

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

**Report and Financial Statements**

**31 March 2014**

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

**REPORT AND FINANCIAL STATEMENTS 2014**

**OFFICERS AND PROFESSIONAL ADVISERS**

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**BIRMINGHAM ROYAL BALLET**  
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**REPORT AND FINANCIAL STATEMENTS 2014**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Professor Michael Clarke CBE DL (Chair)  
Mr Timothy Clarke  
Mr Charles Glanville  
Mr Charles Parker  
Mrs Susan Harrison  
Dame Jenny Abramsky  
Mrs Rebecca Jones  
Mr Ross MacGibbon  
Councillor Des Hughes  
Councillor James Hutchings  
Miss Louise Halliday (appointed 24 March 2014)  
Mr Dion Dublin (resigned 17 June 2013)  
Ms Lesley Thomson (resigned 17 June 2013)

**SECRETARY**

Mrs Anna Williams FCA, DChA

Registered in England & Wales  
Company Number: 3320538

Registered Charity Number: 1061012

**REGISTERED OFFICE**

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Birmingham  
B5 4AU

**BANKERS**

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**SOLICITORS**

Pinsent Mason LLP  
3 Colmore Circus  
Birmingham  
B4 6BH

Martineau  
No 1 Colmore Square  
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**INVESTMENT MANAGERS**

Smith and Williamson  
9 Colmore Row  
Birmingham  
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**AUDITOR**

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

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

## **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 ballet company, enriching people's lives through dance, and aspiring to excellence in all that it does.

Birmingham Royal Ballets strategic aims and objectives for the 2013 - 14 financial year were as follows:

#### **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 two overseas tours – one to Virginia, USA and one to Dublin, Eire.
- Developing plans for training of young dancers in transition to their professional careers supported by the establishment of the Cadbury Family Endowment Fund

#### **Birmingham Royal Ballet as a cultural ambassador**

- Being a world leader in the creation and performance of classical ballet
- Offering opportunities to promote the City of Birmingham nationally and internationally

#### **The Relationship with our Audience**

- Increasing the use of video and music on the website and in e-marketing strategies to support awareness of and access to Birmingham Royal Ballet
- Working with other cultural organisations across the city to develop cross art form marketing programmes and access opportunities
- 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 increase access and promote affinity with the company

#### **Community Engagement and Cultural Diversity**

- Developing the relationship with Birmingham City Council Youth Services based on the outcomes of the Ballet, Birmingham and Me project through the Birmingham Royal Ballet ambassadors programme
- Continuing BRB's long term commitments to the Dancetrack programme and Freefall Dance Company
- Participating in Birmingham City Council initiatives such as Arts Champions Scheme (Perry Barr Constituency)
- Extending learning work on tour to expand the regional offer around BRB performances

#### **Organisational Development**

- Continuing investment in staff training and development to maintain Investors in People recognition (reassessment in 2014)
- Supporting government initiatives to offer training and work placements to long term unemployed individuals
- Finalising detailed plans for the re-development of BRB's Thorp Street building in 2014

#### **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:**

- Maintaining general, unrestricted reserves at a minimum £500,000.
- Ongoing development of our touring model to deliver a value for money balance between cost and income to ensure touring activity can continue to flourish
- Funding 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
- Continuing to articulate the case for support to demonstrate need and create affinity to BRB and to promote BRB's 'Campaign for the Future' to raise £15million by 2017 to support Talent, Inspiration, New Work and Legacy
- Develop financial plans to demonstrate financial sustainability to support BRB's application for Arts Council England NPO funding for the period 2015-18

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**STRATEGIC REPORT**

**PRODUCTIONS AND PERFORMANCES**

Birmingham Royal Ballet 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 with more than 90% of performances being given outside of London.

The complete repertory performed during the year was:

<b>Ballet</b>	<b>Choreography</b>	<b>Music</b>
Coppelia	Peter Wright Marius Petipa Enrico Cecchetti	Leo Delibes
Lyric Pieces	Jessica Lang	Edvard Grieg
Pineapple Poll	John Cranko	Arthur Sullivan Arr. Charles Mackerras
Take Five	David Bintley	Dave Brubeck
The Grand Tour	Joe Layton	Noel Coward Adapted: Hershey Kay
Giselle	Jean Corelli Jules Perrot Marius Petipa David Bintley	Adolphe Adam
The Sleeping Beauty	Marius Petipa Peter Wright	Pyotr Ilyich Tchaikovsky
Tombeaux	David Bintley	William Walton
E=mc <sup>2</sup>	David Bintley	Matthew Hindson
Still Life at the Penguin Cafe	David Bintley	Simon Jeffes
The Nutcracker	Lev Ivanov Peter Wright Vincent Redmon	Pyotr Ilyich Tchaikovsky
The Prince of the Pagodas	David Bintley	Benjamin Britten
Card Game	John Cranko	Igor Stravinsky
Slaughter on 10 <sup>th</sup> Avenue	George Balanchine	Richard Rogers
Elite Syncopations	Kenneth Macmillan	Scott Joplin

In 2013-14 the company gave:

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## STRATEGIC REPORT

- 145 performances - 63 in Birmingham, 74 on tour in the UK and 8 overseas (2012-13: 137 performances – 61 in Birmingham, 72 on tour in the UK and 4 overseas).
- Audiences of approximately 150,000 – 140,000 in the UK and 10,000 overseas (2012-13: 147,000 – 140,000 in the UK and 7,000 overseas).

