

Company Registration No 3320538
Registered Charity No: 1061012

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

Report and Financial Statements

31 March 2012

SATURDAY



A1KXEDQG

A34

03/11/2012

#34

COMPANIES HOUSE

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	20
Independent auditor's report	21
Statement of financial activities	23
Balance sheet	24
Cash flow statement	25
Notes to the accounts	26

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Professor Michael Clarke CBE DL (Chair)

Councillor Margaret Waddington
Councillor Ian Ward (resigned 17 October 2011)
Mrs Janet Smith
Mr Kirk Dawes QPM (resigned 17 October 2011)
Mr Timothy Clarke
Mr Charles Glanville
Mr Charles Parker
Ms Lesley Thomson
Mrs Susan Harrison (appointed 13 June 2011)
Dame Jenny Abramsky (appointed 13 June 2011)
Mrs Rebecca Jones (appointed 13 June 2011)
Mr Ross MacGibbon (appointed 13 June 2011)
Councillor Des Hughes (appointed 26 March 2012)

SECRETARY

Mrs Anna Williams FCA, DChA

Registered in England & Wales
Company Number 3320538

Registered Charity Number 1061012

REGISTERED OFFICE

Thorp Street
Birmingham
B5 4AU

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

Pinsent Mason LLP
3 Colmore Circus
Birmingham
B4 6BH

Martineau
No 1 Colmore Square
Birmingham
B4 6AA

AUDITOR

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

The directors have pleasure in presenting their annual report and the audited financial statements for the period ended 31 March 2012

STATUS, OBJECTS AND POLICIES

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

The objects of the company are to advance the education of the public in the arts and sciences of ballet, dance, music and drama

GOVERNANCE STRUCTURE

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

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

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

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

All new Directors receive a comprehensive information pack, a tour of the company and opportunities to meet with The Director, Chief Executive and other senior members of staff as necessary All Directors have regular access to performances, learning and other events so that they are familiar with the work of the company An extended board session is held annually in the summer giving opportunities to discuss subjects such as artistic policy and planning, diversity and governance In June 2011 this session looked at future planning and governance

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

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

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

Organisation

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

Directors' Interests in Related Bodies

Body	Director
Governors of the Royal Ballet	Professor Michael Clarke Dame Jenny Abramsky (appointed 13 June 2011)
Birmingham City Councillors	Councillor Des Hughes (appointed 26 March 2012) Councillor Margaret Waddington Councillor Ian Ward (resigned 17 October 2011)

Reimbursements to Directors

Reimbursements of expenses were made to two Directors during the period, totalling £2,602 (2010-11 £3,520)

RISK MANAGEMENT

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

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

The review of risks for 2011-12 identified strategic risks as follows, most remaining the same as in 2010-11 due to the pressures on funding and prevailing economic conditions including high inflation:

- Ongoing difficulty in recruiting dancers due to the introduction of the permanent cap on immigration introduced in 2011 and changes to the application process for work permits as well as the challenges finding suitably skilled dancers
- Risks associated with failures to achieve income, particularly fundraising, and the uncertain economic outlook impacting on consumer confidence
- Withdrawals or reduction of funding from major funders (Arts Council England and Birmingham City Council) - reduced funding levels have been confirmed for 2011-12 and 2012-13 by Arts Council England. Birmingham City Council has reduced its funding in 2011-12 and has indicated that settlements from 2012 onwards are likely to see reductions over the period to 2015
- Increasing inflation resulting in pressures on costs and pay settlements to staff

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

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' REPORT

PUBLIC BENEFIT

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

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

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

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

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

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

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

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

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' REPORT

OBJECTIVES AND ACTIVITIES

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

The main objectives for 2011-12 were as follows

Creativity and Performances:

- Commence work on making Birmingham Royal Ballet's new production of David Bintley's Aladdin (originally created for National Ballet of Japan) to be premiered 2013 and Prince of the Pagoda's co-produced with the National Ballet of Japan be premiered in 2014
- Develop the reach of our UK touring circuit whilst ensuring that our touring activity remains cost effective and delivers value for money including reviewing the format of midscale presentation and midscale venues
- Maintain an increased London presence with at two regular performance seasons per annum (one week at Sadlers Wells and one week at The Coliseum) plus an additional Christmas season of The Nutcracker at the O2 Arena (December 2011)
- Undertaking at least two overseas tours, one to Japan (May 2011) and Dublin (July 2011)

