors and authorised for issue on 7 November 2016. They were signed on its behalf by:

Professor Michael Clarke
Chair of Trustees

BIRMINGHAM ROYAL BALLET

CASH FLOW STATEMENTS

Period ended 2 April 2016

	Note	Total 2016 £	Total 2015 £
Net cash flows from operating activities	23	745,679	2,269,077
Cash flows from investing activities:			
Interest received		1,951	5,590
Dividends received		46,897	32,402
Purchase of property, plant and equipment		(97,721)	(2,851,119)
Movements in investment portfolio		(375,135)	(397,931)
Net cash flows from investing activities		(424,008)	(3,211,058)
Net increase/(decrease) in cash and cash equivalents		321,671	(941,981)
Cash and cash equivalents at beginning of year (as restated)		498,367	1,440,348
Cash and cash equivalents at the end of the year		820,038	498,367
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		820,038	498,367
Cash equivalents		-	-
Cash and cash equivalents		820,038	498,367

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

1. ACCOUNTING POLICIES

Company and charitable status

Birmingham Royal Ballet, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 3.

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2015 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.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. The transition date was 1 April 2014. For more information see note 24.

There has also been a change in the analysis of governance costs arising from the adoption of the new accounting standards:

Governance costs: Previously these had been separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support cost and have therefore been allocated to activities along with other support costs. There is no effect on the total expenditure for the current or prior year.

The principal accounting policies are set out below

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.

Revenue grant funding represents the company's largest income stream and Birmingham Royal Ballet is dependent on the continuing financial support of Arts Council England which has confirmed its commitment to fund Birmingham Royal Ballet to 31 March 2018; committing revenue funding of £7,891,000 per annum for the period.

Birmingham City Council has confirmed revenue funding of £525,000 for the 2016/17 financial year.

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.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

1. ACCOUNTING POLICIES (continued)

Income

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 which is the point at which the charity is considered to meet the income recognition criteria (probable, entitlement and measurement) as per the accounting standards.

Donations and legacies

Donations and legacies are credited to the statement of financial activities 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.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure categories include salaries, depreciation and other costs as analysed in note 9.

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.

Support costs include general administration, management and governance costs including allocations of Chief Executive, Finance Director salaries, HR functions, finance, IT, audit fees, certain legal fees, the costs of trustees' meetings and appropriate proportion of premises costs and depreciation. These costs are necessary for delivering activities but do not directly produce or constitute the activity.

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

1. ACCOUNTING POLICIES (continued)

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.

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.

Tangible fixed assets and depreciation

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

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 on a quarterly basis.

Stocks

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

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

1. ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Employee benefits

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; and
- 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.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

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

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

3. INCOME FROM GRANTS, DONATIONS & LEGACIES

	2016 Un- restricted funds £	2016 Restricted funds £	2016 Endowment funds £	2016 Total funds £	2015 Total Funds £
Arts Council England					
Revenue funding	7,891,000	-	-	7,891,000	7,304,977
Cross Border Touring Managed Funds	-	182,538	-	182,538	182,538
Catalyst Endowment Funds	-	-	170,100	170,100	186,805
Capital Funding	-	-	-	-	1,850,000
Birmingham City Council					
Revenue funding	730,000	-	-	730,000	730,000
Arts Champions	4,000	-	-	4,000	-
Donations					
Grants – Trusts and Foundations	166,041	-	170,000	336,041	1,196,055
Legacies	20,000	-	-	20,000	80,000
Other	447,365	-	-	447,365	595,425
	<u>9,258,406</u>	<u>182,538</u>	<u>340,100</u>	<u>9,781,044</u>	<u>12,125,800</u>

4. INCOME FROM PERFORMANCE AND RELATED ACTIVITIES

	2016 Un- restricted funds £	2016 Restricted funds £	2016 Endowment funds £	2016 Total funds £	2015 Total Funds £
Box office income	2,955,652	226,237	-	3,181,889	2,467,731
Production sales and hires	55,085	-	-	55,085	99,657
Programmes	125,780	-	-	125,780	101,096
Friends	30,593	-	-	30,593	23,093
Orchestra projects	124,279	-	-	124,279	95,196
Education	60,100	-	-	60,100	87,467
Other fees and services	39,300	-	-	39,300	11,824
Theatre Tax Credit	450,000	-	-	450,000	284,000
	<u>3,840,689</u>	<u>226,237</u>	<u>-</u>	<u>4,066,926</u>	<u>3,170,064</u>

5. OTHER TRADING ACTIVITIES

	2016 £	2015 £
Memberships	79,538	95,126
Sale of merchandise	38	650
	<u>79,576</u>	<u>95,776</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