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Chrysler Hall, Virginia, USA	April 2013	Coppelia
Everyman Theatre, Cheltenham Lighthouse, Poole Hall For Cornwall, Truro Wycombe Swan, High Wycombe	May 2013	Lyric Pieces, Ballet Diverts, Pineapple Poll
Theatre Royal, Nottingham Gala, Durham Theatre Royal, York Buxton Opera House, Buxton	May 2013	Take Five, Ballet Diverts, The Grand Tour
Birmingham Hippodrome	June 2013	Coppelia Giselle
Grand Opera House, Belfast Bord Gais Energy Theatre, Dublin	June/July 2013	Giselle
The Lowry, Salford Sunderland Empire	September/October 2013	The Sleeping Beauty
Birmingham Hippodrome Sadlers Wells Theatre, London Theatre Royal, Plymouth	September/October 2013	The Sleeping Beauty Tombeaux E=mc <sup>2</sup> Still Life at the Penguin Cafe
Birmingham Hippodrome	November/December 2013	The Nutcracker
The Lowry, Salford Birmingham Hippodrome Theatre Royal, Plymouth The Coliseum, London	January/February/ March 2014	The Prince of the Pagodas
Birmingham Hippodrome	February 2014	Card Game (Birmingham only) Slaughter on 10 <sup>th</sup> Avenue Elite Syncompations Still Life at Penguin Cafe (Sunderland)

We continue to develop BRB's UK touring circuit and the breadth of the repertory offer. The midscale tour returned to two full weeks performances across eight venues including first visits to Theatre Royal Nottingham and the Wycombe Swan and aim to develop these relationships for future performances.

Creative highlights of the programme during the year included:

## **STRATEGIC REPORT**

**Prince of the Pagodas** - Birmingham Royal Ballet's contribution to Britten 100 to celebrate the centenary of the birth of Benjamin Britten. David Bintley's critically acclaimed production of the ballet with stunning set and costume designs by Rae Smith (designer of War Horse) was co-produced with National Ballet of Japan and saw its European Premiere at The Lowry, Salford on 30 January 2014.

**'Dancing in the Blitz'** – a documentary produced by BBC4 and broadcast in March 2014 explored how World War 2 was the making of British Ballet. The documentary was presented by Birmingham Royal Ballet director David Bintley and demonstrated the importance of touring to bring ballet to the British people as an antidote to the austerity the country faced during the war as well as forging the establishment of the Royal Ballet companies post war. The programme achieved audiences of approximately 490,000 and a high appreciation index (AI) of 81

### **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:

- Encouraging cross over attendance for ballet from large-scale musical audiences at Birmingham Hippodrome, achieving a 4% increase in first time attendance at BRB's 2013 Christmas Season as compared to 2012
- Ongoing website development to improve access and understanding through greater use of video clips, diaries, blogs. 12 new videos added to the BRB website during the year accounted for over 44,000 plays in 2013/14. A micro-site [www.creatingpagodas.com](http://www.creatingpagodas.com) charted the progress of the production
- Identifying target groups for promotions/complementary seats including Arts Champion scheme participants, cultural cold spot postcode areas and previous non attenders. BRB has developed a 'Ballet What's That? Programme which was first run across 14 days in February 2014 at Hamstead Hall School, Perry Beeches Academy and Handsworth Library to bring ballet into local communities offering residents the opportunity to find out about ballet and theatre, participate in workshops and attend a performance. The programme will be extended in Birmingham and on tour
- Sunday and early evening performances of *The Nutcracker*
- Pointe Blank project, exhibiting original artwork inspired by *Giselle* in Belfast, Dublin and online.
- Audio described performances and touch tours in Birmingham
- Pre performance family friendly activities 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 Royal Ballet Sinfonia performed with

- The National Ballet of Canada at Sadlers Wells Theatre – April 2013
- The Royal Ballet at The Royal Opera House – April/May 2013
- Carlos Acosta at The Coliseum – July 2013

The Sinfonia gave two orchestral concerts

- Birmingham Cathedral in partnership with Birmingham Cathedral Choir with a programme including Faure's Requiem and Mahler Symphony No 4 - November 2013
- Music and Dance Concert at Symphony Hall, Birmingham – January 2014

### **DEPARTMENT FOR LEARNING**

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

1,109 learning and outreach sessions were delivered with a total attendance of 13,678

- More than 50% of participants were non-white British
- 60 sessions were aimed at specifically at participants with a disability

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## STRATEGIC REPORT

Workshops were held in Birmingham and on tour in Plymouth, Salford, Sunderland, Belfast and Virginia USA. Learning work on tour is now integrated with the touring programme and extending learning work across the UK 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.

Longer term learning initiatives include

- **Dance Track** - This project continues successfully in North and South Birmingham offering free weekly ballet tuition to 74 Years 1 & 2 children who show a talent for dance. 19 individuals also participate in the Dance Track Plus scheme all of whom have places on associate programmes with Elmhurst or the Royal Ballet Schools. 4 students from the scheme are moving to full time vocational training in September 2014. 2,400 individuals participated in the wider workshops and auditions programme and work with participating schools also includes teacher training and support to raise the standard of dance in the curriculum.
- **Freefall Dance Company (talented adults with severe learning difficulties)** - Freefall Dance Company is BRB's sister company for highly gifted dancers with severe learning disabilities. Freefall performed at Four Squares Festival (Sept 2013) and Hall Green Arts Festival (Oct 2013). 'Films of Freefall' (commissioned for We Dance Festival 2012) continues to be shown at film and disability festivals around the world. Freefall Dance Company and Coventry University have created a training resource to enhance the communication skills of NHS staff working with people with learning disabilities
- **Arts in Youth Work** - BRB has continued development of its Ambassadors group who developed the 'Still Life Future Lives' project which culminated in a performance in March 2014. The project helped BRB Ambassadors develop their leadership and advocacy skills including meeting with potential funders to discuss their work and helping to secure £100,000 to support future youth work projects which the Ambassadors group will have a central role in shaping and directing. BRB Ambassadors have supported activity and discovery days including working alongside Lowry Ambassadors in Salford.

