

**Company Registered Number 3320538**

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

**Report and Consolidated Financial  
Statements**

**For the year ended 31 March 2018**

# **BIRMINGHAM ROYAL BALLET**

## **CONTENTS**

<b>Officers and professional advisers</b>	<b>3</b>
<b>Directors' report (including Strategic report)</b>	<b>4</b>
<b>Trustees' responsibilities statement</b>	<b>23</b>
<b>Independent auditor's report</b>	<b>24</b>
<b>Statement of financial activities</b>	<b>27</b>
<b>Balance sheets</b>	<b>29</b>
<b>Cash flow statement</b>	<b>30</b>
<b>Notes to the financial statements</b>	<b>31</b>

# **BIRMINGHAM ROYAL BALLET**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

Professor Michael Clarke CBE DL (Chair – resigned 1 May 2018)  
Sir David Normington (Chair – appointed 8 May 2018)  
Mrs Susan Harrison  
Dame Jenny Abramsky  
Mr Ross MacGibbon  
Councillor Des Hughes (resigned 28 June 2018)  
Mr Ian Squires  
Councillor Deirdre Alden (resigned 14 November 2017)  
Mr Michael Elliott  
Ms Deborah Spence  
Ms Hemma Patel  
Mr Charles Glanville (resigned 26 March 2018)  
Mr Anthony Coombs

### **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**

Veale Wasborough Vizards LLP  
Second Floor, 3 Brindleyplace  
Birmingham  
B1 2JB

### **INVESTMENT MANAGERS**

Smith and Williamson  
9 Colmore Row  
Birmingham  
B3 2BJ

### **AUDITOR**

Deloitte LLP  
Statutory auditor  
4 Brindley Place, Birmingham, United Kingdom, B1 2HZ

# **BIRMINGHAM ROYAL BALLET**

## **DIRECTORS' REPORT INCLUDING THE 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.

BRB Production Services Limited is a wholly owned subsidiary of Birmingham Royal Ballet. The principal activity of the company in the year was theatrical production. Until 2017-18 the company remained dormant, this is the first year of trading.

The objects of Birmingham Royal Ballet in accordance with the Articles of Association are to advance the education of the public in the arts and sciences of ballet, dance, music and drama.

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

### **DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS**

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

The names of the Directors, Officers and Professional Advisers who served throughout the year and at the date of signing are provided on page 3.

All of the SORP 2015 requirements of the Trustees Report have been included within this Directors' Report.

### **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**

<b>Body</b>	<b>Director</b>
Governors of the Royal Ballet	Professor Michael Clarke  Dame Jenny Abramsky
Birmingham City Councillors	Councillor Des Hughes

# BIRMINGHAM ROYAL BALLET

## DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

### GOVERNANCE STRUCTURE

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

The Board of Directors are responsible for decisions covering the significant areas of Birmingham Royal Ballet's affairs including:

- overall strategy and planning in line with Arts Council England's funding cycle
- appointment of the key management personnel the Chief Executive and 'The Director'. The day-to-day management of the affairs of Birmingham Royal Ballet is delegated to the Chief Executive, Jan Teo to 19 February 2018 and Caroline Miller from 27 February 2018, who is responsible for overall organisational management. The Director, David Bintley, is responsible for artistic strategy and for managing artistic activities. On 6 March 2018 David Bintley announced he would be stepping down as Director on 31 July 2019 at the end of the 2018/19 performance season after 24 years as Director of Birmingham Royal Ballet. The Board's search for a new Director commenced in July 2018.
- approval of budgets, approval of major capital expenditure projects, and development of key policies including general treasury and risk management policies.

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 on representative (usually a Councillor) to be members of the Board of Directors. All such nominations are approved and appointed by the Board of Directors as a whole.

The Board of Directors is responsible for the appointment of a Chair. Professor Michael Clarke was succeeded by Sir David Normington in May 2018 and we would like to take the opportunity to thank Michael for his nine years of unstinting commitment to the company. During his tenure as Chair BRB extended its touring circuit, increased its outreach work and transformed its fundraising capacity

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

- **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** - 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 Appointments and Remuneration Committee** - responsible and overseeing the appointment of senior officers and for reviewing their remuneration and making appropriate recommendations for the Board of Directors as a whole to approve. This committee under Professor Michael Clarke will be responsible for the global search of BRB's new Director in 2018 further to the announcement that David Bintley would be stepping down in July 2019.
- **The Investment Committee** - responsible for overseeing implementation of the investment policy and monitoring performance of invested funds.

Other sub-committees or working groups may be convened for particular purposes as required by the Board of Directors.

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.

# **BIRMINGHAM ROYAL BALLET**

## **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

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, giving opportunities to discuss subjects such as artistic policy and planning, diversity and governance.

BRB has continued to invest in training and skills during the period with 180 individual development interventions ranging from health and safety to unconscious bias.

### **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 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 from around £10 per pupil. We also offer a programme of touch tours and audio description and will be introducing relaxed performances in 2018.

Birmingham Royal Ballet performances are supported by a ground breaking programme of engagement and participation 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. Birmingham Royal Ballet continues to explore ways of taking ballet into the community, presenting it in new and unusual settings and co-creating works and performances with community groups.

In addition to engagement and participation project 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.

# BIRMINGHAM ROYAL BALLET

## DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

### STRATEGIC REVIEW

#### CHARITABLE ACTIVITIES

##### Performance and Production

The Birmingham Royal Ballet group of companies (Birmingham Royal Ballet and its subsidiary BRB Production Services) produce and perform ballet of the highest quality ensuring access to world class performances to audiences throughout the United Kingdom as well as internationally.

In 2017-18 90% of its performances were given outside of London.

BRB's artistic and performance related objectives for the 2017-18 period were to:

- be the UK's foremost large-scale, touring classical ballet company by offering the most comprehensive annual performance circuit to ensure that the company's extensive repertory is available to audiences across the UK in both large-scale and mid-scale venues;
- Support development of new works by young choreographers for mid-scale presentation in 2017
- Maintain a regular London presence at Sadlers Wells Theatre
- Create an annual children's performance programme called 'First Steps' based around repertory suitable for families with younger children.
- Develop young dancers in transition to professional careers by offering work placements to students from Elmhurst School for Dance and the Royal Ballet School with opportunities to rehearse, perform and tour with the company, through the Robin Cadbury Dance Fellowship programme supported by the Cadbury Family/Catalyst Endowment Fund;
- Work with other NPO funded dance companies in the West Midlands to develop a joint programme of activity to help grow audiences, capacity and resilience for the dance sector in Birmingham and the West Midlands known as Dance Hub Birmingham

In 2017-18 the company gave 158 performances - 71 in Birmingham and 87 on tour in the UK (2016-17: 139 performances – 60 in Birmingham, 79 on tour in the UK) with audiences of approximately 172,000 (2016 -17: 145,000).

The complete repertory performed during the year was:

<b>BALLET</b>	<b>CHOREOGRAPHY</b>	<b>MUSIC</b>
Arcadia	Ruth Brill	John Harle
Wink	Jessica Lang	Jakub Ciupinski
Moor's Pavane	Jose Limon	Henry Purcell
Solitaire	Kenneth Macmillan	Malcolm Arnold
5 Tangos	Hans Van Manen	Astor Piazzolla
Pineapple Poll	Frederick Ashton	Arthur Sullivan arr. Charles Mackerras
Coppelia	Marius Petipa	Leo Delibes
Baiser de la Fee	Michael Corder	Igor Stravinsky
Aladdin	David Bintley	Carl Davis
Concerto	Kenneth Macmillan	Dmitri Shostakovich
Still Life at the Penguin Cafe	David Bintley	Simon Jeffes

## **BIRMINGHAM ROYAL BALLET**

### **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

Elite Syncopations	Kenneth Macmillan	Scott Joplin
The Nutcracker	Peter Wright, Lev Ivanov, Vincent Redmon	Pyotr Ilyich Tchaikovsky
Sleeping Beauty	Marius Petipa	Pyotr Ilyich Tchaikovsky

The major new artistic work this year was our restaging of The Nutcracker for the Royal Albert Hall over the festive period. The reimagining of this piece from a proscenium arch to an arena involved the full adaptation of the work and the engagement of new collaborators. The opportunity for the company to work with 59 Productions, creators of the projections for London 2012, was an exciting exploration of digital practice and one which enabled the piece to translate to a venue where scenery could not be incorporated. This work was a huge success, for the company and for the Hall, which was demonstrated in the excellent audiences (92% average) and the return of the piece to the Hall in 2018.

The hiring of our productions continues to be strong with 10 different productions being hired to ballet companies in Europe, USA and Japan. This area of work continues to develop our networks as well as being an important element of our income mix.

We were also delighted to give a gala performance at Buckingham Palace in June 2017 at the invitation of HRH The Prince of Wales.

