

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

Report and Financial Statements

31 March 2013

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2013

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REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Professor Michael Clarke CBE DL (Chair)
Councillor Margaret Waddington (resigned 16 October 2012)
Mrs Janet Smith (resigned 16 October 2012)
Mr Timothy Clarke
Mr Charles Glanville
Mr Charles Parker
Ms Lesley Thomson (resigned 17 June 2013)
Mrs Susan Harrison
Dame Jenny Abramsky
Mrs Rebecca Jones
Mr Ross MacGibbon
Councillor Des Hughes
Mr Dion Dublin (appointed 18 June 2012, resigned 17 June 2013)
Councillor James Hutchings (appointed 10 December 2012)

SECRETARY

Mrs Anna Williams FCA, DChA

Registered in England & Wales
Company Number: 3320538

Registered Charity Number: 1061012

REGISTERED OFFICE

Thorp Street
Birmingham
B5 4AU

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

Pinsent Mason LLP
3 Colmore Circus
Birmingham
B4 6BH

Martineau
No 1 Colmore Square
Birmingham
B4 6AA

INVESTMENT MANAGERS

Smith and Williamson
9 Colmore Row
Birmingham
B3 2BJ

AUDITOR

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

BIRMINGHAM ROYAL BALLET

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DIRECTORS' REPORT

The directors have pleasure in presenting their annual report and the audited financial statements for the period ended 31 March 2013.

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.

GOVERNANCE STRUCTURE

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

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

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

- **The Finance and General Purposes Committee** (prior to September 2011 – known as the Executive Committee) responsible for detailed review of financial reports, planning documents, budgets and policies prior to recommendation for approval. In addition the Finance and General Purposes Committee fulfils the role of the Audit Committee.
- **The Nominations Committee** is responsible for the review and recommendation of candidates for appointment as Directors bearing in mind the particular needs of the Board at the time as well as the future needs of the Board (succession planning). The Nominations Committee is also responsible for ensuring the appropriate induction of new directors. It is the responsibility of the Board of Directors as a whole to approve candidates for appointment. The Governors of the Royal Ballet have the right to nominate one of their members to be a member of the Board of Directors; Birmingham City Council nominate two representatives (usually Councillors) to be members of the Board of Directors. All such nominations are approved and appointed by the Board of Directors as a whole
- **The Remuneration Committee** responsible for overseeing the remuneration policy for Birmingham Royal Ballet senior officers and staff.

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 2012 this session covered artistic policy and future repertory plans.

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

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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 are provided on page 1.

Organisation

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

Directors' Interests in Related Bodies

Body

Governors of the Royal Ballet

Birmingham City Councillors

Director

Professor Michael Clarke

Dame Jenny Abramsky

Councillor Des Hughes

Councillor Margaret Waddington
(resigned 16 October 2012)

Councillor James Hutchings (appointed 10
December 2012)

Reimbursements to Directors

Reimbursements of expenses were made to two Directors during the period, totalling £2,786 (2011-12: £2,602).

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 2012-13 identified strategic risks as follows: Risks associated with failures to achieve income, particularly fundraising, and the uncertain economic outlook impacting on consumer confidence

- Withdrawals or reduction of funding from major funders (Arts Council England and Birmingham City Council) in future years
- Inflation leading to increasing prices and pressure for higher than inflation pay settlements due to low settlements in preceding years
- Physical limitations of Thorp Street premises resulting in inadequate facilities for staff and limited public and disabled access

Most of these risks remain the same as in 2011-12 due to the pressures on funding and prevailing economic conditions including high inflation. The risks identified in respect of BRB's main Thorp Street premises resulted in the submission of an application for capital funding of £1.8million from Arts Council England which was confirmed as successful at Stage 1 in January 2013.

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.

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DIRECTORS' REPORT

PUBLIC BENEFIT

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

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

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

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

Birmingham Royal Ballet is committed to the principle that that cost should not prohibit access to performances. Tickets for performances in the UK are priced across affordable ranges (between £10 and £65) which reflect the regional economies where the company performs. A wide range of concessions and special offers are offered on tickets. Schools can access performances for around £10 per pupil. Birmingham Royal Ballet performs annually at Artsfest, Birmingham City Council's free arts festival, and continues to explore ways of taking ballet 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, repertory based programmes for schools and community groups, disability led work and continuing professional development for professional dancers and teachers. Many projects include free access to a Birmingham Royal Ballet performance and it is hoped that every child in Birmingham will have an opportunity to experience ballet at some point during their school career.

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

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

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DIRECTORS' REPORT

OBJECTIVES AND ACTIVITIES

Birmingham Royal Ballet seeks to be the UK's foremost international ballet company, enriching people's lives through dance, and aspiring to excellence in all that it does.

Birmingham Royal Ballets strategic aims and objectives as set out in its 2012-15 Business Plan including those specific to the 2012-13 period are as follows:

Creativity and Performances:

- Create two new one act ballets Lyric Pieces (commissioned for the International Dance Festival Birmingham – May 2012) and Faster (June 2012) a work inspired by the Olympic motto with a commissioned score by Matthew Hindson.
- UK premiere of David Bintley's *Aladdin* (February 2013)
- Developing the UK touring circuit whilst ensuring that touring activity remains cost effective and delivers value for money
- Maintain an increased London presence with at two regular performance seasons per annum (one week at Sadlers Wells and one week at The Coliseum)
- Undertaking at least two overseas tours, one to Munich (April 2012) and Granada, Spain (July 2012).

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

- Offering opportunities to Birmingham City Council and other Birmingham institutions e.g. University of Birmingham to promote the City
- Working with Birmingham City Council to use London performances and UK touring to promote the City
- Supporting the International Dance Festival Birmingham
- Promoting Birmingham as part of the Cultural Olympiad

Birmingham Royal Ballet's corporate identity and the Birmingham Royal Ballet Brand – Birmingham Royal Ballet is working to enhance its positioning and presentation in order to build the reputation of the company with funders, employees, audiences and the community by:

- Continuing to develop Birmingham Royal Ballet brand to clearly distinguish its identity from other major ballet companies in the UK.
- Producing regular publications to communicate with stakeholders and other interested parties

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

- Increasing the use of video and music on the website and in e-marketing strategies to increase awareness of and access to Birmingham Royal Ballet product once media negotiations have been completed
- Working with other cultural organisations across the city to develop cross art form initiatives
- Agreeing annual pricing structures and developing annual plans to offer low cost entries to performances in conjunction with the development of repertory plans
- Offering opportunities for behind the scenes access to the work of the company through BRB friends, Director's appeal etc to increase access and promote affinity with the company