### 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.

The Cadbury Dance Fellowship Endowment Fund (match funded by Arts Council Catalyst funding) has helped BRB to provide 56 student placements for sixth-form students from Elmhurst School for Dance, English National Ballet School and the Royal Ballet School. The placements were spread across six productions and students participated in daily Company class alongside Birmingham Royal Ballet dancers, and were coached and mentored by the Company's ballet staff

61 training interventions included

- Advanced Child Protection Training
- Fire Marshall
- Working at Height
- Dancers Career Development

BRB, as a founding member of the National Institute of Dance Medicine and Science (NIDMS), hosted the launch of NIDMS' second dance medicine clinic to be based at the Queen Elizabeth Hospital Birmingham.

BRB supported Birmingham Arts Partnership's (BAP) successful bid for funding to develop a creative apprenticeship programme for the arts sector in Birmingham. BRB appointed its first apprentice in the wardrobe department. BRB has also employed a physiotherapy intern from University of Birmingham and hosted two sixth month undergraduate placements.

In October 2013 Birmingham Royal Ballet was awarded a £1.8m grant from Arts Council England to update its Thorp Street premises in a £2.7m project to create a sustainable and adaptable multi-purpose building fit to accommodate the work force and wide range of activities undertaken by a modern, outward facing, world class ballet company. The building will be transformed into an accessible multipurpose space by addressing the existing design and physical limitations of the building that restricts its use and is at odds with BRB's stated mission which sees public engagement, learning and outreach at the heart of artistic policy and organisational strategy.

### FINANCIAL REVIEW

The results for the period are set out in the financial statements on pages 25 - 38.

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The period ended with a small deficit on activities of £12,718 and accumulated reserves of £2,378,082 at 31 March 2014. General unrestricted and designated reserves are £1,090,826 in line with the stated reserves policy.

As in previous years our principal funding sources are:

- Arts Council England – £7,269,244 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 64% of total income (2012-13 58%). The increased percentage is a reflection of the lower endowment income received in 2013-14 as compared to 2012-13

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

**2014-15** - £7,304,976

**2015-16** - £7,891,000

**2016-17** - £7,891,000

**2017-18** - £7,891,000

The funding for 2014-15 includes reductions in DCMS funding to Arts Council England of 2% announced in the Chancellor's 2012 Autumn Statement and 1.06% cuts announced in March 2013.

We are delighted to have been awarded an increase in Arts Council National Portfolio Organisation Funding for the period 2015-18 based on our proposal to extend English touring weeks and to create a 'Dance Hub' in Birmingham in partnership with other dance organisations and venues in the city. This success underlines Birmingham Royal Ballet's key role in the distribution of large scale classical ballet and the importance of Birmingham as the UK's leading centre for dance outside of London.

Birmingham City Council has confirmed funding for 2014-15 and 2015-16 of £730,000 per annum.

Incoming resources from charitable activities in 2013-14 were £3,319,176 (2012 - 13: £3,590,279). Box office income increased by over £200,000 to £2,578,973 (2012-13: £2,314,499) as a result of increased ticket yield as audience numbers have remained in line with 2012-13 and a particularly successful Christmas Season at Birmingham Hippodrome with the return of The Nutcracker

Total income from donations, membership schemes and other fundraising activity during the year was £1,095,823 (2012 -13: £1,675,690) of which income from trusts and foundations for the year was £552,510 (2012 - 13: £644,849) this includes gifts totalling £27,400 (2012-13 £176,200) from a number of the Cadbury Family Trusts for the Catalyst/Cadbury Family Endowment Fund.

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

Alan Woodfield Charitable Trust  
Alison Hillman Charitable Trust  
Anthony Bourne Foundation  
Aspinwall Educational Trust  
Baron Davenport's Charity  
BBC Performing Arts Fund  
Birmingham Common Good Trust  
Birmingham Decorative and Fine Arts Society  
Boltini Trust  
Boshier-Hinton Foundation  
Britten-Pears Foundation  
Calleva Foundation  
Cecil King Memorial Foundation  
Charles Brotherton Trust

## **STRATEGIC REPORT**

Chatwin Trust  
City of Birmingham Orchestral Endowment Fund  
Connie and Albert Taylor Charitable Trust  
Coutts Charitable Trust  
David Laing Foundation  
David & Julia Hunter Charitable Trust  
David Laing Foundation  
David Solomons Charitable Trust  
Douglas Heath Eves Charitable Trust  
Douglas Turner Trust  
Douglas Turner Trust  
D'Oyly Carte Charitable Trust  
Dumbreck Charity  
Eric W Vincent Trust Fund  
Ernest Cook Trust  
Eveson Charitable Trust  
Foyle Foundation  
G W Cadbury Charitable Trust  
Garfield Weston Foundation  
George Fentham Birmingham Charity  
George Henry Collins Charity  
GJW Turner Trust  
Grey Court Trust  
Grimmitt Trust  
Harding Trust  
Hawthorne Charitable Trust  
Hearn Foundation  
Henry James Sayer Charity  
Howard Victor Skan Charitable Trust  
J Paul Getty Jr General Charitable Trust  
James Frederick & Ethel Anne Measures Charity  
John Avins Trust  
John Feeney Charitable Trust  
John Thaw Foundation  
Kirby Laing Foundation  
Leche Trust  
Lillie Johnson Charitable Trust  
Lord Austin Trust  
Lord Leverhulme's Charitable Trust  
Margaret Guido Charitable Trust  
Marsh Christian Trust  
Michael Marsh Charitable Trust  
Miss WE Lawrence 1973 Charitable Settlement