## BIRMINGHAM ROYAL BALLET

### DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

Full repertory by venue was as follows:

VENUE (S)	DATE	PROGRAMME
Everyman, Cheltenham Lighthouse, Poole Hall for Cornwall, Truro	May 2017	Arcadia, Wink, Moor's Pavane
Theatre Severn, Shrewsbury Gala, Durham Theatre Royal, York Theatre Royal, Nottingham	May 2017	Solitaire, Five Tangos, Pineapple Poll
Birmingham Hippodrome Bristol Hippodrome	June 2017 July 2017	Coppelia
Birmingham Hippodrome	June 2017	Arcadia, Baiser de la Fee, Pineapple Poll
The Lowry, Salford Birmingham Hippodrome Theatre Royal, Plymouth Sadlers Wells, London	September 2017 October 2017	Aladdin
Birmingham Hippodrome Royal Opera House, London	October 2017	Concerto, Elite Syncopations Still Life at the Penguin Café (Birmingham only)
Sadlers Wells, London	October 2017	Arcadia, Baiser de la Fee, Still Life at the Penguin Cafe
Birmingham Hippodrome The Royal Albert Hall	November 2017 December 2017	The Nutcracker
The Mayflower, Southampton Birmingham Hippodrome The Lowry, Salford Wales Millennium Centre, Cardiff Theatre Royal, Plymouth	January to March 2018	Sleeping Beauty

#### Other performances

First Steps children's performances – specially adapted performances for pre-school children and their families. 4791 attendances in Birmingham, Bristol, Salford, Plymouth and Southampton. These abridged ballets offer an introduction to ballet for young children and their families.

A first 'relaxed' performance of Sleeping Beauty in Birmingham attracted an audience of 1397. A relaxed performance is open to anyone but designed to welcome anyone who may find going to the theatre challenging, such as those with an Autistic Spectrum Condition, learning disability or sensory and communication disorder

#### Dancer Development

# **BIRMINGHAM ROYAL BALLET**

## **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

The Cadbury Dance Fellows programme continues to deliver development opportunities for ballet dancers transitioning from vocational training to work, giving them opportunities to experience working with a large company and take part in class, rehearsals and performance. In 2017-18 BRB offered student placements to 30 graduate year students from The Royal Ballet School and Elmhurst School for Dance to enable them to be part of a professional company and have first-hand experience of all aspects of a ballet career.

### **Choreographic Development**

BRB's Ballet Now programme commenced in 2017. This is a ground-breaking initiative furthering the tradition of creativity and innovation pioneered by Nettle de Valois which, over five years, will create ten new one act ballets and support thirty new artists, ten choreographers, ten composers and ten designers providing them with mentoring, resources and access to Birmingham Royal Ballet's outstanding facilities and artists. The first commission by BRB dancer and choreographer Ruth Brill Arcadia saw its world premiere in May 2017. This was Ruth's first main-stage commission and a work on an entirely different scale from her previous ballets. *Arcadia* was also composer John Harle's first ballet, and student designer Atena Ameri's first professional commission.

### **Dance Hub – Birmingham**

Birmingham Royal Ballet in partnership with Birmingham Hippodrome and a number of dance and cultural organisations across Birmingham are collectively committed to developing dance as a major contributor to the artistic, creative and economic life of Birmingham. During 2017, BRB led the feasibility stage for a capital programme to create a new facility for dance house above BRB's Thorp Street premises. The creation of a new space in the Hippodrome complex will provide a shared facility to act as catalyst for cultural change across the Birmingham dance sector. BRB took responsibility for driving the feasibility programme during 2016-17 and the capital project itself will be managed by our partner Birmingham Hippodrome.

### **Orchestra Projects**

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

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

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

- Three 'Music and Dance' Concerts
- Performances for Acosta Danza at the Bergen Festival in July 2017
- Performances at the Royal Opera House in July and December 2017
- Recording sessions of the music of Carlo Martelli in January 2018

We have also supported professional development for graduating musicians from Birmingham Conservatoire and the Royal Academy of Music, specifically in strings, brass and woodwind. The opportunities include mock auditions, shadowing and observing rehearsals and playing with the Sinfonia during rehearsal processes.

### **Audience Reach and Growth**

Audience Development objectives for 2017-18 were to:

- Grow attendance to increase box office income by 10% in Birmingham and between 5% and 10% per week across touring venues by 31 March 2018;
- Continue to use research to understand core audiences in Birmingham and develop segmented marketing campaigns and targeted messaging;
- Agree annual pricing structures with all venues to ensure income growth whilst retaining opportunities for entry for all;

## **BIRMINGHAM ROYAL BALLET**

### **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

- Continue to work with key venue partners and other UK touring ballet companies on long-term audience development;

BRB has held pricing review meetings with each of its venues, looking at opportunities to either increase revenue by ticket or increase reach for audience growth. The key measure we have used is 'Gross Potential' (GP) showing how pricing will impact total potential income.

The GP for a strong show like Nutcracker at the Birmingham Hippodrome shows a £9,500 increase in GP/Show in 2018 (up to £71,500 per show) as a direct result of such initiatives. Similarly a £3,400 GP uplift followed the pricing review at Southampton (to £64,700). Elsewhere, pragmatic reduction of entry pricing and removal of some seats from sale, along with increases on premium seat prices, saw net reduction of £10,500 in GP at Sunderland, with the expectation that this will translate directly to increased sale revenue in this more audience challenged venue.

BRB strives to attract new audiences this work includes:

Working with venues to agree more specific audience segments; based on local knowledge, audience insight as well as those groups we collectively wish to engage. We have reviewed our pricing strategy across the country to provide as affordable access as possible as well as ensure we have a consistent concessionary offer, family tickets available as well as offering free access to experiences that enable audiences to sample ballet for the first time.

We have refined and significantly increased the amount of targeted promotional content produced as well as advertising through platforms including Facebook, Twitter and Google AdWords. We have continued to invest in the development of our website as well as the type, quality and quantity of content we create / publish to appeal to new and existing audiences.

Work has continued to rebuild links with key national and local journalists and place more stories with wider press and media interest to promote and enhance our product, our artists and our brand.

Overall audience growth in 2017-18 was 18.5% against 2016-17 mainly as a result of the performances at Royal Albert Hall with attendances of 23,000. We are delighted to be returning to 'The Hall' with the Nutcracker in 2018 both to increase our London presence as well as offering more opportunities to the public to experience and enjoy a version of our acclaimed Christmas production

Box office income grew by £480,000 to £3,284,744 representing a 17% increase against 2016/17. Since 2015/16 Birmingham income has grown by 10% in accordance with the stated objective. Touring performance is harder to assess over the period due to changes in venues and programmes. Average income per week on tour (excluding Royal Albert Hall) was 15% lower than in 2015-16 indicating that growing income on tour remains one of our priorities for the four years to 2022.

BRB offers a 360-degree view of the organisation online, and engages with our audiences via live videos, rehearsal footage, takeovers and paid advertising to reach new audiences and builds a bridge between the digital and physical experience of the arts.

#### **Engagement and Participation**

Offering opportunities to connect with Birmingham Royal Ballet through engagement and participation programmes is one of the ways in which the company can take ballet and associated activities out beyond the traditional theatre presentations making ballet, dance, drama and music accessible art forms for everyone to enjoy.

Our engagement and participation objectives for the year were to:

Delivering an exciting and innovative learning programme both in Birmingham and on tour (nationally and internationally) by offering opportunities to at least 12,500 participants of all ages and backgrounds per annum through inclusive, enjoyable and empowering experiences which reflect BRB's values and work;

Extending the annual programme of free engagement activities in local communities and performance venues to touring venues (including 'Ballet What's That?' Events, Discovery Days and short introductory performances and talks) to achieve attendance at engagement events of 3,500 per annum by 31 March 2018.

Continuing a talent development programme through Dance Track;

# BIRMINGHAM ROYAL BALLET

## DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

Continuing BRB's leadership role in ballet and learning disability through Freefall Dance Company;

Supporting Arts Awards by offering an annual programme of Arts Award days through schools and youth services;

In 2017-18 over 19,000 participants took part in more than 700 engagement and participation sessions. Activities have ranged from repertory based projects and ballet training to work with senior citizens and disability groups and open access events.

Public and open access events in Birmingham and on tour reached almost 4,000 individuals these include

- Audience Open Days – before Saturday matinees in Birmingham and on tour offering a range of family friendly activities and insights
- Discovery Days – opportunities to discover more about productions from behind the scenes
- Community dance workshops – from one off projects for groups of all ages to the Ballet What's That programme
- Pre-performance talks and open class on stage

Our targeted engagement and participation activity included:

Working with 'Speight of the Art' in Sutton Coldfield including workshops in sheltered living complexes

Children and families affected by the Grenfell Tower disaster were invited to attend a workshop and dress rehearsal at the Royal Albert Hall 40 young people attended with a parent or guardian.

Open auditions to dance at the Royal Albert Hall in The Nutcracker. 363 children attended of which 16 were selected.