Community Engagement and Cultural Diversity – Birmingham Royal Ballet wants to reflect the changing population of our city and country through its Community Engagement Action Plan through:

- Developing plans to further our relationship with Birmingham City Council Youth Services based on the outcomes of the Ballet, Birmingham and Me project
- Continuing Dance Track in the North and South of Birmingham
- Agreeing a strategy for the development of Freefall Dance Company
- Continuing to participate in Birmingham City Council initiatives such as Arts Champions Scheme (Perry Barr Constituency) and Artsfest

Organisational Development – Birmingham Royal Ballet will continue to review its organisational needs to ensure that it is appropriately structured to meet the challenges of the next 3 years through:

- Building on the positive progress in demonstrating Birmingham Royal Ballet's contribution and value to the Royal Ballet family
- Succession planning for board vacancies and senior staff members
- Maintaining Investors in People recognition
- Developing the training and skills sharing programme with Birmingham Repertory Theatre and CBSO
- Working with University of Birmingham on their cultural internship programme
- Supporting government initiatives to offer training and work placements to long term unemployed individuals

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Financial Stability – Birmingham Royal Ballet will work to reduce the increasing gap between the net cost of its operations and public subsidy by increasing and diversifying income streams as follows:

- Continuing to articulate the case for support for Birmingham Royal Ballet.
- Confirming the target for Birmingham Royal Ballet's 'Campaign for the Future with a public launch of the campaign in 2012-13.
- Maintaining general, unrestricted reserves at a minimum £500,000.
- Ongoing development of a touring model which strikes an improved balance between costs and income thus reducing the net cost of touring.
- Preparing contingency plans to address changing funding scenarios.

The Board seeks to realise its objectives by following an artistic policy of performing traditional full-length classics, the 'heritage' repertory of the 20th century and commissioning new works. BRB performs at its home base in Birmingham, throughout the United Kingdom and internationally. The company seeks the highest standards of performance and presentation supported by appropriate management structures, exemplary healthcare, effective marketing, press and public relations. Birmingham Royal Ballet also delivers a wide-ranging learning and engagement programme offering opportunities to a wide range of communities based on the knowledge that ballet has the ability to enhance and enrich peoples' lives.

In implementing the artistic policy, Birmingham Royal Ballet will meet the demands of the Funding Agreements with the Arts Council England and Birmingham City Council.

PRODUCTIONS AND PERFORMANCES

Birmingham Royal Ballet has completed another busy year and continues to tour the widest range of ballet repertory of any large-scale ballet ensuring access to world class performances to audiences throughout the United Kingdom.

The complete repertory performed during the year was:

Ballet	Choreography	Music
Checkmate	Ninette de Valois	Arthur Bliss
Take Five	David Bintley	Dave Brubeck
The Dream	Frederick Ashton	Felix Mendelssohn (arranged by John Lanchbery)
Lyric Pieces	Jessica Lang	Edvard Grieg
9-5	Kit Holder	
Pineapple Poll	John Cranko	Arthur Sullivan (arranged by Charles Mackerras)
The Grand Tour	Joe Layton	Noel Coward (adapted by Hershey Kay)
Far From the Madding Crowd	David Bintley	Paul Reade
Faster	David Bintley	Matthew Hindson
Coppelia	Peter Wright, Marius Petipa, Enrico Cecchetti	Leo Delibes
Swan Lake	Peter Wright, Lev Ivanov, Marius Petipa	Pyotr Ilyich Tchaikovsky
Grosse Fuge	Hans Van Manen	Ludwig von Beethoven
Cinderella	David Bintley	Sergei Prokofiev

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DIRECTORS' REPORT

Aladdin	David Bintley	Carl Davis
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In 2012-13 the company gave:

- 137 performances - 61 in Birmingham, 72 on tour in the UK and 4 overseas (2011-12: 140 performances – 59 in Birmingham, 67 on tour in the UK and 14 overseas).
- Audiences of approximately 147,000 – 140,000 in the UK and 7,000 overseas (2011-12: 200,000 – 178,000 in the UK and 22,000 overseas).

Lower audience numbers in 2012/13 reflect the lower level of performances, changes in venues (including increased number of midscale venues) and challenging trading conditions throughout the year due to changing purchasing patterns from audiences and increasing competition from other shows. It should also be noted that audiences in 2011/12 were exceptionally high due to performances in Japan and at the O2 Arena (London). Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
National Theatre Munich	April 2012	Checkmate, Take Five, The Dream
Crescent Theatre, Birmingham (as part of the International Dance Festival Birmingham)	May 2012	Lyric Pieces, Take Five, 9-5
Durham Gala, York Theatre Royal, Buxton Opera House	May 2012	Lyric Pieces, Pineapple Poll, ballet exerpts
The Lighthouse, Poole Hall for Cornwall, Truro	May 2012	Take Five, The Grand Tour, ballet exerpts
Birmingham Hippodrome	June 2012	Far From the Madding Crowd
Birmingham Hippodrome Theatre Royal Plymouth Sadlers Wells, London Wales Millennium Centre, Cardiff	June 2012 October 2012 October 2012 October 2012	The Grand Tour, Faster, The Dream
International Festival of Music and Dance, The Alhambra, Granada	July 2012	Coppelia, The Grand Tour, Take Five, The Dream
The Lowry, Salford Birmingham Hippodrome Theatre Royal Plymouth Sunderland Empire Wales Millennium Centre, Cardiff	September and October 2012	Swan Lake
Birmingham Hippodrome Sadlers Wells, London	September 2012 October 2012	Lyric Pieces, Grosse Fuge, Take Five
Birmingham Hippodrome	November and December 2012	Cinderella

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Birmingham Hippodrome The Lowry, Salford Theatre Royal Plymouth Sunderland Empire The Coliseum, London	February and March 2013	Aladdin
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Munich – April 2012

The first performances of the 2012-13 financial year were at the National Theatre, Munich as part of a Ballet Festival programme. Two performances of a mixed programme of heritage and modern English works by Ashton and Bintley were enthusiastically received by full houses. The invitation to perform at a major European opera house confirms Birmingham Royal Ballet's international reputation

Midscale tour – May 2012

The 2012 midscale tour commenced with performances at Birmingham's Crescent Theatre as part of the International Dance Festival Birmingham 2012 (IDFB 2012) including two world premieres

- *Lyric Pieces* – a beautiful one-act ballet by American choreographer Jessica Lang's set to the piano music by Edward Grieg. The work was jointly commissioned by Birmingham Royal Ballet and IDFB 2012 and was Jessica Lang's first work for a major European company
- *9-5* – by BRB dancer Kit Holder was a development of his smash drum and bass work *Printer Jam*

The tour then split to BRB's regular venues in the South West (Poole and Truro) and North East (Durham, York) and then extending the northern tour to Buxton. Buxton Opera House is a new venue for BRB in line with the policy to extend the midscale tour to larger venues on the midscale circuit to improve the financial sustainability of the tour.