## **STRATEGIC REPORT**

Misses CM Pearson & MV Williams Charitable Trust  
Norton Foundation  
Oakley Charitable Trust  
Owen Family Trust  
Pamela Barlow Charitable Trust  
Patricia Routledge Charitable Trust  
Richard Cadbury Charitable Trust  
Ross Russell Trust  
Rowlands Trust  
S&D Lloyd Charity  
Saintbury Trust  
SEM Charitable Trust  
Sfumato Foundation  
Sir Jules Thorn Charitable Trust  
Souter Charitable Trust  
Spears-Stutz Charitable Trust  
St Jude's Trust  
St Thomas' Dole Charity  
Stanley Picker Trust  
Sterry Family Foundation  
The Loppylugs and Barbara Morrison Charitable Trust  
The Patrick Trust  
The Perry Family Charitable Trust  
The Tomlinson Family Trust  
Transformation Trust  
Vandervell Foundation  
Whalley White Charitable Trust  
Whitegates Children's Trust  
Wilmcote Charitruist

Birmingham Royal Ballet increased donations from private individuals to £532,727 (2012-13: £333,498) demonstrating the success of BRB's 'Campaign for the Future'.

Notable fundraising successes in the year include:

- Support for BRB performances at London Coliseum for five years from 2014 to enable BRB to establish a loyal audience at the venue
- The production cost of Prince of the Pagodas was supported entirely by philanthropic donations including the Garfield Weston Foundation, the Patrick Trust, the John Feeney Charitable Trust, the Foyle Foundation, the Boltini Trust, the Perry Family Charitable Trust, the City of Birmingham Orchestral Endowment Fund, the Leche Trust, the Owen Family Trust and the Britten-Pears Foundation
- £100,000 donation to support Arts in Youth Work projects in 2013-14 and 2014-15
- The establishment of a New works syndicate for individuals wishing to fund and engage with the creation of new work
- Regular giving schemes contributing core income of £225,000

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### STRATEGIC REPORT

Birmingham Royal Ballet has managed reduced funding over the past three years through scenario planning and detailed reviews of its income streams and cost base.

Expenditure on charitable activities in the year was £12,394,733 - 96% of total resources expended (2012-13: £13,191,768 - 96%).

The lower level of expenditure for the year reflects

- The lower cost of production of Prince of the Pagodas as compared to the production costs of Aladdin as a result of the co-production arrangement with National Ballet of Japan
- Reduction of £300,000 on permanently employed staff in 2013-14 as a result of a voluntary redundancy programme from March to June 2013.
- Reduction in the cost of orchestra activities due to a reduced programme of additional work in 2013-14

### 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** 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 2013 this session covered Birmingham Royal Ballets proposed capital redevelopment and a review of pricing and audience development potential for BRB's performances at The Coliseum, London.

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

### RISK MANAGEMENT

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

- an annual review of the risks which the charity may face;

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### **STRATEGIC REPORT**

- 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 2013-14 identified strategic risks as follows:

- High level of reliance on key staff following the voluntary redundancy process which has reduced support staff
- Physical limitations of Thorp Street premises resulting in inadequate facilities for staff and poor work environment as well as possible resulting in breaches in fire regulations, health and safety and disabled access
- Risks associated with failures to achieve income, particularly box office, due to changing patterns of audience behaviour and increasing competition from other product particularly in the Birmingham Hippodrome
- Withdrawals or reduction of funding from major funders (Arts Council England and Birmingham City Council) in future years
- Pressure for higher than inflation pay settlements due to low settlements in preceding years

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

### **PUBLIC BENEFIT**

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

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

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

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

Birmingham Royal Ballet is committed to the principle that that cost should not prohibit access to performances. Tickets for performances in the UK are priced across affordable ranges (between £10 and £65) which reflect the regional economies where the company performs. A wide range of concessions and special offers are offered on tickets. Schools can access performances for around £10 per pupil. Birmingham Royal Ballet 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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#### **PLANS FOR FUTURE PERIODS**

The core objectives of the 2012-15 strategic business plan have been identified as follows

#### **Creativity and Performances - over the 3 year period 2012/15 BIRMINGHAM ROYAL BALLET aims to:**

- Creating at least two new one act ballets and one new full length ballet(s) – during 2011/12 work will commence on creating *Aladdin* (premiere in 2013), *Prince of the Pagodas* (premiere in 2014), and two one act ballets (to be premiered from 2012 onwards) including 'Faster' with music commissioned from Matthew Hindson and a commission from DanceXchange for the International Dance Festival Birmingham (IDFB)2012.
- Developing the reach of the UK touring circuit whilst ensuring that touring activity remains cost effective and delivers value for money
- Maintaining a London presence of two performance seasons per annum. One week at Sadler's Wells and one week at The Coliseum.
- Undertaking international touring
- Develop plans for training of young dancers and choreographers including establishing future funding structures
- Ongoing development of BRB's relationship with National Ballet of Japan, Tokyo as David Bintley continues his role of Artistic Director of both companies until 2014.