6. ANALYSIS OF INCOME FROM INVESTMENTS

	Unrestricted £	2016 Restricted £	Endowment £	Total £	2015 £
Bank interest	1,951	-	46,897	48,848	37,992
Dividends	1,951	-	46,897	48,848	37,992
	<u>1,951</u>	<u>-</u>	<u>46,897</u>	<u>48,848</u>	<u>37,992</u>

7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

Activity	Activities undertaken directly £	Support costs £	Total 2016 £	Total 2015 As restated £
Raising donations, grants and legacies	387,033	74,310	461,343	458,800
Memberships and Subscription Schemes	54,886	19,177	74,063	65,202
	<u>441,919</u>	<u>93,487</u>	<u>535,406</u>	<u>524,002</u>

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Activity	Unrestricted			Total 2015 As restated £
	Activities undertaken directly £	Support costs £	Total 2016 £	
Performance and production	10,142,539	1,487,297	11,629,836	11,046,264
Orchestra Projects	300,064	9,588	309,652	277,595
Learning Projects	337,336	57,289	394,625	384,448
	<u>10,779,939</u>	<u>1,554,174</u>	<u>12,334,113</u>	<u>11,708,307</u>

Activity	Restricted			Total 2015 As restated £
	Activities undertaken directly £	Support costs £	Total 2016 £	
Performance and production	371,476		371,476	119,805
Orchestra Projects	-		-	-
Learning Projects	-		-	-
	<u>371,476</u>		<u>371,476</u>	<u>119,805</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

9. ANALYSIS OF SUPPORT COSTS

	Raising funds £	Production and performance £	Orchestra projects £	Learning projects £	Total £
Staff costs	8,646	340,354	1,441	8,646	359,087
Recruitment, training and development	12,792	35,666	149	898	49,505
Office infrastructure	35,013	233,045	1,825	10,709	280,592
Insurance	3,561	94,367	594	3,561	102,083
Premises costs	29,036	566,204	4,839	29,036	629,115
Depreciation	4,439	217,661	740	4,439	227,279
	<u>93,487</u>	<u>1,487,297</u>	<u>9,588</u>	<u>57,289</u>	<u>1,647,661</u>

2015

Comparatives – as restated

	Raising funds £	Production and performance £	Orchestra projects £	Learning projects £	Total £
Staff costs	4,987	313,260	1,247	4,987	324,481
Recruitment, training and development	846	32,557	212	845	34,460
Office infrastructure	30,907	242,605	2,140	10,421	286,072
Insurance	2,375	91,421	594	2,375	96,765
Premises costs	21,226	530,610	4,717	18,866	575,418
Depreciation	3,258	127,517	936	4,717	136,428
	<u>63,598</u>	<u>1,337,970</u>	<u>9,846</u>	<u>42,211</u>	<u>1,453,624</u>

Governance costs included in the above amount to £122,105 in 2015-16 (2014-15: £126,741)

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2016 £	2015 £
Net income is stated after charging:		
Depreciation of owned assets	226,579	258,840
Rentals under operating leases	239,694	232,002
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	13,000	13,000
- Fees payable to the charity's auditor for other services to the group:		
- Taxation services	550	-
	<u>550</u>	<u>-</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

11. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2016	2015
	No.	No.
Raising funds	7	6
Charitable activities	168	163
Support	9	8
	<u>184</u>	<u>177</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	7,231,802	6,740,708
Redundancy costs	-	30,000
Social security costs	711,680	692,398
Pension costs (including Dancers Career Development fund)	381,469	344,555
	<u>8,324,951</u>	<u>7,807,661</u>

The number of Group employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was:

	2016	2015
	No.	No.
£60,001 - £70,000	13	10
£70,001 - £80,000	3	4
£80,001 - £90,000	1	3
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
	<u>-</u>	<u>1</u>

The key management personnel of the Charity are listed on page 16. The total remuneration (including pension contributions, excluding social security costs) of the key management personnel of the Charity for the year totalled £259,000 (2015: £253,000). The total social security costs of the key management personnel of the Charity for the year totalled £33,000 (2015: £26,000).

Trustees' Remuneration

No trustees received remuneration during the current or prior year. Total travel and subsistence expenses of £5,877 (2015: £5,648) were paid to 1 trustee (2015: 2 trustees).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2015	3,064,832	258,113	1,364,153	4,687,098
Additions	1,700	34,546	61,475	97,721
Disposals	-	-	(49,825)	(49,825)
At 2 April 2016	<u>3,066,532</u>	<u>292,659</u>	<u>1,375,803</u>	<u>4,734,994</u>
Depreciation				
At 1 April 2015	403,670	177,689	1,086,662	1,668,021
Charge for the year	122,253	44,107	60,219	226,579
Disposals	-	-	(49,825)	(49,825)
At 2 April 2016	<u>525,923</u>	<u>221,796</u>	<u>1,097,056</u>	<u>1,844,775</u>
Net book value				
At 2 April 2016	<u>2,540,609</u>	<u>70,863</u>	<u>278,747</u>	<u>2,890,219</u>
At 31 March 2015	<u>2,661,162</u>	<u>80,424</u>	<u>277,491</u>	<u>3,019,077</u>