Summer 2012

The Summer programme opened in Birmingham with a welcome revival of David Bintley's adaptation of Thomas Hardy's famous novel *Far from the Madding Crowd* followed by a mixed programme entitled 'Summer Celebration' which included the world premiere of David Bintley's *Faster*; a fast and athletic ballet was awarded the London 2012 Inspire Mark to celebrate the run up to the London 2012 Olympic Games.

The Birmingham performances were followed by a memorable tour to Granada, Spain to appear as part of the Granada International Festival of Music and Dance. Two performances, one of *Coppelia* and one of the Summer Celebration programme were performed in the stunning outdoor theatre in the grounds of the Alambra Palace world heritage site. Performances commenced at around 10.00 pm to avoid the daytime heat and it would be hard to imagine a more atmospheric setting for *The Dream* set against a backdrop of cypress trees with bats flitting across the stage as the sun went down. We were delighted that the girl's choir from Birmingham Cathedral were able to join the tour to Granada to accompany the performances of *The Dream* as part of the growing musical partnership with the Birmingham Cathedral and demonstrating the wealth of opportunity that can be offered to young people through participation in the performing arts.

Autumn 2012

The autumn season opened at The Lowry, Salford with performances of *Swan Lake*. Sir Peter Wright's 1981 production of the world's most famous ballet is widely acknowledged as one of the finest and following investment in new swan tutus for the corps de ballet looked truly spectacular for its latest outing. *Swan Lake* was performed in Birmingham, Plymouth, Sunderland and Cardiff to widespread acclaim. Two mixed programmes were included in the autumn tour 'Autumn Celebration' (*The Grand Tour*, *Faster* and *The Dream* continuing performances from the summer) was performed in Plymouth, London and Cardiff and 'Opposites Attract' (*Lyric Pieces*, *Grosse Fuge*, *Take Five*) which was performed in Birmingham and London.

December 2012

BRB's Christmas performances at Birmingham Hippodrome saw the return of David Bintley's *Cinderella*. This ballet was created as a gift for the City of Birmingham to mark the company's 20th anniversary and the combination of stunning choreography, breathtaking designs by John Macfarlane and Serge Prokofiev's beautiful score ensures it a place amongst the finest of BRB's productions.

DIRECTORS' REPORT

February/March 2013

February 2013 saw the UK premiere of performances of David Bintley's *Aladdin*. This spectacular ballet was a visual feast including a bejewelled cave, a dancing lion and a flying carpet. Performances of *Aladdin* were given in Birmingham, Salford, Plymouth, Sunderland and London.

We are delighted to have maintained the reach of our UK touring circuit despite the challenges of reduced funding.

AUDIENCE DEVELOPMENT

Encouraging new audiences to experience, share and enjoy the work of the company is important and audience development initiatives during the year have included:

- Ongoing website development to improve access and understanding through greater use of video clips, diaries, blogs
- Identifying target groups for promotions/complementary seats including Arts Champion scheme participants, cultural cold spot postcode areas and previous non attenders
- Competitions giving opportunities to attend a performance
- Sunday performances of *Cinderella* and *Aladdin*
- Early evening performances of *Cinderella* and *Aladdin*
- Pointe Blank project, exhibiting original artwork inspired by *Swan Lake* in Cardiff
- Audio described performances and touch tours in Birmingham
- Family friendly activities pre performance in Birmingham and on tour

ORCHESTRAL WORK

The UK's only specialist ballet orchestra, The Royal Ballet Sinfonia, 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 Sinfonia undertook:

- April 2012 6 performances for Sadler's Wells production of *The Most Incredible Thing* – Pet Shop Boys
- August 2012 35 performances for Opera North's production of *Carousel* at the Barbican, London
- November 2012 – symphony concert at Birmingham Cathedral
- December 2012 9 performances for The Royal Ballet's production of *The Nutcracker* at The Royal Opera House, London
- January 2013 – Music and Dance Concert at Symphony Hall, Birmingham

Birmingham Royal Ballet also submitted a successful application for funding from the BBC Performing Arts Fund – 'Music Fellowship Scheme' and offered James Ham a fellowship placement in January 2013. The BBC Music Fellowships scheme is designed to identify and support the next generation of Music talent and the award to Birmingham Royal Ballet is the first award to develop skills in the art of conducting for dance.

DEPARTMENT FOR LEARNING

The learning and education 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 and is a vital element in making ballet an accessible art form for everyone.

710 sessions were delivered to 13,068 attendees

- 45% of participants were male
- 55% of participants were non-white British
- 18% of sessions were aimed at participants with a disability

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Workshops were held in Birmingham and on tour in Plymouth, Salford, Sunderland and Cardiff. Learning work on tour is now integrated with the touring programme and extending learning work across the UK in conjunction with touring activity is central to BRB's learning strategy.

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

During the year new relationships have been developed with

- Perry Barr Constituency (Birmingham) as part of the Arts Champions Scheme (Birmingham City Council)
- Simmer Down Festival – Hockley Birmingham
- The Renewal Trust, Nottingham
- The Transformation Trust
- Midlands Arts Centre (MAC) and MENCAP for the 'We Dance' Project as part of the Cultural Olympiad

Longer term learning initiatives include

Dance Track

This project continues successfully in North and South Birmingham offering free weekly ballet tuition to 70 Years 1 & 2 children who show a talent for dance. 1,800 individuals participated in workshops and auditions associated with the programme and work in participating schools also includes teacher training and support to raise the standard of dance in the curriculum.

Freefall Dance Company (talented adults with severe learning difficulties)

Freefall Dance Company has performed to over 13,000 people throughout the year including the We Dance Festival (July 2012) as part of the Cultural Olympiad, at Artsfest (September 2012) and The Patrick Centre (March 2013) to celebrate its tenth anniversary.