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

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

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

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

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

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

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

- Developing plans to further our relationship with Birmingham City Council Youth Services based on the outcomes of the Ballet, Birmingham and Me project
- Using the Warwick University evaluation of Ballet, Birmingham and Me to develop a range of outcome indicators that can be used to demonstrate the value of Birmingham Royal Ballet community engagement work to help develop relationships with other organisations and funders to help develop and support work
- Continuing Dance Track in the North and South of Birmingham and review possibilities for any further expansion
- Agreeing a strategy for the development of Freefall Dance Company
- Continuing to participate in Birmingham City Council initiatives such as Arts Champions Scheme (Perry Barr Constituency) and Artsfest

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

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

- Supporting government initiatives to offer training and work placements to long term unemployed individuals

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

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

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

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

PRODUCTIONS AND PERFORMANCES

Birmingham Royal Ballet has completed another busy year and continues to perform the widest range of ballet repertory available to audiences throughout the United Kingdom.

The complete repertory performed during the year was

Ballet	Choreography	Music
Cinderella	Bintley	Prokofiev
Slaughter on Tenth Avenue	Balanchine	Rodgers
Allegri Divers	Bintley	Rossini
Sleeping Beauty	Petipa/Wright	Tchaikovsky
Daphnis and Chloe	Ashton	Ravel
The Dream	Ashton	Mendelssohn
Coppelia	Wright	Delibes
Carmina Burana	Bintley	Orff
Beauty and the Beast	Bintley	Buhr
Symphonic Variations	Ashton	Franck
Checkmate	De Valois	Bliss
Pineapple Poll	Cranko	Sullivan arr Mackerras

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

DIRECTORS' REPORT

La Fille mal Gardee	Ashton	Herold arr Lanchbery
The Nutcracker	Ivanov/Wright/Redmon	Tchaikovsky
Hobson's Choice	Bintley	Reade
Two Pigeon's	Ashton	Messenger

In 2011-12 the company gave

- 140 performances - 59 in Birmingham, 67 on tour in the UK and 14 overseas (2010-11 148 performances)
- Audiences of approximately 200,000 (2010-11 168,000)

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

DIRECTORS' REPORT

Full repertory by venue was as follows

VENUE (S)	DATE	PROGRAMME
London Coliseum	April 2011	Cinderella
Gala Durham Theatre Royal, York	April 2011	Slaughter on 10 th Avenue and ballet excerpts
Octagon Theatre, Yeovil Hall for Cornwall	April 2011	Allegri Diversi and ballet excerpts
Japan various venues	May 2011	Sleeping Beauty
Japan various venues	May 2011	Daphnis and Chloe The Dream
The Lowry Salford Birmingham Hippodrome Grand Canal Theatre Dublin Empire Theatre Sunderland London Coliseum	June/July 2011 and March 2012	Coppella
Birmingham Hippodrome	June 2011	Allegri Diversi, Carmina Burana
Birmingham Hippodrome The Lowry Salford	September 2011 and January 2012	Beauty and the Beast
Birmingham Hippodrome Theatre Royal - Plymouth Sadlers Wells, London	October 2011	Symphonic Variations, Checkmate, Pineapple Poll
Theatre Royal - Plymouth Sadlers Wells, London Empire Theatre Sunderland	October 2011	La Fille Mal Gardee
Birmingham Hippodrome O2 Arena, London	December 2011	The Nutcracker
Birmingham Hippodrome	February 2012	Hobson's Choice
Birmingham Hippodrome London Coliseum	February and March 2012	Daphnis and Chloe, Two Pigeons

April 2011 – Midscale tour

The financial year commenced with a week of midscale touring to Durham, York, Yeovil and Truro with a revised performance format comprising one act ballets and popular ballet excerpts. The format proved popular with audiences. However, the revised presentation also limited live music accompanying the performances (to reduce costs) and, on review, this was felt to diminish the audience experience and not appropriate for Birmingham Royal Ballet presentation and live music (as required) will be reinstated for the 2012-13 midscale tour.