Sleeping Beauty Dreams, a four month project enabling 59 amateur dancers, aged 8 to 58, to work towards a main stage performance at Birmingham Hippodrome in March 2018 to an audience of 900. The programme gives access to training and performance of the highest standard including dancing with professional artists.

'Dance to Health' programme. BRB is one of six schemes nationwide (funded via Aesop) to deliver a pioneering falls prevention dance programme alongside health partners. Participants have reported an easing of aches and pains as well as maintaining independence and quality of life. BRB worked with 88 participants aged 50 to 93 from some of the in the Ladywood, Aston and Handsworth areas of Birmingham.

Supporting local festivals with appearances at Summer in Southside and Birmingham's Chinese New Year Celebrations. BRB also produced a 'Flash Mob' performance in Birmingham's Bullring Shopping Centre as part of Birmingham Weekender (September 2017) working with 210 local dance students

BRB has three flagship engagement projects which focus on long-term development:

- **Dance Track** - BRB's talent development programme for primary school children. Dance Track is key in the work BRB does to encourage arts participation across all ages, genders and backgrounds, opening up the art-form to children and families who otherwise may not engage. In spring 2018 2,700 children took part in workshops. In 2017/18 there were 130 children in the ballet training programme 57 were boys and 73 were girls, with 57% of children coming from black or minority ethnic (BME) backgrounds. Since 2015-16 Dance Track students have been working towards Arts Awards as an intrinsic part of their learning programme. In 2017-18 33 Dance Track students achieved Arts Award Discover.
- **Freefall Dance Company (talented adults with severe learning difficulties)** - Freefall Dance Company is an ensemble of highly gifted dancers with severe learning disabilities. The artistic work of Freefall continues to grow and this year saw the company take another step in the process of the creation of exceptional film work for international distribution, working with film maker Sima Gonsai. Freefall gave two public performances and has continued its teacher training workshops with University of Birmingham and CETT on inclusive practice and disability awareness

# BIRMINGHAM ROYAL BALLET

## DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

- **BRB Ambassadors** - the Ambassadors programme was established in 2011 as a legacy from the Ballet, Birmingham and Me project. Birmingham Royal Ballet's Ambassadors are a group of young people who have worked on past projects with the Company and now aim to pass on their skills and experience by supporting other young people taking part in new projects. There are presently eight BRB Ambassadors who are planning a LGBTQ+ project for delivery in 2018/19.

### FINANCIAL REVIEW

Birmingham Royal Ballet's primary financial objective for the period was to maintain general, unrestricted reserves (excluding capital reserves) at a minimum £1,000,000 with a target to grow to £1,500,000 by 31 March 2018.

The results for the period are set out in the financial statements on pages 27 onwards.

The period to 31 March 2018 ended with a small deficit on activities including the endowment fund of £83,929 giving total accumulated reserves of £6,124,244 (2016-17 £6,208,173).

The deficit analysed across funds was as follows:

- General unrestricted funds - £(154,317)
- Endowment Funds - £70,389

Un-restricted reserves, excluding capital reserves, presently stand at £1,313,142 which is in accordance with our stated reserves policy as outlined on pages 20-21 of this report. Total unrestricted reserves are £3,598,560 (2016-17: £3,564,978) including the designated capital reserve of £2,285,218 (2016-17: £2,394,247).

### Raising Funds

As in previous years our principal funding sources are:

- Arts Council England – £7,891,000 (2016-17: £7,891,000) 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 – £200,000 (2016-17: £525,000) revenue funding to contribute towards BRB's core operating costs and the costs of delivering performances and learning and outreach activities primarily in Birmingham.

Core revenue funding from our major funders, Arts Council England and Birmingham City Council, accounted for 55% of total income (2016-17: 61%).

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

2018-19 - £7,891,000

2019-20 - £7,891,000

2020-21 - £7,891,000

2021-22 - £7,891,000

BRB heralded its fundraising ambitions known as 'at the Buckingham Palace Gala performance in June 2017 with the aim of driving significant fundraising growth from 2019-20 onwards.

Total income from donations, membership schemes and other fundraising activity during the year was £1,677,889 (2016-17: £932,495) of which donations (including legacies) from private individuals were £791,960 (2016-17: £432,423) and income from trusts and foundations for the year was £260,150 (2016-17: £348,727).

## **BIRMINGHAM ROYAL BALLET**

### **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

We would like to acknowledge the support of the following trusts and foundations that have supported Birmingham Royal Ballet during 2017-18:

Austin and Hope Pilkington Trust

Baron Davenport's Charity

Bayfield Charitable Trust

Birmingham Common Good Trust

Bite Size Pieces

Cecil King Memorial Foundation

Clare King Charitable Trust

Dumbreck Charity

Ensix Charitable Trust

Eric W Vincent Trust Fund

Eveson Charitable Trust

George Fentham Birmingham Charity

GJW Turner Trust

Gordon Edwards Charitable Trust

H E and E L Botteley Charitable Settlement

H Steven and P E Wood Charitable Trust

Hawthorne Charitable Trust

Henry James Sayer Charity

Howard Victor Skan Charitable Trust

IMI plc

James Frederick and Ethel Anne Measures Charity

John Avins Trust

Langdale Trust

Lillie Johnson Charitable Trust

Limoges Charitable Trust

M K Rose Charitable Trust

Misses C M Pearson and M V Williams Charitable Trust

Newby Trust Ltd

Oak Foundation

Owen Family Trust

Patrick Trust

Provincial Grand Lodge of Warwickshire

Richard Cadbury Charitable Trust

Rogers Stirk Harbour + Partners Charitable Foundation Limited

## **BIRMINGHAM ROYAL BALLET**

### **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

Royal Opera House Benevolent Fund  
Souter Charitable Trust  
St Jude's Trust  
St Thomas' Dole Charity  
Stanley Picker Trust  
The Alan Woodfield Charitable Trust  
The Albert and Elizabeth Clark Charitable Trust  
The Alison Hillman Charitable Trust  
The Archie Sherman Charitable Trust  
The Arts Society Birmingham  
The Aspinwall Educational Trust  
The Brian Shaw Memorial Trust  
The Bryan Foster Charitable Trust  
The Calleva Foundation  
The Charles Brotherton Trust  
The Chatwin Trust  
The Connie & Albert Taylor Charitable Trust  
The David and Helen Lowe Charitable Trust  
The DWF Charitable Foundation  
The Evan Cornish Foundation  
The George Henry Collins Charity  
The Goodenough Charitable Trust  
The Goodenough Charitable Trust  
The Grey Court Trust  
The Grimmitt Trust  
The Helen Rachael Mackaness Charitable Trust  
The Idlewild Trust  
The John S Cohen Foundation  
The John Thaw Foundation  
The Lopylugs and Barbara Morrison Charitable Trust  
The Lord Austin Trust  
The Marsh Christian Trust  
The Michael Marsh Charitable Trust  
The Oakley Charitable Trust  
The Patricia Routledge Charitable Trust  
The Roger and Douglas Turner Charitable Trust

## **BIRMINGHAM ROYAL BALLET**

### **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

The Roughley Charitable Trust

The S and D Lloyd Charity

The Saintbury Trust

The Sterry Family Foundation

The Sylvia Adams Charitable Trust

The W & M Morris Charitable Trust

W E D Charitable Trust

#### **Charitable Activities**

Income from charitable activities in 2017-18 was £4,839,045 (2016-17 £4,422,845). This includes an increase income from box office to £3,283,744 (2016-17 : £2,804,111) as a result of the performances at Royal Albert Hall and Orchestra projects £390,440 (2016-17 £62,461) following a welcome return to performing at the Royal Opera House over Christmas 2018 for performances with The Royal Ballet.

Birmingham Royal Ballet received Theatre Tax Credit income of £844,000 in respect of 2016-17 (against an initial estimate of £ 700,000), and it is estimated that Theatre Tax Credit for 2017-18 will be in the region of £540,000. The Theatre Tax Credit regime is a positive recognition of the contribution that both commercial and subsidised theatre makes to the economy and will help BRB to continue its commitment to investment in both new works and major revivals.

Total expenditure for the year was £14,878,478 (2016-17: £13,954,627) as a result of the investment in the performances at the Royal Albert Hall including a new set and spectacular projections suitable for an arena presentation

Expenditure on charitable activities in the year was £14,081,126 equivalent to 95% of total expenditure (2016-17: £13,375,533 – 96%).