The We Dance project was a large scale partnership project between Freefall, Mencap and mac Birmingham culminating in a two day dance festival at mac in July 2012. Freefall were the lead dance group providing inspiration for other community groups and gave Freefall members the opportunity to develop their leadership skills, putting their knowledge and experience of arts and disability into practice. A short dance film made at We Dance reached audiences of over 1.5 million and Freefall were also profiled on BBC Breakfast and ITV Central with viewing figures of around 4 million.

Freefall has continued its outreach programme including work with:

- PGCE PE teachers - Birmingham University
- Occupational Therapy students - Coventry University.
- Junior Freefall group, as feeder to main company

Ballet Birmingham and Me (BB&Me) Legacy Projects

Birmingham Royal Ballet was awarded £10,000 legacy funding from the Big Lottery Fund to commission work to embed the legacy of the learning from BB&Me into its working practices. The creative learning review was finalised in autumn 2012 and its recommendations are being used to inform work from 2013-14 onwards.

The 'Youth Artistic Board' established during the BB&Me project is now known as Birmingham Royal Ballet Ambassadors. Eight young people attend on a regular basis and have supported We Dance, Artsfest and family fun days as well as engaging with donors and funders.

Organisational Development

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

Governance Structures

- Board extended session June 2012 focussing on Artistic policy and planning
- Final approval of Investment Policy in December 2012 followed by the appointment of investment managers Smith and Williamson in February 2013 to manage BRB's growing Catalyst/Cadbury Family Endowment Fund

Management Structure and Operations

- Training weeks for all staff groups during Autumn/Winter 2012
- Institute of Leadership and Management training in partnership with CBSO and Birmingham Rep

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DIRECTORS' REPORT

- Recruitment of a cultural intern funded by University of Birmingham
- Development National Association for Dance Medicine & Science (NIDMS) in partnership with the public launch and establishment of an NHS dance clinic in London in May 2012. The aim is to launch a similar clinic in Birmingham during 2013

FINANCIAL REVIEW

The results for the period are set out in the financial statements on pages 22 – 37.

The period ended with a surplus on activities of £452,794 and accumulated reserves of £2,390,800 at 31 March 2013 increasing BRB's financial stability as we continue to negotiate a period of reduced funding to 2014-15 with the expectation of further changes in the funding environment in the medium term.

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

2013-14 - £7,269,244

2014-15 - £7,391,456

The funding reflects 1% and 2% reductions in DCMS funding to Arts Council England in 2013-14 and 2014-15 respectively as announced in the Chancellor's 2012 Autumn Statement and further 1.09% (2013-14) and 1.06% (2014-15) cuts announced in March 2013.

Birmingham City Council has confirmed that funding for 2013-14 will be held at £908,500 per annum allowing time to plan for a further reduction in funding in 2014-15

Whilst future funding from Arts Council England and Birmingham City Council shows a significant reduction against 2010-11 levels of funding, Birmingham Royal Ballet continue to work hard to realise its charitable objectives and offer a comprehensive performance and outreach programme both in Birmingham and on tour.

Incoming resources from charitable activities in 2012-13 were £3,590,279 (2011-12: £3,329,363). Box office income and performance fees (including overseas touring) were lower in 2012-13 due to both the lower level of performances and challenging trading conditions throughout the year. This has been compensated by an increase in orchestral project income as activity has returned to normal levels (against a contraction in 2010-11) and co-production income from Houston Ballet in respect of *Aladdin*.

Total income from donations, membership schemes and other fundraising activity during the year was £1,675,690 (2011 -12: £835,622) demonstrating the success of BRB's strategy to increase income raised from philanthropic sources to help mitigate the impact of reduced public funding.

In 2009-10, Birmingham Royal Ballet was successful in obtaining grant funding from The Big Lottery Fund of £392,000 to support the Ballet, Birmingham and Me project. At 31 March 2012 £32,000 of this grant remained to fund the healthy lifestyle which was undertaken during summer 2012. In addition, £10,000 'Supporting Change' funding was received from the Big Lottery Fund in 2012-13 to help sustain the benefits of the BB&Me project for the future.

Income from trusts and foundations for the year was £644,849 (2011-12: £480,816) this includes gifts totalling £176,200 from a number of the Cadbury Family Trusts for the Catalyst/Cadbury Family Endowment Fund.

DIRECTORS' REPORT

We would like to acknowledge the support of the following trusts and foundations who have supported Birmingham Royal Ballet during 2012-13

A Cadbury LJC Fund
Arts Connect West Midlands
Baron Davenport's Charity
BBC Performing Arts Fund
BHSF Medical Charity and Welfare Trust
Birmingham Common Good Trust
Birmingham Decorative & Fine Arts Society
Chatwin Trust
David & Julia Hunter Charitable Trust
David Laing Foundation
Dumbreck Charity
Ensix Charitable Trust - In memory of Sue Alvarez
Garfield Weston Foundation
George Cadbury Trust
GJW Turner Trust
GW Cadbury Charitable Trust
Henry James Sayer Charity
IMI Charitable Appeals Committee
John Ellerman Foundation
J Paul Getty Jnr Charitable Trust
Lord Leverhulme's Charitable Trust
Miss W E Lawrence 1973 Charitable Settlement
Philip King Charitable Trust
SEM Charitable Trust
Shauna Gosling Trust
St Thomas' Dole Charity
Stanley Picker Trust
The Alan Woodfield Charitable Trust
The Baker Charitable Trust
The Barbara Saunders Trust
The Bernard Piggott Trust
The Bryant Trust
The Calleva Foundation
The Catherine Cookson Charitable Trust
The Charles Brotherton Trust
The Connie & Albert Taylor Charitable Trust
The Coutts Charitable Trust
The Evan Cornish Foundation
The Fenton Arts Trust

DIRECTORS' REPORT

The Garrick Charitable Trust
The Geoff Hill Charitable Trust
The Gibbs Charitable Trust
The Gladys Jones Charitable Trust
The Granada Foundation
The Grantham Yorke Trust
The Grey Court Trust
The Grimmitt Trust
The Harding Trust
The Idlewild Trust
The John Avins 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 Marjory Boddy Charitable Trust
The Marsh Christian Trust
The Michael Marsh Charitable Trust
The Mirianog Trust
The Norton Foundation
The Patricia Routledge Charitable Trust
The Patrick Trust
The Provincial Grand Lodge of Warwickshire
The Ratcliff Foundation
The Reece Foundation
The Rix-Thompson-Rothenberg Foundation/The Baily Thomas Charitable Fund
The Rowlands Trust
The S and D Lloyd Charity
The Saintbury Trust
The Sir Robert Gooch Trust
The Sylvia Adams Charitable Trust
The Transformation Trust
The Vandervell Foundation
The Wilmcote Charitable Trust
The Zochonis Charitable Trust
W E D Charitable Trust
Whalley White Charitable Trust

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' REPORT

Fundraising income from trusts and foundations in respect of 2013-14 has already been secured as follows

- Prince of the Pagodas £167,000
- Sundry projects £59,600

Expenditure on charitable activities in the year was £13,191,768 - 96% of total resources expended (2011-12: £11,865,070 - 96%). Direct Charitable costs were higher in 2012-13 than 2011-12 due to the investment in new work including Lyric Pieces, Faster and Aladdin and the higher level of orchestral activity in addition to regular BRB performances after a contraction in activity during 2011-12.