#### **Birmingham Royal Ballet will act as a cultural ambassador by**

- Working with Birmingham City Council and other Birmingham institutions e.g. University of Birmingham to use London performances and UK touring to promote the City
- Offering opportunities to Birmingham City Council and other Birmingham institutions e.g. University of Birmingham to promote the City whilst BRB is touring overseas
- Supporting IDFB produced by our partner organisations Birmingham Hippodrome and DanceXchange
- 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**

- Continue to develop Birmingham Royal Ballet brand to clearly distinguish its identity from other major ballet companies in the UK
- Continue to produce 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**

- Increase the use of video and music on the website and in e-marketing strategies to increase awareness of and access to BRB
- Agree annual pricing structures and develop annual plans to offer low cost entries to performances in conjunction with the development of repertory plans
- Continue to offer 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
- Implementing a digital communications strategy through the use of existing and emerging technologies
- Developing an audience database to increase our knowledge and understanding of the profile of our audiences across all performance venues

#### **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 to:**

- Develop plans to further our relationship with Birmingham City Council Youth Service based on the outcomes of the Birmingham Ballet and Me (BBandMe) project
- Continue Dance Track in the North and South of Birmingham and review possibilities for any further expansion
- Agree a strategy for the development of Freefall Dance Company
- Continue to participate in Birmingham City Council initiatives such as Arts Champions Scheme (Perry Barr Constituency) and Artsfest
- Using the learning programme above to achieve the following learning priorities
  1. Raising the standard of dance in primary schools
  2. Promoting healthy lifestyles
  3. Supporting national and international touring

# BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

## STRATEGIC REPORT

### **Organisational Development – BIRMINGHAM ROYAL BALLET will continue to review its organisational needs to ensure that it is appropriately structured to meet future through:**

- Building on the positive progress in demonstrating Birmingham Royal Ballet's contribution and value to the Royal Ballet family
- Continuing the development of the relationship with Elmhurst School for Dance
- Succession planning for board vacancies and senior staff members
- Maintaining Investors in People recognition
- Developing training and skill sharing programmes
- Working with University of Birmingham on their cultural internship programme
- Support government initiatives to offer training and work placements to long term unemployed individuals
- Offer apprenticeships or similar opportunities to develop skills to ensure transfer of knowledge and assist in succession planning in the technical department

### **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:**

- Fund new work through collaboration with other companies including *Aladdin* a co-production with Houston Ballet, *The Prince of the Pagodas* a co-production with NBJ 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 by launching a major donor campaign
- Maintain general, unrestricted reserves at a minimum £500,000
- Develop a touring model which strikes an improved balance between costs and income thus reducing the net cost of touring
- Prepare contingency plans to address changing funding scenarios

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 of 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

# **BIRMINGHAM ROYAL BALLET**

## **(A Company Limited by Guarantee)**

### **STRATEGIC REPORT**

**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.

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

Professor Michael Clarke  
Trustee

# BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

## DIRECTORS REPORT

### DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

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

The names of the Directors, Officers and Professional Advisers are provided on page 1.

### Organisation

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

### Directors' Interests in Related Bodies

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

### Reimbursements to Directors

Reimbursements of expenses were made to two Directors during the period, totalling £3,569 (2012-13: £2,786).

## 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.

## **DIRECTORS REPORT**

### **Reserves:**

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

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

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

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

Designated funds include:

- **Capital Fund** – being funds designated for investment in major projects to purchase new or replace existing fixed assets.
- **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.

### **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
  - tradeability in the event of the need to liquidate assets

# **BIRMINGHAM ROYAL BALLET**

## **(A Company Limited by Guarantee)**

### **DIRECTORS REPORT**

- **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.

### **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**

## **(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)  
(continued)**

We have audited the financial statements of Birmingham Royal Ballet for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditor**

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

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

**Scope of the audit of the financial statements**

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

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**BIRMINGHAM ROYAL BALLET  
(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

17 October 2014

**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)**

	Note	Un- restricted Funds £	Restricted Funds £	Endowment Fund £	2014 Total Funds £	2013 Total Funds £
<b>Incoming resources:</b>						
<b><i>Incoming resources from generated funds:</i></b>						
<i>Voluntary income:</i>						
Grants and donations	3	9,374,386	-	54,800	9,429,186	10,477,272
<i>Activities for generating funds:</i>						
Memberships and other funds	4	92,722	-	-	92,722	88,153
<i>Investment income:</i>						
Bank interest receivable		5,295	-	-	5,295	20,352
Dividends		-	-	20,608	20,608	-
		<u>9,471,403</u>	<u>-</u>	<u>75,408</u>	<u>9,547,811</u>	<u>10,585,777</u>
<b><i>Incoming resources from charitable activities:</i></b>						
Performance and related activities	5	3,319,176	-	-	3,319,176	3,590,279
<b>Total incoming resources</b>		<u>12,791,579</u>	<u>-</u>	<u>75,408</u>	<u>12,866,987</u>	<u>14,176,056</u>
<b>Resources expended:</b>	6					
<b><i>Costs of generating funds:</i></b>						
Costs of generating voluntary income		368,917	-	-	368,917	381,210
Costs of generating memberships and other funds		59,580	-	-	59,580	35,108
<b><i>Charitable activities:</i></b>						
Production and performance		11,686,607	5,917	-	11,692,524	12,209,356
Orchestral projects		339,445	-	-	339,445	567,450
Education projects		362,764	-	-	362,764	414,962
<b>Governance costs</b>		106,956	-	-	106,956	115,176
<b>Other Expended Resources</b>		-	-	4,954	4,954	
<b>Total resources expended</b>		<u>12,924,269</u>	<u>5,917</u>	<u>4,954</u>	<u>12,935,140</u>	<u>13,723,262</u>
<b>Net incoming/ (outgoing) resources for the period before transfers, being net income/ (expenditure)</b>	8	(132,690)	(5,917)	70,454	(68,153)	452,794
<b>Unrealised gains on revaluation of investments</b>		-	-	55,435	55,435	-
<b>Transfers</b>	14	(53,729)	-	53,729	-	-
<b>Net (outgoing)/incoming resources for the period after transfers</b>		(186,419)	(5,917)	179,618	(12,718)	452,794
<b>Opening funds</b>		<u>1,277,245</u>	<u>16,155</u>	<u>1,097,400</u>	<u>2,390,800</u>	<u>1,938,006</u>
<b>Closing funds</b>		<u>1,090,826</u>	<u>10,238</u>	<u>1,277,018</u>	<u>2,378,082</u>	<u>2,390,800</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 deficit for the period of £12,708 (2013: £452,793 surplus).