# BIRMINGHAM ROYAL BALLET

## DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

### 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.

### RISK MANAGEMENT

Birmingham Royal Ballet has 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 2017-18 identified key strategic risks as follows:

<b>High Risk areas in 2017-18</b>	<b>Resolutions/actions during 2017-18 to reduce risk level</b>
Withdrawal/reduction of BCC funding	Ongoing engagement with BCC. Funding confirmed at £200,000 for 2018/19
Failure to achieve fundraising targets	Buckingham Palace event June 2017 secured a number of new relationships. Longer term fundraising strategy still in development
Inflationary pressures – remuneration	A longer term pay strategy is in development 2018 – 2022 period
Programming decisions cannot be realised within existing resources/ Failure to meet agreed financial strategy and plan	2018-19 budget was finalised with £230,000 surplus.
Maintaining infrastructure and skills	Succession plan for key leadership roles

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

# **BIRMINGHAM ROYAL BALLET**

## **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

### **PLANS FOR FUTURE PERIODS**

The appointment of a new Director to succeed David Bintley will be critical to the future of Birmingham Royal Ballet building on the Company's inheritance and reshaping it for the 21<sup>st</sup> century. The successful conclusion of the appointment process in 2018-19 will help shape organisational objectives from 2019-20 onwards.

Other strategic objectives for 2018-19 are:

### **RAISING FUNDS**

- Complete the business plan for the period 2018 – 2022 by 31 December 2018; and
- Devise a new fundraising strategy to succeed 'The Campaign for the Future' from 2018-19 onwards.

### **CHARITABLE ACTIVITIES:**

#### **Performance and Production**

- Be the UK's foremost large-scale, touring classical ballet company by offering the most comprehensive annual performance circuit to ensure that the company's extensive repertory is available to audiences across the UK
- Maintain a regular London presence at with two weeks of performance at Sadlers Wells Theatre in 2018 and at Royal Albert Hall Christmas 2018
- Develop young dancers in transition to professional careers by offering work placements to students from Elmhurst School for Dance and the Royal Ballet School with opportunities to rehearse, perform and tour with the company, through the Robin Cadbury Dance Fellowship programme supported by the Cadbury Family/Catalyst Endowment Fund;
- Create accessible performances including 'First Steps' based around repertory suitable for families with younger children and develop the programme of other accessible performances including relaxed performances
- Work with other NPO funded dance companies in the West Midlands to develop a joint programme of activity to help grow audiences, capacity and resilience for the dance sector in Birmingham and the West Midlands known as Dance Hub Birmingham

**Audience Reach and Development** – Birmingham Royal Ballet wants to create a market place for its work amongst as wide and varied an audience as possible to demonstrate that ballet is an art form for all.

BRB will:

- Continue to work with key venue partners on long-term audience development;
- Continue to use research to understand audiences and develop segmented marketing campaigns and targeted messaging;
- Agree annual pricing structures with all venues to ensure income growth whilst retaining opportunities for entry for all;

**Engagement and Participation** – Birmingham Royal Ballet will offer unique opportunities and high quality experiences for people of all ages and backgrounds to engage with and participate in ballet and the performing arts by:

- Delivering an exciting and innovative learning programme both in Birmingham and on tour (nationally and internationally) by offering opportunities to at least 12,500 participants of all ages and backgrounds per annum through inclusive, enjoyable and empowering experiences;
- Extending the annual programme of free engagement activities in local communities and performance venues to touring venues (including 'Ballet What's That?' Events, Discovery Days and short introductory performances and talks) to achieve attendance at engagement events of at least 3,500 per annum.
- Continuing a talent development programme through Dance Track;
- Continuing BRB's leadership role in ballet and learning disability through Freefall Dance Company;

## BIRMINGHAM ROYAL BALLET

### DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

- Supporting Arts Awards by offering an annual programme of Arts Award through Dance Track

#### FINANCIAL STABILITY

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

#### KEY 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 Leadership Team is responsible for proposing their departmental budgets based on the planned activity for the year. These departmental budgets are reviewed and combined to build a master budget for Birmingham Royal Ballet as a whole. The Finance Director and Chief Executive are responsible for proposing a final balanced budget for approval by the Board of Directors. Senior Managers are authorised to commit expenditure in accordance with their final approved budgets unless these are subject to further revision during the course of a financial year in the light of prevailing circumstances (see under financial reporting and review). All expenditure is reviewed and approved for payment by the Finance Director or Chief Executive.
- **Financial reporting and review** – A company finance report and forecast to the year-end is presented at each Board and Finance and General Purposes Committee meeting. All Senior Managers receive a copy of this finance report in addition to their individual monthly budget reports. Where significant variances against budget are identified, compensating actions are identified and agreed by the Senior Management Team. This will usually involve identifying cost savings as performing activity for the year is fixed at least a year in advance and our major sources of income are also fixed. The major financial risk that faces the organisation is a shortfall in earned income sources such as box office income and fundraising income. Both these income sources can be highly variable and are subject to a number of influences that are outside the direct control of Birmingham Royal Ballet. As a result the key to financial stability is careful cost control in conjunction with growing existing income and identifying and developing new income streams.

# BIRMINGHAM ROYAL BALLET

## DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

### Management remuneration

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

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

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

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

In determining BRB's remuneration, the Board takes into account all factors which are deemed necessary and the present remuneration policy, benefits and rewards strategy is being reviewed as part of the strategic planning process for 2018-2022 now that the NPO funding offer from Arts Council England has been received. It is our intention to develop a long term pay strategy for the period 2018 – 2022 linked to achievement of key financial objectives so that investment in our people is prioritised and protected. This reflects the fact that delivery of BRB's charitable objectives is dependent on our highly skilled performers and staff, the Company's most important asset with staff costs constituting the largest single element of charitable expenditure.

### Reserves:

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

The Directors have agreed that given the increasing need for financial flexibility to respond to unexpected events as well as to be able to take advantage of new opportunities that it is appropriate to maintain unrestricted reserves (excluding the Thorp Street Refurbishment reserve) at a minimum of £1,000,000 and will work towards building a maximum general undesignated reserve of £1,500,000 which is roughly equivalent to one month's running costs plus the costs of winding up of the company. At 31 March 2018 these unrestricted reserves, excluding Thorp Street Refurbishment fund, were £1,313,141. This includes £187,900 transferred from the Endowment Fund representing accumulated dividend income since the inception of the fund. The Board agreed that this transfer could be made now that the fund is established and growing.

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

Designated funds include:

- **Capital Fund** – being funds designated for investment in major projects to purchase new or replace existing fixed assets. This fund will be used to support further investment in BRB's premises to ensure space is used to best effect and that all office work areas are of an appropriate standard
- **Thorp Street Refurbishment** - being the funds relating to the Thorp Street refurbishment works. This fund is expended over 25 years from 2014/15. This fund could only be realised by disposal of the BRB Thorp Street premises which is leased by Birmingham Royal Ballet from Birmingham Hippodrome on a 125 year lease from 2001

## BIRMINGHAM ROYAL BALLET

### DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)

- **Community Engagement Fund** – represents funds received from the sale of investments by Birmingham Royal Ballet Trust prior to the winding up of the Trust on 31 March 2005 to support educational activities particularly in association with dance and choreographic training. The use of these funds has been widened and re-designated to support further development of our community engagement activity in accordance with our 2015-18 Business Plan. This fund will be used to support the development of our participation and engagement programmes in Birmingham and on tour particularly in support of open access opportunities with the intention that the fund will be expended by 2025
- **New Production Fund** - to support investment in new productions that will increase the repertory available for performances where funding is not available from private philanthropic sources. This fund will be used to support productions of new one act ballets in 2016-17 and 2017-18.

**Restricted funds** - Restricted funds include donations, gifts, grants and legacies received whose use is restricted to purposes specified by the donor and comprise the Cross Border Touring Fund which will be used to fund performances at the Grand Opera House Belfast in 2018.

**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. There is presently one endowment fund:

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

The reserves policy was reviewed in March 2016.

#### **Investments:**

**General objectives** - The cash and other investments of Birmingham Royal Ballet must be managed in such a way as to safeguard the capital value of those assets to enable Birmingham Royal Ballet to carry out its charitable purposes effectively in both the short term and over the longer term. Where possible, the value of invested assets should be enhanced so as to at least keep pace with inflation.

**Short-term cash and cash contingency funds** - To retain flexibility and availability of these funds, current account monies in excess of monthly operating requirements are transferred to higher rate call accounts or short-term fixed interest money market deposit accounts to maximise interest rates received. Cash investments mature on a rolling basis to ensure availability of funds and no cash investment is invested for notice periods exceeding 12 months.

**Medium-term investments** - Where there are surplus cash funds available for investment in excess of one year but likely to be required for expenditure within a three to five year time frame fixed interest vehicles such as gilts, bonds including index linked bonds can be considered. Investment in such vehicles should be assessed for:

- Financial return;
- Protection against inflation in addition to offering a financial return;
- Risk of default; and
- Tradeability in the event of the need to liquidate assets.

There are no medium term investments held by Birmingham Royal Ballet at present.

# **BIRMINGHAM ROYAL BALLET**

## **DIRECTORS' REPORT INCLUDING THE STRATEGIC REPORT (continued)**

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

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

Funds are being managed in accordance with the investment strategy agreed with Smith and Williamson and the performance of the fund to date is in line with our policy of achieving a balance between income and capital growth in accordance with the investment policy for endowment funds.