Birmingham Royal Ballet has prepared for reduced funding over the past three years through scenario planning and detailed reviews of its income streams and cost base. In January 2013 the difficult decision was taken to reduce staff costs through a voluntary redundancy exercise and the costs of those posts confirmed as redundant at 31 March 2013 have been included under staff costs.

Expenditure on core overheads and infrastructure costs remain consistent with 2011-12.

The primary financial management policies are:

- **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 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 authorise expenditure in accordance with their final approved budgets. All expenditure is reviewed and approved for payment by the Finance Director or Chief Executive.
- **Financial reporting and review** - all budget holders receive a monthly report detailing their expenditure to date against budget. 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 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.

As in previous years our principal funding sources are:

- Arts Council England - £7,256,648 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.
- Birmingham City Council - £908,500 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 58% of total income (2011-12 67%). This reflects the reduction in public funding from the period 2011-12 onward as well as BRB's success in finding alternative sources of funding and income.

DIRECTORS' REPORT

Other sources of funding are as follows

- Earned income – from charitable activities including revenue generated from performing activity, production hires and sales, fees for orchestral activities and revenue from education activity. Income from these sources was 25% of total income (2011-12 - 26%).
- Fundraising activities and membership schemes.

Reserves Policy

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

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

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

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

Designated funds include:

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

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

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

- **The Catalyst/Cadbury Family 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.

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

DIRECTORS' REPORT

Investment Policy

- **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
 - tradeability in the event of the need to liquidate assets
- **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 a permanent endowment 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. If it is deemed appropriate to manage funds constituted as a permanent endowment on a total returns basis then Charity Commission approval will be obtained before such an approach can be implemented

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

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.

PLANS FOR FUTURE PERIODS

Birmingham Royal Ballet's strategic objectives have been outlined earlier in this report under 'Objectives and Activities'. In addition to the stated objectives our main aspirations for future periods include

Creativity and Performances -

- *Prince of the Pagodas*, a co-production with National Ballet of Japan, to be premiered in the UK in February 2014 as part of the Britten Centenary celebrations.
- Undertaking at least two overseas tours during the period 2013-2015
- Developing plans for training of young dancers in transition to their professional careers supported by the establishment of the Catalyst/Cadbury Family Endowment Fund

Financial Stability

- Fund new work through collaboration with other companies *The Prince of the Pagodas* a co-production with National Ballet of Japan and reducing production costs and contributing to BRB's international cultural reputation
- Continue to articulate the case for support to demonstrate need and create affinity to BRB
- Continue BRB's 'Campaign for the Future' to raise £15million by 2017 to support Talent, Inspiration, New Work and Legacy

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

In order to realise the strategic aims and objectives Birmingham Royal Ballet will undertake a programme of activities as follows

Birmingham Performances – four core seasons per annum offering a range of full length and mixed programmes

- Autumn – two weeks, minimum of 12 performances
- Christmas – three week, minimum of 22 performances of a Christmas programme (*The Nutcracker* or *Cinderella*)
- Winter – two weeks, minimum of 12 performances
- Summer – two weeks, minimum or 12 performances

Large scale touring – a minimum of six weeks per annum visiting

- Plymouth – two tours (autumn and winter) of one week each with six or seven performances per week, performing both mixed and full length programmes
- Salford - two tours (autumn and winter) of one week each with six or seven performances per week, performing mainly full length programmes but mixed programmes are offered depending on repertory
- London Sadlers Wells – one tour (autumn) of one week with six or seven performances per week, performing both mixed and full length programmes
- London Coliseum – one tour (winter/spring) of up to eight performances of one or two programmes depending on available repertory
- Sunderland – at least one tour (autumn) of a full length programme plus a winter/spring visit if financially viable

Mid-scale touring – two weeks touring (by 2014) of up to eight 800 – 1000 seat venues across England offering programmes comprising a mix of one act ballets and classical extracts and divers. The mid-scale tour offers an opportunity to create new work of a more contemporary nature including works created as part of our collaboration with IDFB.

Choreographic programme – undertaking an annual choreographic project (one week) to develop choreographic skills amongst BRB dancers with the aim of creating at least two pieces of new work which can be performed in public as part of the mid-scale touring programme.

Music – to retain Birmingham Royal Ballet's live music policy. Birmingham Royal Ballet's orchestra, The Royal Ballet Sinfonia, is the UK's only specialist ballet orchestra which enjoys increasing critical acclaim under the leadership of Music Director Koen Kessels. In addition to performances with Birmingham Royal Ballet the Royal Ballet Sinfonia will

- Perform with other companies including Opera North, The Royal Ballet (Royal Opera House) and Sadler's Wells
- Give orchestral concerts including the annual Music and Dance Concert at Symphony Hall, Birmingham

Learning programme – Birmingham Royal Ballet's learning programme will aim to achieve at least 9,000 attendances through 550 learning sessions per annum through learning opportunities that reflect the company repertoire and reach a wide range of participants and communities both in Birmingham and on tour.

Audience Development – Birmingham Royal Ballet will focus on sustaining existing audiences by fostering stronger engagement, loyalty and customer retention as well as expanding its audience base, both in numbers and in terms of social and cultural diversity.

Digital Communication – Birmingham Royal Ballet will use digital media to generate understanding of and support for the Company through increased digital access to performance and the creative process which will help to build and sustain audiences, increase ticket sales, target press and PR campaigns, support Development campaigns and activities. Digital media will also be used to highlight the pioneering work of other departments including the Department for Learning and Birmingham Royal Ballet's Jerwood Centre for the Prevention and Treatment of Dance Injuries.