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

**BALANCE SHEET**  
**31 March 2014**

	Note	31 March 2014 £	31 March 2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	426,798	434,855
Investment assets	13	1,277,018	
<b>CURRENT ASSETS</b>			
Stocks	10	73,646	57,096
Debtors	11	1,156,557	1,363,405
Cash at bank and in hand	18	<u>1,440,348</u>	<u>2,474,831</u>
		2,670,552	3,895,332
<b>CREDITORS: amounts falling due within one year</b>			
	12	<u>(1,996,286)</u>	<u>(1,939,387)</u>
<b>NET CURRENT ASSETS</b>		<u>674,266</u>	<u>1,955,945</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>2,378,082</u>	<u>2,390,800</u>
<b>FUNDS</b>			
Unrestricted designated funds	14	477,276	527,276
Unrestricted general funds	14	613,550	749,969
Restricted funds	14	10,238	16,155
Endowment fund	14	<u>1,277,018</u>	<u>1,097,400</u>
		<u>2,378,082</u>	<u>2,390,800</u>

These financial statements of Birmingham Royal Ballet (registered number 3320538) were approved by the Board of Directors on 16 October 2014.

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 2014**

	<b>Note</b>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Net cash inflow/(outflow) from operating activities	16	276,753	(207,062)
Returns on investments	17	25,913	20,352
Capital expenditure	17	(115,555)	(204,663)
Financial investment	17	(1,221,593)	-
		<u>          </u>	<u>          </u>
(Decrease) in cash in the period		<u>(1,034,482)</u>	<u>(391,373)</u>
 <b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/Increase in cash in the period		(1,034,482)	(391,373)
		<u>          </u>	<u>          </u>
Change in net funds resulting from cash flows		(1,034,482)	(391,373)
Net funds at 1 April		<u>2,474,831</u>	<u>2,866,204</u>
Net funds at 31 March		<u>1,440,349</u>	<u>2,474,831</u>

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**1. ACCOUNTING POLICIES**

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

**Basis of preparation**

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

**Going concern**

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

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

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

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

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

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

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

**Incoming resources**

*Box office income, performance related fees and programmes*

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

*Donations and legacies*

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

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**Resources expended**

*Expenditure*

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

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

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

Costs of charitable activities 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

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

Fixed assets below £1,000 are not capitalised.

**Investments**

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

**Stock**

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

**Fund accounting**

***Unrestricted funds***

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

***Restricted funds***

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

***Designated funds***

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

***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 2013-14 totalled £8,334,754 representing 65% of total income.

Arts Council England and Birmingham City Council have committed revenue funding of £7,304,976 and £730,000 respectively for the 2014/15 financial year.

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**3. VOLUNTARY INCOME**

	<b>2014 Un- restricted Funds £</b>	<b>2014 Restricted Funds £</b>	<b>2014 Endowment Fund</b>	<b>2014 Total Funds £</b>	<b>2013 Total Funds £</b>
<b>Grants:</b>					
<b>Arts Council England</b>					
Revenue funding	7,269,244	-	-	7,269,244	7,256,684
Cross Border Touring	129,610	-	-	129,610	116,951
Managed Funds					-
Catalyst Endowment Funds	-	-	27,400	27,400	541,200
<b>Birmingham City Council</b>					
Revenue funding	908,500	-	-	908,500	908,500
Birmingham Arts Partnership	-	-	-	-	20,000
Arts Champions Scheme	-	-	-	-	4,400
<b>Big Lottery Fund</b>					
Birmingham Ballet and Me	-	-	-	-	32,000
Supporting Change	-	-	-	-	10,000
<b>Donations</b>					
Grants – Trusts and Foundations	525,110	-	27,400	552,510	644,849
Legacies	9,195	-	-	9,195	609,190
Other	532,727	-	-	532,727	333,498
	<u>9,374,386</u>	<u>-</u>	<u>54,800</u>	<u>9,429,186</u>	<u>10,477,272</u>

**4. ACTIVITIES FOR GENERATING FUNDS**

	<b>2014 Un- restricted funds £</b>	<b>2013 Total funds £</b>
Memberships	91,331	84,095
Sale of merchandise	1,391	4,058
	<u>92,722</u>	<u>88,153</u>

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>Un-</b>	<b>Total</b>
	<b>restricted</b>	<b>funds</b>
	<b>funds</b>	
	<b>£</b>	<b>£</b>
<b>Performance and related activities</b>		
Box office income	2,578,973	2,314,499
Overseas touring	194,713	203,517
Production sales and hires	103,953	159,933
Co-production fees	-	370,784
Programmes	112,453	110,638
Friends	31,061	34,054
Orchestra projects	203,379	298,515
Education	39,155	52,706
Other fees and services	55,489	45,633
	<hr/>	<hr/>
	<b>3,319,176</b>	<b>3,590,279</b>
	<hr/> <hr/>	<hr/> <hr/>