### **TAXATION**

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

### **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 03 October 2018

Sir David Normington  
Chair of the Board

# **BIRMINGHAM ROYAL BALLET**

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

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

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

- 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

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

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

## Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Birmingham Royal Ballet (the 'charitable company') and its subsidiary (the 'group') which comprise:

- the consolidated statement of financial activities including income and expenditure account;
- the consolidated and parent charitable company balance sheets;
- the consolidated cash flow statement; and
- the related notes 1 to 22

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF BIRMINGHAM ROYAL BALLET**

## **Other information**

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

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

We have nothing to report in respect of these matters.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors (who are also the trustees of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors 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, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

## **Report on other legal and regulatory requirements**

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report, which includes the strategic report, prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF BIRMINGHAM ROYAL BALLET**

- the strategic report and the directors' report included within the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the directors' report.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Sarah Anderson FCCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

24 October 2018

## BIRMINGHAM ROYAL BALLET

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including consolidated income and expenditure account) Year ended 31 March 2018

	Notes	Unrestricted 2018 £	Restricted 2018 £	Endowment 2018 £	Total 2018 £	Total 2017 £
<b>Income from:</b>						
Grants, Donations and Legacies	3	8,811,848	431,262	-	9,243,110	9,229,470
Charitable activities:						
Performance and related activities	4	4,839,045	-	-	4,839,045	4,422,845
Other trading activities	5	625,779	-	-	625,779	119,025
Investments	6	1,367	-	62,112	63,479	56,505
<b>Total income</b>		<b>14,278,028</b>	<b>431,262</b>	<b>62,112</b>	<b>14,771,413</b>	<b>13,827,845</b>
<b>Expenditure on:</b>						
Raising funds	7	797,352	-	-	797,352	579,093
<b>Charitable activities</b>						
Production and Performance	8	12,887,355	248,662	-	13,136,018	12,847,731
Orchestra Projects	8	470,820	6,500	-	477,320	83,231
Education Projects	8	276,829	176,100	-	452,928	430,996
Other expenditure		-	-	14,860	14,860	13,575
<b>Total expenditure</b>	10	<b>14,432,355</b>	<b>431,262</b>	<b>14,860</b>	<b>14,878,478</b>	<b>13,954,627</b>
<b>Net income/(expenditure) before investment gains and losses</b>		<b>(154,317)</b>	<b>-</b>	<b>47,252</b>	<b>(107,065)</b>	<b>(126,782)</b>
Net gain/(loss) on investments		-	-	23,136	23,136	397,990
<b>Net income for the year</b>		<b>(154,317)</b>	<b>-</b>	<b>70,389</b>	<b>83,929</b>	<b>271,209</b>
Transfers between funds		187,900	-	(187,900)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>33,582</b>	<b>-</b>	<b>(117,511)</b>	<b>(83,929)</b>	<b>271,209</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		3,564,978	110,270	2,532,925	6,208,173	5,936,964
Net movement in funds for the year		33,582	-	(117,511)	(83,929)	271,209
<b>Total funds carried forward</b>	18	<b>3,598,560</b>	<b>110,270</b>	<b>2,415,414</b>	<b>6,124,244</b>	<b>6,208,173</b>

## **BIRMINGHAM ROYAL BALLET**

### **CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including consolidated income and expenditure account) Year ended 31 March 2018**

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

The net income/(expenditure) of parent charity for the year for Companies Act purposes is £(83,929) (2017: £271,209). As permitted by Section 408 of the Companies Act 2006, no separate Statement of financial activities is presented in respect of the parent charity.

See note 12 for comparative Statement of Financial Activities for the period ended 31 March 2017.

# BIRMINGHAM ROYAL BALLET

## BALANCE SHEETS As at 31 March 2018

	Note	2018 Group £	2017 Group £	2018 Charity £	2017 Charity £
<b>FIXED ASSETS</b>					
Tangible assets	13	2,572,502	2,733,640	2,572,502	2,733,640
Investment assets	14	2,415,414	2,532,926	2,415,415	2,532,926
		<u>4,987,916</u>	<u>5,266,566</u>	<u>4,987,917</u>	<u>5,266,566</u>
<b>CURRENT ASSETS</b>					
Stocks	15	85,449	83,444	85,449	83,444
Debtors	16	2,528,895	2,218,289	2,528,896	2,218,289
Cash at bank and in hand		186,063	349,379	186,063	349,379
		<u>2,800,407</u>	<u>2,651,112</u>	<u>2,800,408</u>	<u>2,651,112</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,548,201)</u>	<u>(1,709,505)</u>	<u>(1,548,202)</u>	<u>(1,709,505)</u>
<b>Net Current Assets</b>		<u>1,252,206</u>	<u>941,607</u>	<u>1,252,207</u>	<u>941,607</u>
<b>Total Assets Less Current Liabilities</b>		<u>6,240,122</u>	<u>6,208,173</u>	<u>6,240,124</u>	<u>6,208,173</u>
Creditors: amounts falling after one year	17	<u>(115,878)</u>	<u>-</u>	<u>(115,878)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>6,124,244</u></u>	<u><u>6,208,173</u></u>	<u><u>6,124,245</u></u>	<u><u>6,208,173</u></u>
<b>FUNDS</b>					
Unrestricted funds:					
General Funds	18	841,603	699,192	841,604	699,192
Designated funds	18	2,756,957	2,865,786	2,756,957	2,865,786
Restricted funds					
Endowment funds	18	110,270	110,270	110,270	110,270
		<u>2,415,414</u>	<u>2,532,925</u>	<u>2,415,414</u>	<u>2,532,925</u>
		<u><u>6,124,244</u></u>	<u><u>6,208,173</u></u>	<u><u>6,124,245</u></u>	<u><u>6,208,173</u></u>

These financial statements of Birmingham Royal Ballet registered number 3320538 were approved by the Board of Directors and authorised for issue on 03 October 2018. They were signed on its behalf by:

Sir David Normington  
Chair of the Board

## BIRMINGHAM ROYAL BALLET

### CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2018

	Notes	Total 2018 £	Total 2017 £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by (used in) operating activities</i>	22	(314,235)	(414,007)
<b>Cash flows from investing activities:</b>			
Interest received		1,367	1,555
Dividends received		62,112	54,950
Purchase of property, plant and equipment		(53,208)	(71,782)
Movements in investment portfolio		140,648	(41,375)
<i>Net cash provided by (used in) investing activities</i>		150,919	(56,652)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(163,316)	(470,659)
<b>Cash and cash equivalents at beginning of year</b>		349,379	820,038
<b>Cash and cash equivalents at the end of the year</b>		186,063	349,379
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		186,063	349,379
Cash equivalents			
<b>Cash and cash equivalents</b>		186,063	349,379

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 1. ACCOUNTING POLICIES

The principal accounting policies are set out below.

#### **Company and charitable status**

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

BRB Production Services Limited is a wholly owned subsidiary of Birmingham Royal Ballet.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention, with the exception of investments which have been included at market value, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2015 and the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement

#### **Basis of Consolidation**

Group financial statements have been prepared in respect of the company and its wholly owned subsidiary undertaking BRB Production Services Ltd. These financial statements have been consolidated for the first time in 2017-18 on a line by line basis and the results of the subsidiary undertaking are disclosed in note 14.

#### **Preparation of financial statements - going concern basis**

These accounts have been prepared on the going concern basis.

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

The group and company manages its activities with positive unrestricted bank balances. The company's forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure, show that the company should be able to continue to operate on this basis.

Revenue grant funding represents the company's largest income stream and Birmingham Royal Ballet is dependent on the continuing financial support of Arts Council England which has confirmed its commitment to fund Birmingham Royal Ballet to 31 March 2022; committing revenue funding of £7,891,000 per annum for the period.

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.

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

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 1. ACCOUNTING POLICIES (continued)

#### Income

##### *Box office income, performance related fees and programmes*

Box office income, performance related fees and income generated from the sale of programmes are recognised in the period of the related performances which is the point at which the charity is considered to meet the income recognition criteria (probable, entitlement and measurement) as per the accounting standards.

##### *Donations and legacies*

Donations and legacies are credited to the statement of financial activities when entitlement has passed and the income is probable to be received unless donated for a specific future period by the donor in which case income will be deferred to the relevant period.

##### *Deferred income*

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

##### *Grants receivable*

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

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

##### *Investment income*

Investment income is recognised on an accruals basis.

#### Expenditure

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

Expenditure on raising funds is the costs associated with generating core funding grants, legacies and donations. These include any direct costs associated with these activities as well as an appropriate proportion of relevant staff costs, support costs, premises costs and depreciation.

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

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

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

Costs (including support and governance costs) have been allocated on a direct basis whenever possible and on an appropriate alternative basis primarily based on staff numbers or relevant head count. Chief Executive and Chief Operating officer salaries have been allocated based on an estimate of time spent in relation to governance of the organisation.