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:

**BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)**

DIRECTORS' REPORT

- 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

10 October 2013

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

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

We have audited the financial statements of Birmingham Royal Ballet for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)**

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

Matters on which we are required to report by exception

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

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

Jonathan Dodworth (Senior Statutory Auditor)

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

10 October 2013

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Period ended 31 March 2013

	Note	Un- restricted Funds £	Restricted Funds £	Endowment Fund £	2013 Total Funds £	2012 Total Funds £
Incoming resources:						
<i>Incoming resources from generated funds:</i>						
<i>Voluntary income:</i>						
Grants and donations	3	9,667,872	42,000	767,400	10,477,272	9,314,645
<i>Activities for generating funds:</i>						
Memberships and other funds	4	88,153	-	-	88,153	97,661
<i>Investment income:</i>						
Bank interest receivable		20,352	-	-	20,352	6,222
		<u>9,776,377</u>	<u>42,000</u>	<u>767,400</u>	<u>10,585,777</u>	<u>9,418,528</u>
<i>Incoming resources from charitable activities:</i>						
Performance and related activities	5	3,590,279	-	-	3,590,279	3,329,363
Total incoming resources		<u>13,366,656</u>	<u>42,000</u>	<u>767,400</u>	<u>14,176,056</u>	<u>12,747,891</u>
Resources expended:						
<i>Costs of generating funds:</i>						
Costs of generating voluntary income		381,210	-	-	381,210	276,277
Costs of generating memberships and other funds		35,108	-	-	35,108	76,106
<i>Charitable activities:</i>						
Production and performance		12,207,473	1,883	-	12,209,356	11,230,380
Orchestral projects		567,450	-	-	567,450	270,187
Education projects		372,305	42,657	-	414,962	364,503
Governance costs		<u>115,176</u>	<u>-</u>	<u>-</u>	<u>115,176</u>	<u>90,489</u>
Total resources expended		<u>13,678,722</u>	<u>44,540</u>	<u>-</u>	<u>13,723,262</u>	<u>12,307,942</u>
Net incoming/ (outgoing) resources for the period before transfers, being net income/ (expenditure)	8	(312,066)	(2,540)	767,400	452,794	439,949
Transfers	13	(657)	657	-	-	-
Net (outgoing)/incoming resources for the period after transfers		(312,723)	(1,883)	767,400	452,794	439,949
Opening funds		<u>1,589,968</u>	<u>18,038</u>	<u>330,000</u>	<u>1,938,006</u>	<u>1,498,057</u>
Closing funds		<u>1,277,245</u>	<u>16,155</u>	<u>1,097,400</u>	<u>2,390,800</u>	<u>1,938,006</u>

All the above results are derived from continuing activities.

All gains and losses recognised in the period are included above. The surplus for the period for Companies Act purposes comprises the net surplus for the period of £452,793 (2012: £439,949 surplus).

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

BALANCE SHEET
31 March 2013

	Note	31 March 2013 £	31 March 2012 £
FIXED ASSETS			
Tangible assets	9	434,855	342,097
CURRENT ASSETS			
Stocks	10	57,096	59,044
Debtors	11	1,363,405	1,044,892
Cash at bank and in hand	17	2,474,831	2,866,204
		<u>3,895,332</u>	<u>3,970,140</u>
CREDITORS: amounts falling due within one year			
	12	<u>(1,939,387)</u>	<u>(2,374,231)</u>
NET CURRENT ASSETS		<u>1,955,945</u>	<u>1,595,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>2,390,800</u>	<u>1,938,006</u>
FUNDS			
Unrestricted designated funds	13	527,276	527,276
Unrestricted general funds	13	749,969	1,062,692
Restricted funds	13	16,155	18,038
Endowment fund	13	1,097,400	330,000
		<u>2,390,800</u>	<u>1,938,006</u>

These financial statements of Birmingham Royal Ballet (registered number 3320538) were approved by the Board of Directors on 10 October 2013

Signed on behalf of the Board of Directors

Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
Period ended 31 March 2013

	Note	2013	2012
		£	£
Net cash (outflow)/inflow from operating activities	15	(207,062)	800,663
Returns on investments	16	20,352	6,222
Capital expenditure and financial investment	16	(204,663)	(95,579)
		<hr/>	<hr/>
(Decrease)/Increase in cash in the period		<u>(391,373)</u>	<u>711,306</u>
 Reconciliation of net cash flow to movement in net funds			
		<hr/>	<hr/>
(Decrease)/Increase in cash in the period		(391,373)	711,306
		<hr/>	<hr/>
Change in net funds resulting from cash flows		(391,373)	711,306
Net funds at 1 April		<u>2,866,204</u>	<u>2,154,898</u>
Net funds at 31 March		<u><u>2,474,831</u></u>	<u><u>2,866,204</u></u>

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

1. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable United Kingdom Accounting Standards and the Companies Act 2006. These accounts have been prepared on a going concern basis.

Going concern

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

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

Grant funding represents the company's largest income stream and Birmingham City Council have confirmed their commitment to fund Birmingham Royal Ballet to 31 March 2014 and Arts Council England have confirmed their funding for Birmingham Royal Ballet for the year ended 31 March 2015.

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

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

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

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

Incoming resources

Box office income, performance related fees and programmes

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

Donations and legacies

Donations and legacies are credited to the statement of financial activities on a receivable basis 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 contractual restrictions 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 restrictions 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, therefore the depreciation on the underlying asset is charged to the appropriate fund.

Investment income

Investment income is recognised on an accruals basis.

Resources expended

Expenditure

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued) Period ended 31 March 2013

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.

1. ACCOUNTING POLICIES (CONTINUED)

Resources expended (continued)

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

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

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

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

New production and revivals

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

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

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

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

Operating leases

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

Pension costs

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

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

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

Tangible fixed assets

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

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

Fixed assets below £1,000 are not capitalised.

BIRMINGHAM ROYAL BALLET
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NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

Stock

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

1. ACCOUNTING POLICIES (CONTINUED)

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.

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. Such purposes must be within the overall aims of the charity.

Taxation

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

2. FUTURE FUNDING

The Company is dependent on the continuing financial support of Arts Council England and Birmingham City Council. Income from these sources in 2012-13 totalled £8,847,735, representing 62% of total income.

Arts Council England and Birmingham City Council have committed revenue funding of £7,269,244 and £908,500 respectively for the 2013/14 financial year.