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' REPORT

May 2011 – Japan tour

The company gave ten performances during the tour, visiting five venues in Yokohama, Tokyo, Nagoya and Osaka. All performances were warmly received by full houses.

Birmingham Royal Ballet was proud to be the first major arts organisation to tour to Japan following the March 2011 tsunami and hosted a benefit performance for Japan Earthquake and Tsunami Relief on 17 May 2011 where students of Elmhurst School for Dance presented 1,000 origami cranes (made by the students) at the end of the gala evening as sign of the company's and school's support for the Japanese people. Miyako Yoshida (former Birmingham Royal Ballet and Royal Ballet Principal Dancer) and Tamara Rojo (Royal Ballet Principal Dancer) gave guest performances with the company.

Summer 2011

The summer programme opened in Birmingham with *Coppelia*, Peter Wright's enchanting production of the popular ballet with a sparkling score and breathtaking choreography, followed by a mixed programme of *Allegri Diversi*/Carmina Burana, two contrasting ballets by David Bintley.

Coppelia was toured to Salford and Dublin with Birmingham Royal Ballet's first visit to the Republic of Ireland being enthusiastically received.

Autumn 2011

The 2011/12 performance season opened with David Bintley's gothic fairytale *Beauty and the Beast* and Autumn Glory programme comprising three heritage works *Checkmate*, *Symphonic Variations* and *Pineapple Poll*.

La Fille mal Gardee (reprised from March 2011) and *Autumn Glory* were toured to Sunderland, London and Plymouth enjoying good audiences and achieving box office target overall for the autumn tour.

On returning to Birmingham The Royal Ballet Sinfonia commenced a new collaboration with Birmingham Cathedral with its inaugural concert in the cathedral on 24 November 2011 with music by Haydn, Mozart, and Saint-Saens and the world premiere of *True Light* (a setting of John 1:1-14) by the rising young British composer Alexander Campkin.

December 2011

Sir Peter Wright's world famous production *Nutcracker* returned for the Christmas season in Birmingham. This magical production continues to delight audiences generating Birmingham Royal Ballet's best ever box office income for this production in Birmingham. The *Nutcracker* was then transported to London's O2 Arena for six performances between Christmas and the New Year. Audience figures were estimated to be in excess of 30,000.

Presenting such a complex production in a large arena setting proved technically very challenging but the end result was spectacular and has helped Birmingham Royal Ballet start to develop a model for adapting other productions for future arena presentations.

January 2012

In the New Year, *Beauty and the Beast* was toured to Salford to excellent audiences with box office target exceeded. The Salford visit was accompanied by learning workshops for participants ranging in age from pre-school children to senior citizens.

February/March 2012

The winter/spring 2012 programme opened in Birmingham with *Hobson's Choice*, David Bintley's modern classic based on the play by Harold Brighouse. *Spring Passions* comprising two heritage works based on classic love stories (*Daphnis and Chloe* and *Two Pigeons*) concluded the Birmingham Season.

Coppelia (from Summer 2012) was toured to Sunderland and the London Coliseum and *Spring Passions* was also performed at London Coliseum.

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' REPORT

AUDIENCE DEVELOPMENT

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

- Ongoing website development to improve access and understanding through greater use of video clips, diaries, blogs
- Identifying target groups for promotions/complementary seats including Arts Champion scheme participants, cultural cold spot postcode areas and previous non attenders responding to radio promotions
- Competitions giving opportunities to attend a performance
- Sunday performances of Beauty and the Beast and The Nutcracker
- Early evening performances of The Nutcracker
- Pointe Blank project, exhibiting original artwork inspired by Hobson's Choice at Birmingham Royal Ballet, online and exhibition spaces in Birmingham

ORCHESTRAL WORK

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

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

- Work for other companies including Dutch National Ballet at Sadlers Wells and The Most Incredible Thing (Pet Shop Boys) at Sadlers Wells
- Birmingham Cathedral concert (November 2011) plus a lunchtime recital at the cathedral by a quartet of musicians in February 2012
- The annual Music and Dance concert at Symphony Hall, Birmingham (February 2012)