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

### 1. ACCOUNTING POLICIES (continued)

#### **New production and revivals**

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

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

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

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

#### **Fund accounting**

##### *Unrestricted funds*

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

##### *Restricted funds*

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

##### *Designated funds*

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

##### *Expendable endowment fund*

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

#### **Taxation**

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax is measured on a non-discounted basis

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

### Tangible fixed assets and depreciation

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

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

### Investments

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

Investments in subsidiary undertakings are measured at cost less impairment.

### Stocks

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

# **BIRMINGHAM ROYAL BALLET**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2018**

### **1. ACCOUNTING POLICIES (continued)**

#### **Operating leases**

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

#### **Employee benefits**

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

- Dancers' Pension Scheme;
- Birmingham Royal Ballet Pension Scheme; and
- Musicians' Union Pension Scheme.

The pension costs charged to the statement of financial activities represents the amount of contributions payable by the company to the pension schemes in respect of the accounting year.

#### **Financial instruments**

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

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

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

### **2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

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

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 3. INCOME FROM GRANTS, DONATIONS & LEGACIES

	2018 Un- restricted funds £	2018 Restricted funds £	2018 Endowment funds £	2018 Total funds £
<b>Arts Council England</b>				
Revenue funding	7,891,000	-	-	7,891,000
Cross Border Touring Managed Funds	100,000	-	-	100,000
<b>Birmingham City Council</b>				
Revenue funding	200,000	-	-	-
Arts Champions	-	-	-	-
<b>Donations</b>				
Grants – Trusts and Foundations	6,550	253,600	-	260,150
Donations	452,956	167,662	-	620,618
Legacies	161,342	10,000	-	171,342
	8,811,848	431,262	-	9,243,110
	8,811,848	431,262	-	9,243,110
	2017 Un- restricted funds £	2017 Restricted funds £	2017 Endowment funds £	2017 Total funds £
<b>Arts Council England</b>				
Revenue funding	7,891,000	-	-	7,891,000
Cross Border Touring Managed Funds	-	-	-	-
<b>Birmingham City Council</b>				
Revenue funding	525,000	-	-	525,000
Arts Champions	-	-	-	-
<b>Donations</b>				
Grants – Trusts and Foundations	99,054	249,673	-	348,727
Donations	387,051	45,372	-	432,423
Legacies	32,320	-	-	32,320
	8,934,425	295,045	-	9,229,470
	8,934,425	295,045	-	9,229,470

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 4. INCOME FROM PERFORMANCE AND RELATED ACTIVITIES

	<b>2018</b> <b>Un- Restricted Funds</b> <b>£</b>	<b>2018</b> <b>Restricted funds</b> <b>£</b>	<b>2018</b> <b>Endowment funds</b> <b>£</b>	<b>2018</b> <b>Total Funds</b> <b>£</b>
Box office income	3,283,744	-	-	3,283,744
Production sales and hires	105,368	-	-	105,368
Programmes	106,731	-	-	106,731
Friends	33,571	-	-	33,571
Orchestra projects	390,440	-	-	390,440
Education	128,032	-	-	128,302
Co-production fee	-	-	-	-
Other fees and services	28,511	-	-	28,511
Theatre Tax Credit	762,648	-	-	762,648
	<u>4,839,045</u>	<u>-</u>	<u>-</u>	<u>4,839,045</u>
	<u>2,804,111</u>	<u>-</u>	<u>-</u>	<u>2,804,111</u>
Production sales and hires	154,865	-	-	154,865
Programmes	110,532	-	-	110,532
Friends	38,589	-	-	38,589
Orchestra projects	62,461	-	-	62,461
Education	103,907	-	-	103,907
Co-production fee	289,500	-	-	289,500
Other fees and services	20,486	-	-	20,486
Theatre Tax Credit	838,394	-	-	838,394
	<u>4,422,845</u>	<u>-</u>	<u>-</u>	<u>4,422,845</u>

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 5. OTHER TRADING ACTIVITIES

	2018 £	2017 £
Memberships	91,745	115,706
Sale of merchandise	16,884	3,319
Commissioning Fee	517,190	-
	<u>625,779</u>	<u>119,025</u>

### 6. ANALYSIS OF INCOME FROM INVESTMENTS

	2018			
	Unrestricted £	Restricted £	Endowment £	Total £
Bank interest	1,367	-	-	1,367
Dividends	-	-	62,112	62,112
	<u>1,367</u>	<u>-</u>	<u>62,112</u>	<u>63,479</u>

  

	2017			
	Unrestricted £	Restricted £	Endowment £	Total £
Bank interest	1,555	-	-	1,555
Dividends	-	-	54,950	54,950
	<u>1,555</u>	<u>-</u>	<u>54,950</u>	<u>56,505</u>

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 7. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

<b>Activity</b>	<b>Activities undertaken directly £</b>	<b>Support costs £</b>	<b>Total 2018 £</b>
Raising donations, grants and legacies	515,834	193,567	709,401
Memberships and Subscription Schemes	66,978	20,973	87,951
	<u>582,812</u>	<u>214,540</u>	<u>797,352</u>

<b>Activity</b>	<b>Activities undertaken directly £</b>	<b>Support costs £</b>	<b>Total 2017 £</b>
Raising donations, grants and legacies	421,978	68,414	490,392
Memberships and Subscription Schemes	68,072	20,629	88,701
	<u>490,050</u>	<u>89,043</u>	<u>579,093</u>

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Activity	Unrestricted		
	Activities undertaken directly £	Support costs £	Total 2018 £
Performance and production	10,957,228	1,930,127	12,887,355
Orchestra Projects	460,477	10,343	470,820
Education Projects	243,933	32,895	276,826
	<u>11,661,639</u>	<u>1,973,365</u>	<u>13,635,003</u>

  

Activity	Restricted		
	Activities undertaken directly £	Support costs £	Total 2018 £
Performance and production	209,863	38,799	248,662
Orchestra Projects	6,357	143	6,500
Education Projects	155,175	20,925	176,100
	<u>371,395</u>	<u>59,867</u>	<u>431,262</u>

  

Activity	Unrestricted		
	Activities undertaken directly £	Support costs £	Total 2017 £
Performance and production	11,114,254	1,621,855	12,736,109
Orchestra Projects	72,916	10,315	83,231
Education Projects	217,101	30,472	247,573
	<u>11,404,271</u>	<u>1,662,642</u>	<u>13,066,913</u>

  

Activity	Restricted		
	Activities undertaken directly £	Support costs £	Total 2017 £
Performance and production	97,346	14,276	111,622
Orchestra Projects	-	-	-
Education Projects	160,846	22,577	183,423
	<u>258,192</u>	<u>36,853</u>	<u>295,045</u>

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 9. ANALYSIS OF SUPPORT COSTS

	Raising funds £	Production and performance £	Orchestra projects £	Education projects £	Total 2018 £
Staff costs	43,409	692,324	2,734	13,671	752,138
Recruitment, training and development	3,677	21,388	526	2,626	28,217
Office infrastructure	129,713	388,282	1,787	9,984	529,766
Insurance	3,991	98,064	570	2,851	105,476
Premises costs	30,033	562,054	4,290	21,452	617,829
Depreciation	3,717	206,814	579	3,236	214,346
	214,540	1,968,926	10,486	53,820	2,247,772

Governance costs included in the above amount to £356,066 in 2017-18 (2016-17: £122,105)

### 2017 Comparatives

	Raising funds £	Production and performance £	Orchestra projects £	Learning projects £	Total 2017 £
Staff costs	11,988	449,533	1,998	9,990	473,509
Recruitment, training and development	2,574	68,218	429	2,145	73,366
Office infrastructure	38,352	254,988	1,867	10,382	305,589
Insurance	3,414	90,465	569	2,845	97,293
Premises costs	28,392	553,636	4,732	23,658	610,418
Depreciation	4,323	219,291	720	4,028	228,362
	89,043	1,636,131	10,315	53,048	1,788,537

### 10. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2018 £	2017 £
Net income is stated after charging:		
Depreciation of owned assets	214,346	228,361
Rentals under operating leases	239,692	239,692
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	18,800	18,250
- Fees payable for the audit of the company's subsidiary	3,000	-
- Fees payable to the charity's auditor for other services:		
- Taxation services	-	9,775
	-	9,775

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

### 11. ANALYSIS OF GROUP AND COMPANY STAFF COSTS, DIRECTOR REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly number of employees was:

	2018 No.	2017 No.
Raising funds	7	7
Charitable activities	168	166
Support	14	11
	<u>188</u>	<u>184</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	7,620,053	7,168,218
Social security costs	702,179	707,310
Pension costs (including Dancers Career Development fund)	453,872	373,573
	<u>8,776,104</u>	<u>8,249,101</u>

The aggregate remuneration above includes termination payments of £174,236 (2016-17: £70,358) including £76,000 additional pension contributions (2016-17 £nil). All amounts were fully paid in cash during the year. The number of employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was:

	2018 No.	2017 No.
£60,001 - £70,000	13	10
£70,001 - £80,000	1	2
£80,001 - £90,000	3	2
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
	<u>19</u>	<u>16</u>

The key management personnel of the Group and Company are listed on page 16. The total remuneration (including pension contributions and social security costs) of the key management personnel of the Group and Company for the year totalled £424,074 (2017: £303,000).