3. VOLUNTARY INCOME

	2013 Un- restricted Funds £	2013 Restricted Funds £	2013 Endowment Fund	2013 Total Funds £	2012 Total Funds £
Grants:					
Arts Council England					
Revenue funding	7,256,684	-	-	7,256,684	7,598,622
Cross Border Touring	116,951	-	-	116,951	-
Managed Funds	-	-	-	-	600
Catalyst Endowment Funds	-	-	541,200	541,200	-
Birmingham City Council					
Revenue funding	908,500	-	-	908,500	908,500
Birmingham Arts Partnership	20,000	-	-	20,000	-
Arts Champions Scheme	4,400	-	-	4,400	4,000
Big Lottery Fund					
Birmingham Ballet and Me	-	32,000	-	32,000	56,000
Supporting Change	-	10,000	-	10,000	-
Awards for All – Dance Track	-	-	-	-	8,962
Donations					
Grants – Trusts and Foundations	468,649	-	176,200	644,849	480,816
Legacies	609,190	-	-	609,190	50,000
Other	283,498	-	50,000	333,498	207,145
	<u>9,667,872</u>	<u>42,000</u>	<u>767,400</u>	<u>10,477,272</u>	<u>9,314,645</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

4. ACTIVITIES FOR GENERATING FUNDS

	2013 Un- restricted funds £	2012 Total funds £
Memberships	84,095	90,393
Sale of merchandise	4,058	7,268
	<hr/>	<hr/>
	88,153	97,661
	<hr/> <hr/>	<hr/> <hr/>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2013 Un- restricted funds £	2012 Total funds £
Performance and related activities		
Box office income	2,314,499	2,291,155
Performance Fees – UK performances	-	186,352
Overseas touring	203,517	401,640
Production sales and hires	159,933	119,324
Co-production fees	370,784	-
Programmes	110,638	118,496
Friends	34,054	35,648
Orchestra projects	298,515	89,888
Education	52,706	34,536
Other fees and services	45,633	52,324
	<hr/>	<hr/>
	3,590,279	3,329,363
	<hr/> <hr/>	<hr/> <hr/>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	UNRESTRICTED FUNDS						
	Direct staff Costs 2013 £	Other direct Costs 2013 £	Support costs 2013 £	Premises 2013 £	Depreciation 2013 £	Total Expenditure 2013 £	Total 2012 £
Costs of generating funds:							
Costs of generating voluntary income	224,869	146,850	4,357	4,439	695	381,210	276,277
Costs of generating memberships and other funds	10,545	5,360	8,933	8,879	1,391	35,108	76,106
Charitable activities:							
Production and performance	7,039,087	3,840,812	700,990	523,841	102,743	12,207,473	11,216,750
Orchestra projects	516,184	41,555	4,577	4,439	695	567,450	270,187
Education projects	172,840	150,079	23,386	22,197	3,803	372,305	299,055
Governance costs	60,770	44,916	4,357	4,439	695	115,177	90,489
Total - Unrestricted	<u>8,024,295</u>	<u>4,229,572</u>	<u>746,600</u>	<u>568,234</u>	<u>110,022</u>	<u>13,678,723</u>	<u>12,228,864</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

6. ANALYSIS OF TOTAL RESOURCES EXPENDED - CONTINUED

	RESTRICTED FUNDS						
	Direct staff Costs 2013 £	Other direct Costs 2013 £	Support costs 2013 £	Premises 2013 £	Depreciation 2013 £	Total Expenditure 2013 £	Total 2012 £
<i>Charitable activities:</i>							
Production and performance – New Media Project	-	-	-	-	1,883	1,883	13,630
Education projects – Birmingham Ballet and Me	719	41,938	-	-	-	42,657	56,486
Dance Track	-	-	-	-	-	-	8,962
Total - Restricted	<u>719</u>	<u>41,938</u>	<u>-</u>	<u>-</u>	<u>1,883</u>	<u>44,540</u>	<u>79,078</u>
	Direct staff Costs 2013 £	Other direct Costs 2013 £	Support costs 2013 £	Premises 2013 £	Depreciation 2013 £	Total Expenditure 2013 £	Total 2012 £
Total Expenditure	<u>8,025,014</u>	<u>4,271,510</u>	<u>746,600</u>	<u>568,234</u>	<u>111,905</u>	<u>13,723,263</u>	<u>12,307,942</u>

Support costs comprise £348,542 (2012: £350,189) staff costs and £398,058 (2012: £366,793) overhead costs.

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

Premises costs comprise £9,805 staff costs (2012: £2,988) and £558,429 overhead costs (2012: £553,353).

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013	2012
	£	£
Employee costs during the period		
Wages and salaries	7,124,306	6,993,070
Redundancy costs	203,312	-
Social security costs	730,259	736,204
Pension costs	325,483	320,991
	<u>8,383,360</u>	<u>8,050,265</u>
Average number of full time equivalent employees employed	2013	2012
	No	No
Permanent:		
Artists and ballet staff	64	64
Sinfonia and music staff	48	49
Production and technical	19	18
Education	5	5
Support	16	16
Publicity and Development	15	15
Central management and administration	3	4
	<u>170</u>	<u>171</u>
Temporary:	2013	2012
	No	No
Support	0	1
Production and technical	11	13
	<u>11</u>	<u>14</u>
Employees with total emoluments greater than £60,000 fell into the following bands:	2013	2012
	No	No
£ 60,001 - £ 70,000	13	14
£ 70,001 - £ 80,000	3	4
£ 80,001 - £ 90,000	1	1
£ 90,001 - £100,000	0	0
£ 100,000+	<u>2</u>	<u>2</u>

During the period pension contributions of £69,398 were paid in respect of 19 employees with total emoluments greater than £60,000.

The Directors received no remuneration in the period.

During the period the total expenses reimbursed to two members of the Board amounted to £2,786 (2012: £2,602). This principally represents reimbursed travelling expenses and sundry expenses incurred in the management of the charity's affairs.

The charity has arranged insurance to protect the charity from loss arising from neglect or default of its trustees, employees or agents and to indemnify the trustees and officers from the consequences of any neglect or default on their part. The annual cost of such insurance which covers the trustees and the officers was £3,250 (2012: £2,359).