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**6. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>UNRESTRICTED FUNDS</b>						
	<b>Direct staff Costs 2014 £</b>	<b>Other direct Costs 2014 £</b>	<b>Support costs 2014 £</b>	<b>Premises 2014 £</b>	<b>Depreciation 2014 £</b>	<b>Total Expenditure 2014 £</b>	<b>Total 2013 £</b>
<b>Costs of generating funds:</b>							
Costs of generating voluntary income	232,666	118,249	7,244	9,169	1,589	368,917	381,210
Costs of generating memberships and other funds	15,494	33,700	5,008	4,584	794	59,580	35,108
<b>Charitable activities:</b>							
Production and performance	6,890,910	3,474,352	693,925	518,043	109,377	11,686,607	12,207,473
Orchestra projects	302,348	27,507	4,212	4,584	794	339,445	567,450
Education projects	152,403	161,914	21,179	22,922	4,346	362,764	372,305
<b>Governance costs</b>	60,509	30,613	10,456	4,584	794	106,956	115,177
<b>Total - Unrestricted</b>	<u>7,654,330</u>	<u>3,846,335</u>	<u>742,024</u>	<u>563,886</u>	<u>117,694</u>	<u>12,924,269</u>	<u>13,678,723</u>

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**6. ANALYSIS OF TOTAL RESOURCES EXPENDED - CONTINUED**

	<b>RESTRICTED FUNDS</b>						
	<b>Direct staff Costs 2014 £</b>	<b>Other direct Costs 2014 £</b>	<b>Support costs 2014 £</b>	<b>Premises 2014 £</b>	<b>Depreciation 2014 £</b>	<b>Total Expenditure 2014 £</b>	<b>Total 2013 £</b>
<i>Charitable activities:</i>							
Production and performance – New Media Project	-	-	-	-	5,917	5,917	1,883
Education projects – Birmingham Ballet and Me	-	-	-	-	-	-	42,657
<b>Total - Restricted</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,917</u>	<u>5,917</u>	<u>44,540</u>
	<b>ENDOWMENT FUNDS</b>						
	<b>Direct staff Costs 2014 £</b>	<b>Other direct Costs 2014 £</b>	<b>Support costs 2014 £</b>	<b>Premises 2014 £</b>	<b>Depreciation 2014 £</b>	<b>Total Expenditure 2014 £</b>	<b>Total 2013 £</b>
<b>Other Expended Resources</b>	-	-	4,954	-	-	4,954	-
<b>Total – Endowment</b>	<u>-</u>	<u>-</u>	<u>4,954</u>	<u>-</u>	<u>-</u>	<u>4,954</u>	<u>-</u>
	<b>Direct staff Costs 2014 £</b>	<b>Other direct Costs 2014 £</b>	<b>Support costs 2014 £</b>	<b>Premises 2014 £</b>	<b>Depreciation 2014 £</b>	<b>Total Expenditure 2014 £</b>	<b>Total 2013 £</b>
<b>Total Expenditure</b>	<u>7,654,330</u>	<u>3,846,335</u>	<u>746,978</u>	<u>563,886</u>	<u>123,611</u>	<u>12,935,140</u>	<u>13,723,263</u>

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

Support costs comprise £349,656 (2013: £348,542) staff costs and £397,322 (2013: £398,058) 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 £10,157 staff costs (2013: £9,805) and £553,729 overhead costs (2013: £558,429).

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Employee costs during the period</b>		
Wages and salaries	6,880,913	7,124,306
Redundancy costs	114,953	203,312
Social security costs	700,066	730,259
Pension costs (including Dancers Career Development Fund)	318,212	325,483
	8,014,144	8,383,360
 <b>Average number of full time equivalent employees employed</b>	 <b>2014</b>	 <b>2013</b>
	<b>No</b>	<b>No</b>
Permanent:		
Artists and ballet staff	64	64
Sinfonia and music staff	46	48
Production and technical	17	19
Education	5	5
Support	15	16
Publicity and Development	13	15
Central management and administration	3	3
	163	170
Temporary:		
	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Support	1	0
Production and technical	12	11
	13	11
 <b>Employees with total emoluments greater than £60,000 fell into the following bands:</b>	 <b>2014</b>	 <b>2013</b>
	<b>No</b>	<b>No</b>
£ 60,001 - £ 70,000	11	13
£ 70,001 - £ 80,000	3	3
£ 80,001 - £ 90,000	2	1
£ 90,001 - £100,000	0	0
£ 100,000+	2	2
	2	2

During the period pension contributions of £68,011 were paid in respect of 18 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 £3,569.28 (2013: £2,786). 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 (2013: £3,250).

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

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**8. NET INCOMING/(OUTGOING)RESOURCES**

<b>Net incoming/(outgoing) resources are stated after charging:</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	237,881	239,784
Depreciation of owned assets	123,612	111,905
Auditor's remuneration:		
In respect of external audit fees	13,400	13,000
	<u>          </u>	<u>          </u>

**9. TANGIBLE FIXED ASSETS**

	<b>Leasehold property</b>	<b>Computers</b>	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 01 April 2013	342,981	516,020	1,338,559	2,197,560
Additions	-	39,875	75,680	115,555
Transfers	1,113		(1,113)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2014	344,094	555,895	1,413,126	2,313,115
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Accumulated depreciation</b>				
At 01 April 2013	252,845	445,202	1,064,658	1,762,705
Charge for period	21,104	33,956	68,552	123,612
Disposals				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2014	273,949	479,158	1,133,210	1,886,317
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 31 March 2014	70,145	76,737	279,916	426,798
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2013	90,136	70,818	273,901	434,855
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**10. STOCKS**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Shoes	72,177	57,096
Merchandise	1,469	-
	<u>          </u>	<u>          </u>
	73,646	57,096
	<u>          </u>	<u>          </u>

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**11. DEBTORS**

	<b>31 March 2014 £</b>	<b>31 March 2013 £</b>
Trade debtors	512,476	769,627
Other debtors	134,354	154,624
VAT	-	49,341
Prepayments	509,727	389,813
	<u>1,156,557</u>	<u>1,363,405</u>

Other debtors includes £63,375 (2013: £63,375) in respect of a rent deposit which is due in more than one year.