#### Directors' Remuneration

No Directors received remuneration during the current or prior year. Total travel and subsistence expenses of £4,035 (2017: £4,742) were paid to 1 director (2017: 1 director).

## BIRMINGHAM ROYAL BALLET

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2018

#### 12. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 March 2017

	Notes	Unrestricted 2017 £	Restricted 2017 £	Endowment 2017 £	Total 2017 £
<b>Income from:</b>					
Grants, Donations and Legacies	3	8,934,425	295,045	-	9,229,470
Charitable activities:					
Performance and related activities	4	4,422,845	-	-	4,422,845
Other trading activities	5	119,025	-	-	119,025
Investments	6	1,555	-	54,950	56,505
<b>Total income</b>		<u>13,477,850</u>	<u>295,045</u>	<u>54,950</u>	<u>13,827,845</u>
<b>Expenditure on:</b>					
Raising funds	7	579,093	-	-	579,093
<b>Charitable activities</b>					
Production and Performance	8	12,736,109	111,622	-	12,847,731
Orchestral Projects		83,231	-	-	83,231
Education Projects		247,573	183,423	-	430,996
Other resources expended		-	-	13,575	13,575
<b>Total expenditure</b>	10	<u>13,646,006</u>	<u>295,045</u>	<u>13,575</u>	<u>13,954,627</u>
Net losses on investments	13	-	-	397,990	397,990
<b>Net income for the year</b>		<u>(168,156)</u>	<u>-</u>	<u>439,365</u>	<u>271,209</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,733,134	110,270	2,093,560	5,936,964
Net movement in funds for the year		(168,156)	-	439,365	271,209
<b>Total funds carried forward</b>	18	<u><u>3,564,978</u></u>	<u><u>110,270</u></u>	<u><u>2,532,925</u></u>	<u><u>6,208,173</u></u>

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

## BIRMINGHAM ROYAL BALLET

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

#### 13. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2017	2,998,234	345,848	1,394,396	4,738,478
Additions	-	13,882	39,326	53,208
Disposals	-	-	-	-
At 31 March 2018	<u>2,998,234</u>	<u>359,730</u>	<u>1,433,722</u>	<u>4,791,686</u>
<b>Depreciation</b>				
At 1 April 2017	577,879	270,578	1,156,381	2,004,838
Charge for the year	119,102	37,069	58,175	214,346
Disposals	-	-	-	-
At 31 March 2018	<u>696,981</u>	<u>307,647</u>	<u>1,214,556</u>	<u>2,219,184</u>
<b>Net book value</b>				
<b>At 31 March 2018</b>	<u>2,301,253</u>	<u>52,083</u>	<u>219,166</u>	<u>2,572,502</u>
At 31 March 2017	<u>2,420,355</u>	<u>75,270</u>	<u>238,015</u>	<u>2,733,640</u>

#### 14. FIXED ASSET INVESTMENTS – GROUP AND CHARITY

	2018 Group £	2017 Group £	2018 Charity £	2017 Charity £
Investments listed or traded on a recognised stock exchange	2,415,414	2,532,925	2,415,414	2,532,925
Subsidiary undertakings		1	1	1
	<u>2,415,414</u>	<u>2,532,925</u>	<u>2,415,415</u>	<u>2,532,926</u>

	2018 £	2017 £
<b>Investments listed or traded on a recognised stock exchange</b>		
Market value at 1 April 2017	2,467,037	1,898,602
Additions	251,335	435,583
Disposal proceeds	(359,186)	(265,474)
Unrealised/realised investment gains/(losses)	23,136	398,327
Cash held with investment manager	33,092	65,887
<b>Closing value at 31 March 2018</b>	<u>2,415,414</u>	<u>2,532,925</u>

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 14. FIXED ASSET INVESTMENTS (continued)

	2018 Market value £	% of portfolio	2017 Market value £	% of portfolio
UK equities	785,127	33%	953,569	38%
Overseas equities	872,297	36%	788,202	31%
UK fixed income	259,702	11%	249,142	10%
Overseas fixed income	81,410	3%	87,927	3%
Alternative assets	200,967	8%	223,998	9%
UK property	182,819	8%	164,200	6%
Cash	33,092	1%	65,887	3%
	=====	=====	=====	=====
	2,415,414	100%	2,532,925	100%
	=====	=====	=====	=====

The historical cost of the investments is £1,877,185 (2016: £1,985,037)

	2018 Group £	2017 Group £	2018 Charity £	2017 Charity £
<b>Subsidiary undertakings</b>				
<b>Cost</b>				
At 1 April 2017 and 31 March 2018	1	1	1	1
	=====	=====	=====	=====
	1	1	1	1
	=====	=====	=====	=====

The company owns the entire issued ordinary share capital of BRB Production Services Ltd, incorporated and registered in England and Wales, whose principal activity is theatrical production.

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 14. FIXED ASSET INVESTMENTS (continued)

The result of the Company's trading activities through its subsidiary undertaking is detailed below.

#### Profit and Loss account for the year ended 31 March 2018

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	928,913	-
Cost of sales	1,024,774	-
	<u>          </u>	<u>          </u>
<b>Gross Loss</b>	(95,861)	-
	<u>          </u>	<u>          </u>
<b>Operating Loss</b>	(95,861)	-
	<u>          </u>	<u>          </u>
<b>Loss before taxation</b>	(95,861)	-
Theatre Tax Relief	95,861	-
	<u>          </u>	<u>          </u>
<b>Profit for the financial year attributable to the equity shareholders of the Company</b>	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

#### Balance Sheet at 31 March 2018

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Current assets</b>		
Debtors	95,862	1
	<u>          </u>	<u>          </u>
<b>Creditors: amounts falling due within one year</b>	95,861	-
	<u>          </u>	<u>          </u>
<b>Net current assets</b>	1	1
	<u>          </u>	<u>          </u>
<b>Total assets less current liabilities</b>	1	1
	<u>          </u>	<u>          </u>
<b>Net assets</b>	1	1
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>		
Called-up share capital	1	1
	<u>          </u>	<u>          </u>
	1	1
	<u>          </u>	<u>          </u>

## BIRMINGHAM ROYAL BALLET

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

#### 15. STOCKS - GROUP AND CHARITY

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Shoes	84,362	82,635
Merchandise	1,087	809
	<u>85,449</u>	<u>83,444</u>

#### 16. DEBTORS

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	335,346	416,024	335,346	416,024
Other debtors	1,688,837	1,419,706	1,592,977	1,419,706
Amount owed by subsidiary undertaking	-	-	95,861	-
Prepayments and accrued income	504,712	382,559	504,712	382,559
	<u>2,528,895</u>	<u>2,218,289</u>	<u>2,528,896</u>	<u>2,218,289</u>

Other debtors includes £63,375 (2017: £63,375) in respect of a rent deposit which is due in more than one year.

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 17. CREDITORS: Amounts falling due within one year

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	70,404	-	70,404	-
Trade creditors	424,629	439,018	424,629	439,018
Other creditors	380,820	392,912	380,821	392,912
Taxation and social security	295,035	245,725	295,035	245,725
Accruals and deferred income	377,313	631,850	377,313	631,850
	<u>1,548,201</u>	<u>1,709,505</u>	<u>1,548,202</u>	<u>1,709,505</u>

#### Movements in deferred income (Group and Charity):

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2017	393,809	307,575
Amounts released during the period	(250,713)	(234,024)
Deferred in the current period	14,720	320,258
<b>Balance at 31 March 2018</b>	<u>157,815</u>	<u>393,809</u>

Deferred income at 1 April 2017 comprised membership scheme income and donations and legacy income relating to activity in the periods to 1 April 2017 and 31 March 2018.

Deferred income at 31 March 2018 comprised grants, membership scheme income and donations relating to activity in the periods to 1 April 2018 and 31 March 2019.