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

8. NET INCOMING/(OUTGOING)RESOURCES

Net incoming/(outgoing) resources are stated after charging:	2013	2012
	£	£
Operating lease rentals	239,784	237,877
Depreciation of owned assets	111,905	109,661
Profit on disposal of fixed assets	-	8,694
Auditor's remuneration: In respect of external audit fees	13,000	13,000
	<u>264,694</u>	<u>369,232</u>

9. TANGIBLE FIXED ASSETS

	Leasehold property	Computers	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 01 April 2012	338,694	445,592	1,218,411	2,002,697
Additions	4,287	70,428	129,948	204,663
Disposals	-	-	(9,800)	(9,800)
	<u>342,981</u>	<u>516,020</u>	<u>1,338,559</u>	<u>2,197,560</u>
At 31 March 2013	342,981	516,020	1,338,559	2,197,560
Accumulated depreciation				
At 01 April 2012	231,741	418,837	1,010,022	1,660,600
Charge for period	21,104	26,365	64,436	111,905
Disposals	-	-	(9,800)	(9,800)
	<u>252,845</u>	<u>445,202</u>	<u>1,064,658</u>	<u>1,762,705</u>
At 31 March 2013	252,845	445,202	1,064,658	1,762,705
Net book value				
At 31 March 2013	<u>90,136</u>	<u>70,818</u>	<u>273,901</u>	<u>434,855</u>
At 31 March 2012	<u>106,953</u>	<u>26,755</u>	<u>208,389</u>	<u>342,097</u>

10. STOCKS

	31 March 2013	31 March 2012
	£	£
Shoes	57,096	55,254
Merchandise	-	3,790
	<u>57,096</u>	<u>59,044</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

11. DEBTORS

	31 March 2013 £	31 March 2012 £
Trade debtors	769,627	640,744
Other debtors	154,624	87,407
VAT	49,341	-
Prepayments	389,813	316,741
	<u>1,363,405</u>	<u>1,044,892</u>

Other debtors includes £63,375 (2012: £63,375) in respect of a rent deposit which is due in more than one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2013 £	31 March 2012 £
Trade creditors	503,416	220,824
Other creditors	70,269	71,229
Taxation and social security	203,697	345,242
Accruals and deferred income	1,162,005	1,736,936
	<u>1,939,387</u>	<u>2,374,231</u>

Movements in deferred income:

	2013 £	2012 £
Balance at 01 April 2012	1,276,675	851,239
Amounts released during the period	(1,276,675)	(278,246)
Deferred in the current period	556,121	703,682
	<u>556,121</u>	<u>1,276,675</u>

Deferred income at 1 April 2012 comprised Big Lottery Fund Grant income, membership scheme income and donations and legacy income relating to activity in the period to 31 March 2013.

Deferred income at 31 March 2013 comprised membership scheme income and donations and legacy income relating to activity in the periods to 31 March 2014 and 31 March 2015.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

13. FUNDS

a) Restricted Funds

	At 01 April 2012 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2013 £
New Media Project Fund	18,038	-	(1,883)	-	16,155
Big Lottery Fund – Birmingham Ballet and Me	-	32,000	(32,657)	657	-
Big Lottery Fund – Supporting Change	-	10,000	(10,000)	-	-
	<u>18,038</u>	<u>42,000</u>	<u>(44,540)</u>	<u>657</u>	<u>16,155</u>

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

	At 01 April 2012 £	Inflows in the period £	Transfer in the period £	At 31 March 2013 £
Capital Grants Fund	150,000	-	-	150,000
Community Engagement Fund	177,276	-	-	177,276
New Productions Fund	150,000	-	-	150,000
Cadbury Family Fund	50,000	-	-	50,000
	<u>527,276</u>	<u>-</u>	<u>-</u>	<u>527,276</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. £486 has been transferred to restricted funds to support the balance of outstanding costs from the BBandMe legacy projects.

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

The Cadbury Family Fund represents a legacy designated to be included in the Cadbury Family Endowment Fund.

c) Unrestricted, undesignated funds:

	At 01 April 2012 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2013 £
General fund	1,062,692	-	(312,066)	(657)	749,969
	<u>1,062,692</u>	<u>-</u>	<u>(312,066)</u>	<u>(657)</u>	<u>749,969</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

13. FUNDS (CONTINUED)

d) Endowment funds:

	At 01 April 2012 £	Inflows in the period £	At 31 March 2013 £
Catalyst/Cadbury Family Endowment Fund	330,000	767,400	1,097,400
	<u>330,000</u>	<u>767,400</u>	<u>1,097,400</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 in perpetuity.

14. LIMITED BY GUARANTEE

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

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

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

At 31 March 2013, there were 12 (2012: 12) members of the company.

15. RECONCILIATION OF INCOMING RESOURCES TO OPERATING CASH FLOWS

	2013 £	2012 £
Net incoming resources before interest	432,441	103,727
Depreciation	111,905	109,661
Decrease in stocks	1,948	2,062
(Increase) in debtors	(318,513)	(234,088)
(Decrease)/Increase in creditors	(434,843)	827,995
Profit on sales of Fixed Asset	-	(8,694)
Net cash (outflow)/inflow from operating activities	<u>(207,062)</u>	<u>800,663</u>

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	<u>20,352</u>	<u>6,222</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	204,663	107,929
Disposal of fixed assets	-	(12,350)
Net cash outflow	<u>204,663</u>	<u>95,579</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2013

17. ANALYSIS OF NET FUNDS

	At 01 April 2012 £	Cash flow £	At 31 March 2013 £
Cash in hand and at bank	2,866,204	(391,373)	2,474,831

18. FINANCIAL COMMITMENTS

Capital commitments

At 31 March 2013 the company had £nil (2012: £nil) capital commitments which were contracted for but not provided in the financial statements.

Operating lease commitments

At 31 March 2013, the company was committed to making the following payments during the next year in respect of operating leases:

	Premises		Other	
	2013 £	2012 £	2013 £	2012 £
Leases which expire:				
Within two to five years	100,000	100,000	5,876	5,876
After five years	133,908	132,001	-	-
	<u>233,908</u>	<u>232,001</u>	<u>5,876</u>	<u>5,876</u>

19. PENSION COSTS

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2013 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2013 £	2012 £
Dancers' Pension Scheme	110,958	109,756
Birmingham Royal Ballet Pension Scheme	97,842	99,307
Musicians' Union Pension Scheme	65,479	63,032
	<u>274,729</u>	<u>272,095</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2012-13 the company contributed a total of £50,755 (2011-12: £48,896).

As of 31 March 2013 there were no outstanding contributions due in respect of the current reporting period (2012: £64,222).

20. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2012-13 (2011-12: £nil).