13. FIXED ASSET INVESTMENTS

	2016 £	2015 £
Investments listed or traded on a recognised stock exchange		
Market value at 1 April 2015	1,518,827	1,263,149
Additions	536,129	313,775
Disposal proceeds	(79,698)	(172,803)
Unrealised/realised investment (losses)/gains	(76,656)	114,706
Cash held with investment manager	194,958	270,729
Closing value at 2 April 2016	<u>2,093,560</u>	<u>1,789,556</u>

	2016		2015	
	Market value £	% of portfolio	Market value £	% of portfolio
UK equities	784,331	37%	559,904	31%
Overseas equities	584,806	28%	486,327	27%
UK fixed income	176,544	8%	178,485	10%
Overseas fixed income	79,164	4%	78,203	5%
Alternative assets	170,493	8%	153,695	8%
UK property	103,264	5%	62,213	4%
Cash	194,958	9%	270,729	15%
	<u>2,093,560</u>	<u>100%</u>	<u>1,789,556</u>	<u>100%</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

The historical cost of the investments is £1,814,928 (2015: £1,358,497). There were no individual investments representing over 5% of the value of the portfolio in 2016 or 2015.

14. STOCKS

	2016 £	2015 £
Shoes	88,363	70,999
Merchandise	799	1,080
	<u>89,162</u>	<u>72,079</u>

15. DEBTORS

	2016 £	2015 £
Trade debtors	224,002	534,838
Other debtors	1,005,562	701,316
VAT	-	11,228
Prepayments and accrued income	530,279	435,163
	<u>1,759,843</u>	<u>1,682,545</u>

Other debtors includes £63,375 (2015: £63,375) in respect of a rent deposit which is due in more than one year.

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	481,012	580,998
Other creditors	336,324	410,999
Taxation and social security	291,777	187,561
Accruals and deferred income	606,745	597,508
	<u>1,715,858</u>	<u>1,777,066</u>

Movements in deferred income:

Balance at 1 April 2015	252,358	689,320
Amounts released during the period	(34,858)	(679,320)
Deferred in the current period	90,075	242,358
Balance at 2 April 2016	<u>307,575</u>	<u>252,358</u>

Deferred income at 31 March 2015 comprised membership scheme income and donations and legacy income relating to activity in the periods to 2 April 2016 and 2 April 2017.

Deferred income at 02 April 2016 comprised grants, membership scheme income and donations relating to activity in the periods to 31 March 2017 and 31 March 2018.

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowmen t fund £	Total funds 2015 £
INCOME FROM:				
Grants, donations and legacies	8,854,552	2,897,538	373,710	12,125,800
Charitable activities:				
Performance and related activities	3,170,064	-	-	3,170,064
Other trading activities	95,776	-	-	95,776
Investments	5,590	-	32,402	37,992
TOTAL INCOME	<u>12,125,982</u>	<u>2,897,538</u>	<u>406,112</u>	<u>15,429,632</u>
EXPENDITURE ON:				
Raising funds:				
Costs of generating voluntary income	458,800	-	-	458,800
Activities for raising funds	65,202	-	-	65,202
Charitable activities:				
Production and performance	11,046,264	119,805	-	11,166,069
Orchestral projects	277,595	-	-	277,595
Education projects	384,448	-	-	384,448
Other expended resources	-	-	8,180	8,180
TOTAL EXPENDITURE	<u>12,232,308</u>	<u>119,805</u>	<u>8,180</u>	<u>12,360,293</u>
Net gains/(losses) on investments	-	-	114,706	114,706
Transfers	2,715,000	(2,715,000)	-	-
Net income/(expenditure) for the year	<u>2,608,674</u>	<u>62,733</u>	<u>512,638</u>	<u>3,184,045</u>
RECONCILIATION OF FUNDS:				
Total funds brought forward as previously reported	1,090,826	10,238	1,277,018	2,378,082
Prior year adjustment	(277,469)	-	-	(277,469)
Total funds brought forward as restated	813,357	10,238	1,277,018	2,100,613
Net movement in funds for the year	2,608,674	62,733	512,638	3,184,045
Total funds carried forward	<u><u>3,422,031</u></u>	<u><u>72,971</u></u>	<u><u>1,789,656</u></u>	<u><u>5,284,658</u></u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS Period ended 2 April 2016