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 17. CREDITORS: Amounts falling due within one year (continued)

#### GROUP AND CHARITY

	2018 £	2017 £
Bank loans	115,878	-
	<u>115,878</u>	<u>-</u>

#### Bank loans are repayable as follows:

	2018 £	2017 £
Within one year	75,030	-
Between one to two years	75,030	-
Between two to five years	43,767	-
More than five years	-	-
	<u>193,827</u>	<u>-</u>

### 18. MOVEMENTS ON FUNDS

#### a) Restricted Funds (Group and Charity)

	At 1 April 2017 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2018 £
Cross Border Touring	110,270	-	-	-	110,270
Pointe Shoe Appeal	-	43,661	(43,662)	-	-
Production and Performance	-	205,000	(205,000)	-	-
Orchestral Projects	-	6,500	(6,500)	-	-
Education Projects	-	176,100	(176,100)	-	-
	<u>110,270</u>	<u>431,262</u>	<u>(431,262)</u>	<u>-</u>	<u>110,270</u>

## BIRMINGHAM ROYAL BALLET

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

#### 18. MOVEMENTS ON FUNDS (continued)

##### a) Restricted Funds (Group and Charity)

	At 3 April 2016 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2017 £
Cross Border Touring	110,270	-	-	-	110,270
Pointe Shoe Appeal	-	45,372	(45,372)	-	-
Education Projects	-	183,423	(183,423)	-	-
Tempest Production	-	66,250	(66,250)	-	-
	<u>110,270</u>	<u>295,045</u>	<u>(295,045)</u>	<u>-</u>	<u>110,270</u>

The Pointe Shoe appeal represents a fundraising scheme which helps keep ballerinas on their toes.

There were a number of production and performance, engagement and education projects funded by restricted grants and donations.

##### b) Designated funds (Group and Charity) comprise amounts set aside by the Directors in respect of:

	At 1 April 2017 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2018 £
Capital Grants Fund	144,263	-	-	-	144,263
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	-	150,000
Thorp Street Refurbishment	2,394,247	-	(108,830)	-	2,285,418
	<u>2,865,786</u>	<u>-</u>	<u>(108,830)</u>	<u>-</u>	<u>2,756,957</u>

	At 3 April 2016 £	Income in the period £	Expenditure in the period £	Transfer in the period £	At 31 March 2017 £
Capital Grants Fund	144,263	-	-	-	144,263
Community Engagement Fund	177,276	-	-	-	177,276
New Productions Fund	150,000	-	-	-	150,000
Thorp Street Refurbishment	2,503,077	-	(108,830)	-	2,394,247
	<u>2,974,616</u>	<u>-</u>	<u>(108,830)</u>	<u>-</u>	<u>2,865,786</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.

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

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 18. MOVEMENTS ON FUNDS (continued)

#### c) Unrestricted, undesignated funds (Group):

	At 1 April 2017 £	Net inflows in the period £	Transfer in the period £	At 31 March 2018 £
General funds	699,192	(45,489)	187,900	841,603
	<u>699,192</u>	<u>(45,489)</u>	<u>187,900</u>	<u>841,603</u>

	At 3 April 2016 £	Net inflows in the period £	Transfer in the period £	At 31 March 2017 £
General funds	758,518	(59,326)	-	699,192
	<u>758,518</u>	<u>(59,326)</u>	<u>-</u>	<u>699,192</u>

#### c) Unrestricted, undesignated funds (Charity):

	At 1 April 2017 £	Net inflows in the period £	Transfer in the period £	At 31 March 2018 £
General funds	699,192	(45,488)	187,900	841,604
	<u>699,192</u>	<u>(45,488)</u>	<u>187,900</u>	<u>841,604</u>

	At 3 April 2016 £	Net inflows in the period £	Transfer in the period £	At 31 March 2017 £
General funds	758,518	(59,326)	-	699,192
	<u>758,518</u>	<u>(59,326)</u>	<u>-</u>	<u>699,192</u>

## BIRMINGHAM ROYAL BALLET

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

#### 18. MOVEMENTS ON FUNDS (continued)

d) Endowment funds (Group and Charity) :

	At 1 April 2017 £	Inflows in the period £	Transfer in the period £	At 1 April 2018 £
Catalyst/Cadbury Family Endowment Fund	2,532,925	70,389	(187,900)	2,415,414
	<u>2,532,925</u>	<u>70,389</u>	<u>(187,900)</u>	<u>2,415,414</u>

	At 2 April 2016 £	Inflows in the period £	Transfer in the period £	At 2 April 2017 £
Catalyst/Cadbury Family Endowment Fund	2,093,560	439,365	-	2,532,925
	<u>2,093,560</u>	<u>439,365</u>	<u>-</u>	<u>2,532,925</u>

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

The transfer of funds from the Endowment Fund to the General Reserve represents the accumulated dividend income since the inception of the fund to reimburse a proportion of the cost of Cadbury Dance Fellows who have worked with Birmingham Royal Ballet since 2013/14. The Board agreed that these funds could be withdrawn from the Endowment fund in June 2017 on the basis that the investment was stable and growing.

## BIRMINGHAM ROYAL BALLET

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

#### 18. MOVEMENTS ON FUNDS (continued)

e) Allocations of net assets between funds (Group):

	2018 Unrestricted funds £	2018 Restricted funds £	2018 Endowment funds £	2018 Total funds £
Investments	-	-	2,415,414	2,415,414
Cash at Bank and in Hand	112,300	73,763	-	186,063
Debtors	2,492,385	36,507	-	2,528,895
Stocks	85,449	-	-	85,449
Fixed Assets	2,572,502	-	-	2,572,502
Creditors	(1,664,079)	-	-	(1,664,079)
	<u>3,598,560</u>	<u>110,270</u>	<u>2,415,414</u>	<u>6,124,244</u>

#### 2017 Comparatives

	2017 Unrestricted funds £	2017 Restricted funds £	2017 Endowment funds £	2017 Total funds £
Investments	1	-	2,532,925	2,532,926
Cash at Bank and in Hand	275,616	73,763	-	349,379
Debtors	2,181,782	36,507	-	2,218,289
Stocks	83,444	-	-	83,444
Fixed Assets	2,733,640	-	-	2,733,640
Creditors	(1,709,505)	-	-	(1,709,505)
	<u>3,564,978</u>	<u>110,270</u>	<u>2,532,925</u>	<u>6,208,173</u>

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 18. MOVEMENTS ON FUNDS (continued)

e) Allocations of net assets between funds (Charity):

	2018 Unrestricted funds £	2018 Restricted funds £	2018 Endowment funds £	2018 Total funds £
Investments	1	-	2,415,414	2,415,415
Cash at Bank and in Hand	112,300	73,763	-	186,063
Debtors	2,492,389	36,507	-	2,528,896
Stocks	85,449	-	-	85,449
Fixed Assets	2,572,502	-	-	2,572,502
Creditors	(1,664,080)	-	-	(1,664,080)
	<u>3,598,562</u>	<u>110,270</u>	<u>2,415,414</u>	<u>6,124,245</u>

### 2017 Comparatives

	2017 Unrestricted funds £	2017 Restricted funds £	2017 Endowment funds £	2017 Total funds £
Investments	1	-	2,532,925	2,532,926
Cash at Bank and in Hand	275,616	73,763	-	349,379
Debtors	2,181,782	36,507	-	2,218,289
Stocks	83,444	-	-	83,444
Fixed Assets	2,733,640	-	-	2,733,640
Creditors	(1,709,505)	-	-	(1,709,505)
	<u>3,564,978</u>	<u>110,270</u>	<u>2,532,925</u>	<u>6,208,173</u>

### 19. EMPLOYEE RETIREMENT BENEFITS

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2018 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2018 £	2017 £
Dancers' Pension Scheme	111,753	122,197
Birmingham Royal Ballet Pension Scheme	124,047	113,870
Musicians' Union Pension Scheme	67,753	69,023
	<u>303,554</u>	<u>305,090</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2017-18 the company contributed a total of £46,580 (2016-17: £50,532).

As of 31 March 2018 there were £39,700 outstanding contributions due in respect of the current reporting period (2017: £819).

# BIRMINGHAM ROYAL BALLET

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2018

### 20. FINANCIAL COMMITMENTS – GROUP AND CHARITY

#### Operating lease commitments

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

	2018		2017	
	Land and buildings £	Other £	Land and buildings £	Other £
<b>Charity</b>				
- expiring within one year	235,000	4,694	235,000	4,694
- expiring between one and five years	395,000	5,650	630,000	9,387
- expiring after five years				
	<u>630,000</u>	<u>10,344</u>	<u>865,000</u>	<u>14,081</u>

### 21. RELATED PARTY TRANSACTIONS

No Director received payment for professional or other services supplied to the charity during the year (2017: £nil).

Total donations received from the directors during the year was £32,000 (2017: £3,536).

All transactions between charity and the subsidiary, BRB Production Services Limited, are eliminated on consolidation

### 22. CASHFLOW STATEMENT

Reconciliation of net income/(expenditure) to net cash flow from operating activities:

	2018 £	2017 £
Net (expenditure)/income for the year (before investment gains and losses)	(107,065)	(126,782)
Adjustments for:		
Dividends and interest receivable	(63,479)	(56,505)
Depreciation charges	214,346	228,361
	<u>43,802</u>	<u>45,074</u>
Operating cash flow before movement in working capital	43,802	45,074
(Increase) / Decrease in stocks	(2,005)	5,718
(Increase) in debtors	(310,607)	(458,446)
(Decrease) in creditors	(45,425)	(6,353)
<b>Net cash provided by (used in) operating activities</b>	<u>(314,235)</u>	<u>(414,007)</u>