DEPARTMENT FOR LEARNING

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

678 sessions were delivered to 11,544 attendees

- 43% of participants were male
- 16% of sessions were aimed at participants with a disability
- 5% of sessions were aimed at BME participants

Workshops were held in Birmingham and on tour in Plymouth, Salford and Sunderland. Learning work on tour is now integrated with the touring programme and core to Birmingham Royal Ballet's learning strategy. Work in Sunderland included participants from special schools in the area integrated with mainstream secondary school pupils

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

During the year new relationships have been developed with

- Perry Barr Constituency (Birmingham) as part of the Arts Champions Scheme (Birmingham City Council)
- Birmingham Ormston Academy
- Aston Villa (talent development)
- Coventry University
- NHS (working with learning disability)
- Midlands Arts Centre (MAC) and MENCAP for the 'We Dance' Project as part of the Cultural Olympiad

Longer term learning initiatives include

Dance Track

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

Freefall Dance Company (talented adults with severe learning difficulties)

Freefall Dance Company has performed at Artsfest (September 2011) and The Patrick Centre (March 2012) and its outreach work programme has included

- PGCE PE teachers - Birmingham University
- Occupational Therapy students - Coventry University
- Schools Network Conference
- Junior Freefall group, as feeder to main company
- We Dance in partnership with MAC and MENCAP – funded by Dancing for the Games as part of the Cultural Olympiad

Ballet Birmingham and Me (BB&Me) Legacy Projects

The 'B5 Pass it on' legacy project from BB&Me brought together young people who participated in the BB&Me performance project (2010-2011) together with new participants to produce a performance which was performed in March 2012. New participants in the legacy project included

- Al Furqan Community College – working with Muslim girls
- Wheelers Lane boys School – working with boys that don't always engage with learning activity in school

Development of the Youth Artistic Board (established in 2010 during BB&Me) into young advocates for Birmingham Royal Ballet has continued

The final phase of BB&Me legacy projects during Summer 2012 will focus on the development of a healthy lifestyles qualification and healthy lifestyles workshops based on dance

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

ORGANISATIONAL DEVELOPMENT

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

Governance Structures

- Board extended session June 2011 focussing on governance
- New board members appointed in June 2011 to increase board skills in respect of classical ballet, dance and media
- Governance structure of Board reviewed and revised to ensure best practice

Management Structure and Operations

- Institute of Leadership and Management (ILM) training in conjunction with CBSO and Birmingham Rep - 13 people completed formal training sessions
- Training weeks for all staff groups during Autumn 2011
- Further recognition under the IiP standard until November 2014
- Ongoing development National Association for Dance Medicine & Science (NIDMS) project working towards official launch in May 2012

FINANCIAL REVIEW

The results for the period are set out in the financial statements on pages 23 - 37

The period ended with a surplus on activities of £439,949 and accumulated reserves of £1,938,006 at 31 March 2012 giving measure of financial security as Birmingham Royal Ballet enters a period of reduced funding from 2012/13 to 2014/15

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

2012-13 - £7,256,684

2013-14 - £7,423,588

2014-15 - £7,623,107

Birmingham City Council has confirmed that funding for 2012-13 and 2013-14 will be held at £908,500 per annum allowing time to plan for a further reduction in funding in 2014-15

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

Birmingham Royal Ballet has prepared for the likelihood of reduced funding over the past two years through scenario planning and detailed reviews of its income streams and cost base. During 2011-12, assumptions regarding revisions to the business model have been tested and implemented to reduce core infrastructure costs and net costs of performing as well continuing to develop income from philanthropic giving. Change will continue during 2012-13 so that Birmingham Royal Ballet remains fit to face the inevitable challenges of reduced funding

Incoming resources from charitable activities at £3,329,363 (2010-11 £3,638,495) was lower than the preceding year due mainly to only one performing week at London Coliseum being included in the 2011-12 financial year (two weeks in 2010-11) and only one visit to Plymouth in 2011-12 (two weeks in 2010-11). These have been offset to some extent by higher income from international touring in 2011-12