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 March 2014 £</b>	<b>31 March 2013 £</b>
Trade creditors	455,437	503,416
Other creditors	73,642	70,269
Taxation and social security	294,088	203,697
Accruals and deferred income	1,173,119	1,162,005
	<u>1,996,286</u>	<u>1,939,387</u>

**Movements in deferred income:**

	<b>2014 £</b>	<b>2013 £</b>
Balance at 01 April 2013	556,121	1,276,675
Amounts released during the period	(531,121)	(1,276,675)
Deferred in the current period	664,320	556,121
	<u>689,320</u>	<u>556,121</u>

Deferred income at 1 April 2013 comprised membership scheme income and donations and legacy income relating to activity in the periods to 31 March 2014 and 31 March 2015.

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

**13. INVESTMENTS**

	<b>Total £</b>
Opening Value at 1 <sup>st</sup> April 2013	-
Additions	1,504,249
Disposals	(296,535)
Non realised profit	55,435
Cash Held with Investment Advisors	13,869
	<u>1,277,018</u>

The historical cost of the investment is (£1,205,919).

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**14. FUNDS**

a) Restricted Funds

	<b>At 01 April 2013 £</b>	<b>Inflows in the period £</b>	<b>Outflows in the period £</b>	<b>Transfer in the period £</b>	<b>At 31 March 2014 £</b>
New Media Project Fund	16,155	-	(5,917)	-	10,238
	<u>16,155</u>	<u>-</u>	<u>(5,917)</u>	<u>-</u>	<u>10,238</u>

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

	<b>At 01 April 2013 £</b>	<b>Inflows in the period £</b>	<b>Transfer in the period £</b>	<b>At 31 March 2014 £</b>
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>(50,000)</u>	<u>477,276</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:

	<b>At 01 April 2013 £</b>	<b>Inflows in the period £</b>	<b>Outflows in the period £</b>	<b>Transfer in the period £</b>	<b>At 31 March 2014 £</b>
General fund	749,969	-	(132,690)	(3,719)	613,560
	<u>749,969</u>	<u>-</u>	<u>(132,690)</u>	<u>(3,719)</u>	<u>613,560</u>

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

**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**14. FUNDS (CONTINUED)**

d) Endowment funds:

	At 01 April 2013 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2014 £
Catalyst/Cadbury Family Endowment Fund	1,097,400	125,889	-	53,729	1,277,018
	<u>1,097,400</u>	<u>125,889</u>	<u>-</u>	<u>53,729</u>	<u>1,277,018</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.

**15. LIMITED BY GUARANTEE**

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

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

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

At 31 March 2014, there were 11 (2013: 12) members of the company.

**16. RECONCILIATION OF INCOMING RESOURCES TO OPERATING CASH FLOWS**

	2014 £	2013 £
Net (ougoing)/incoming resources before interest	(38,621)	432,441
Depreciation	123,612	111,905
(increase)/Decrease in stocks	(16,550)	1,948
Decrease/(Increase) in debtors	206,848	(318,513)
Increase/(Decrease) in creditors	56,899	(434,843)
Unrealised gain on Fixed Asset investments	(55,435)	-
<b>Net cash (outflow)/inflow from operating activities</b>	<u>276,753</u>	<u>(207,062)</u>

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>25,913</u>	<u>20,352</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	115,555	204,663
Payments to acquire fixed asset investments	<u>1,221,593</u>	<u>-</u>
<b>Net cash outflow</b>	<u>1,337,148</u>	<u>204,663</u>

**BIRMINGHAM ROYAL BALLET**  
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**NOTES TO THE ACCOUNTS (Continued)**  
**Period ended 31 March 2014**

**18. ANALYSIS OF NET FUNDS**

	At 01 April 2013 £	Cash flow £	At 31 March 2014 £
Cash in hand and at bank	2,474,831	(1,034,482)	1,440,439

**19. FINANCIAL COMMITMENTS**

**Capital commitments**

At 31 March 2014 the company had £nil (2013: £nil) capital commitments which were contracted for but not provided in the financial statements.

**Operating lease commitments**

At 31 March 2014, the company was committed to making the following payments during the next year in respect of operating leases:

	Premises		Other	
	2014 £	2013 £	2014 £	2013 £
Leases which expire:				
Within two to five years	100,000	100,000	5,880	5,876
After five years	132,001	133,908	-	-
	<u>232,001</u>	<u>233,908</u>	<u>5,880</u>	<u>5,876</u>

**20. PENSION COSTS**

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2014 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2014 £	2013 £
Dancers' Pension Scheme	106,492	110,958
Birmingham Royal Ballet Pension Scheme	96,764	97,842
Musicians' Union Pension Scheme	66,013	65,479
	<u>269,269</u>	<u>274,729</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2013-14 the company contributed a total of £48,943 (2012-13: £50,755).

As of 31 March 2014 there were no outstanding contributions due in respect of the current reporting period (2013: £nil).

**21. RELATED PARTY TRANSACTIONS**

There were no related party transactions in 2013-14 (£nil (2012-13: £nil)).