18. MOVEMENTS ON FUNDS

a) Restricted Funds

	At 1 April 2015 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 2 April 2016 £
New Media Project Fund	4,402	-	(4,402)	-	-
Thorp Street Refurbishment	-				-
Cross Border Touring	68,569	41,701	-	-	110,270
	<u>72,971</u>	<u>41,701</u>	<u>(4,402)</u>	<u>-</u>	<u>110,270</u>

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

	At 1 April 2015 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 2 April 2016 £
Capital Grants Fund	144,263	-	-	-	144,263
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	-	150,000
Thorp Street Refurbishment	2,611,907	-	(108,830)	-	2,503,077
	<u>3,083,446</u>	<u>-</u>	<u>(108,830)</u>	<u>-</u>	<u>2,974,616</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 2015 Re-stated £	Net inflows in the period £	Transfer in the period £	At 2 April 2016 £
General funds	338,585	419,933	-	758,518
	<u>338,585</u>	<u>419,933</u>	<u>-</u>	<u>758,518</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

19. MOVEMENTS ON FUNDS (continued)

d) Endowment funds:

	At 1 April 2015 £	Inflows in the period £	Transfer in the period £	At 2 April 2016 £
Catalyst/Cadbury Family Endowment Fund	1,789,656	303,904	-	2,093,560
	<u>1,789,656</u>	<u>303,904</u>	<u>-</u>	<u>2,093,560</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 1 November 2037 after which the fund is expendable.

e) Allocations of net assets between funds

	2016 Unrestricted funds £	2016 Restricted funds £	2016 Endowment funds £	2016 Total funds £	2015 Total Funds £
Investments	-	-	2,093,560	2,093,560	1,789,556
Cash at Bank and in Hand	746,275	73,763	-	820,038	498,367
Debtors	1,723,336	36,507	-	1,759,843	1,682,545
Stocks	89,162	-	-	89,162	72,079
Fixed Assets	2,890,219	-	-	2,890,219	3,019,177
Creditors	(1,715,858)	-	-	(1,715,858)	(1,777,066)
	<u>3,733,134</u>	<u>110,270</u>	<u>2,093,560</u>	<u>5,936,964</u>	<u>5,284,658</u>

20. EMPLOYEE RETIREMENT BENEFITS

The company contributes to three group personal pension schemes. The cost to the company for the period ended 2 April 2016 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2016 £	2015 £
Dancers' Pension Scheme	125,870	121,817
Birmingham Royal Ballet Pension Scheme	109,700	104,790
Musicians' Union Pension Scheme	72,451	69,398
	<u>308,021</u>	<u>296,005</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2015-16 the company contributed a total of £52,655 (2014-15: £48,550).

As of 2 April 2016 there were £17,656 outstanding contributions due in respect of the current reporting period (2015: £4,726).

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

21. FINANCIAL COMMITMENTS

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases:

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
Charity				
- expiring within one year	100,000	-	100,000	-
- expiring between one and five years	528,750	19,733	405,000	-
- expiring after five years	-	-	258,750	-
	<u>628,750</u>	<u>19,733</u>	<u>763,750</u>	<u>-</u>

22. RELATED PARTY TRANSACTIONS

BRB 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 2015-16 (2014-15: £nil).

23. CASHFLOW STATEMENT

Reconciliation of net income/(expenditure) to cash generated by operations:

	2016 £	2015 £
Net income for the year (before investment gains and losses)	723,537	3,069,339
Adjustments for:		
Interest receivable	(48,848)	(37,992)
Depreciation charges	226,579	258,840
	<u>901,268</u>	<u>3,290,187</u>
Operating cash flow before movement in working capital		
Decrease/(increase) in stock	(17,084)	1,567
Decrease/(increase) in debtors	(77,298)	(525,988)
(Decrease)/increase in creditors	(61,207)	(496,689)
	<u>745,679</u>	<u>2,269,077</u>

BIRMINGHAM ROYAL BALLET

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 April 2016

24. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the Period ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Governance costs - these have been reclassified within support costs (see note 9).

Holiday pay – a liability is now recognised for paid annual leave which was due, but not taken at the balance sheet date. The impact of the restatement is an increase of £277,469 in employee costs in the 2014/15 financial year. A liability of £277,469 is recognised at 1 April 2015 and £288,363 at 2 April 2016.

Reconciliation of group funds and balances

	At 1 April 2014 £	At 31 March 2015 £
Fund balances as previously reported	2,378,082	5,562,127
Adjustment for holiday pay liability	(277,469)	(277,469)
	<hr/>	<hr/>
Fund balances as restated	2,100,613	5,284,658
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of surplus for the Period ended 31 March 2015

	Charity £
Surplus for the financial year under previous UK GAAP	3,184,045
	<hr/>
Adjustment for holiday pay liability	-
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Surplus for the financial year under FRS 102	3,184,045
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