Total income from donations, membership schemes and other fundraising activity during the year was £835,622 (2010-11. £1,050,911). It was anticipated that fundraising income required to fund activity in 2011-12 would be lower in the absence of any major new productions or large scale learning projects during the year

Fundraising income in respect of 2012-13 has already been secured as follows

- £40,000 grant income to support new one act ballets to be premiered in summer 2012
- £563,000 legacy income to support the new production of Aladdin to be premiered in February 2013

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

Included within donations are gifts received totalling £330,000 from a number of the Cadbury family trusts to create an endowment fund known as the Cadbury Family Endowment

In 2009-10, Birmingham Royal Ballet was successful in obtaining grant funding from The Big Lottery Fund of £392,000 to support the Ballet, Birmingham and Me project £88,000 of this grant was carried forward to 2011-12 to fund the legacy programme of work detailed under the Department for Learning report At 31 March 2012 £32,000 of this grant remained to fund the healthy lifestyle work to be carried out during summer 2012

Income from trusts and foundations for the year was £169,816 (2010-11 £270,450) with support as follows

	£
Pfizer UK Foundation	36,900
The Eranda Foundation	20,000
Whalley White Charitable Trust	10,000
David Hammond Charitable Foundation	10,000
The Patrick Trust	6,000
SFIA Educational Trust	5,000
Souter Charitable Trust	5,000
Ensix Charitable Trust	5,000
GJW Turner Trust	5,000
Evan Cornish Foundation	5,000
Newby Trust	5,000
Rowse Family Trust	5,000
Zochonis Trust	5,000
Baron Davenport Charitable Trust	3,000
Eveson Charitable Trust	3,000
The George Fentham Birmingham Charity	3,000
The Alison Hillman Charitable Trust	3,000
Birmingham Bullring	2,402
Lord Austin Trust	2,000
The Loppylugs and Barbara Morrison Charitable Trust	2,000
The Douglas Turner Trust	2,000
Clare King Charitable Trust	2,000
Roughley Trust	2,000
Guido Charitable Trust	2,000
The Boshier-Hinton Foundation	2,000
Calleva Foundation	1,500
Grantham Yorke Charitable Trust	1,500
Norton Foundation	1,000
John Feeney Charitable Trust	1,000
W E Dunn Charitable Trust	1,000
Saintbury Trust	1,000
Birmingham Decorative and Fine Arts Society	1,000
St Thomas' Dole Charity	1,000
Bryant Trust	1,000
Anonymous	1,000

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

Sem Trust	1,000
David Solomon Charitable Trust	1,000
Coutts Charitable Trust	750
Sir Jules Thorn Charitable Trust	600
Wilmcote Charitable Trust	500
The Grey Court Trust	500
George Henry Collins Trust	500
Douglas Heath Eves Charitable Trust	500
The Marsh Christian Trust	450
Lloyds Banking Group	432
Lloyds TSB Foundation for England and Wales	432
Chatwin Trust	250
Sweet Pea Charitable Trust	250
Henry James Sayer Charity	200
Charles Brotherton Trust	150
Total Income	169,816

Ensuring that resources are well used in the furtherance of Birmingham Royal Ballet's charitable objects remains a priority.

Expenditure on charitable activities in the year was £11,865,070 - 97% of total resources expended (2010-11 £13,868,423 - 97%) Direct Charitable costs were lower in 2011-12 than 2010-11 as planned activity for the year did not include any major new productions or large scale learning projects as compared with 2010-11 It was always anticipated that 2011-12 would be a quieter year in order to consolidate plans for addressing reduced funding for the period to 2015 as well as planning for a number of significant new works to be premiered in this period Additional orchestra project work was very low during the year but this seems to have been an exception with contracted activity increasing back to normal levels in 2012-13

Expenditure on core overheads and infrastructure costs remain consistent with 2010-11 and a number of posts have been held vacant in order to mitigate the impact of the shortfalls in income

The primary financial management policies are

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

As in previous years our principal funding sources are

- Arts Council England – £7,598,622 revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering performances and activities including touring nationally, middle scale touring, audience development activity and our learning and outreach programme
- Birmingham City Council – £908,500 revenue funding to contribute towards Birmingham Royal Ballet'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 67% of total income (2010-11 66%)

Other sources of funding are as follows

- Earned income – from charitable activities including revenue generated from performing activity, production hires and sales, fees for orchestral activities and revenue from education activity. Income from these sources was 27% of total income (2010-11 25%)
- Fundraising activities and membership schemes

Reserves Policy

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

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

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

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

Designated funds include

- **Capital Fund** – being funds designated for investment in major projects to purchase new or replace existing fixed assets
- **Community Engagement Fund** – represents funds received from the sale of investments by Birmingham Royal Ballet Trust prior to the winding up of the Trust on 31 March 2005 to support educational activities particularly in association with dance and choreographic training. The use of these funds has been widened and re-designated to support further development of our community engagement activity in accordance with our 2011-14 Business Plan
- **New Production Fund** - to support investment in new productions that will increase the repertory available for performances where funding is not available from private philanthropic sources
- **Cadbury Family Fund** – represents funds designated for the Cadbury Family Endowment Fund

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

Investment Policy

The investment policy was reviewed in 2011 and a revised investment policy agreed in December 2011 as follows

- **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
 - tradability in the event of the need to liquidate assets
- **Long term investments and endowment funds** - Funds held for the long term (a minimum of three years but more likely to be in excess of five years) or as a permanent endowment are held for the purpose of securing a financial return which can be applied in the furtherance of Birmingham Royal Ballet's charitable objects and cannot be used in a way which would erode the capital of the fund, subject to any special provisions which would allow the expenditure of capital in certain circumstances. If it is deemed appropriate to manage funds constituted as a permanent endowment on a total returns basis then Charity Commission approval will be obtained before such an approach can be implemented
- **Acceptable risk** - Funds invested for the short to medium term will be held in low risk deposit accounts or fixed interest investments in order to avoid significant reductions in capital value and will be available to liquidate over a maximum of 12 months. Long term investments and endowments will be held across a mixed portfolio of investments to achieve both capital growth and return over the long term (minimum of five to seven years). It is accepted that some investments within the portfolio may be higher risk but overall the portfolio should not be exposed to more than a medium risk profile to balance the opportunity for increased investment returns against the risk of capital loss. It is accepted that the investments held for the long term are likely to see volatility over the short to medium term and may even have periods of negative return for certain asset classes

Taxation

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

PLANS FOR FUTURE PERIODS

The following core objectives have been identified in our 2012-15 Business Plan which sets out an ambitious agenda for Birmingham Royal Ballet over the next three years

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

- Create at least two new one act ballets and one new full length ballet(s) - during 2011/12 work will commence on creating *Aladdin* (premiere in 2013), *Prince of the Pagodas* (premiere in 2014), and two one act ballets (to be premiered from 2012 onwards) including 'Faster' with music commissioned from Matthew Hindson and a commission from DanceXchange for the International Dance Festival Birmingham (IDFB)2012
- Develop the reach of our UK touring circuit whilst ensuring that our touring activity remains cost effective and delivers value for money including reviewing the format of midscale presentation
- Maintain an increased London presence with at least two performance seasons per annum. One week at Sadler's Wells and one week at The Coliseum
- Undertake at least two overseas tours
- Develop plans for training of young dancers and choreographers and research opportunities for suitable education and funding structures

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

- Ongoing development of Birmingham Royal Ballet's relationship with National Ballet of Japan, Tokyo as David Bintley continues his role of Artistic Director of both companies

Birmingham Royal Ballet will act as a cultural ambassador by

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

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

- Continue to develop Birmingham Royal Ballet brand to clearly distinguish its identity from other major ballet companies in the UK
- Complete work on aligning sub – brands including
 - The Jerwood Centre for the Prevention and Treatment of Dance Injuries
 - Freefall Dance Company
 - BRB Friends
- Review appropriateness and relevance of title 'Royal Ballet Sinfonia' now Birmingham Royal Ballet's new Music Director, Koen Kessels, is established in his post
- Continue to produce regular publications to communicate with stakeholders and other interested parties

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

- Increase the use of video and music on the website and in e-marketing strategies to increase awareness of and access to Birmingham Royal Ballet
- Agree annual pricing structures and develop annual plans to offer low cost entries to performances in conjunction with the development of repertory plans
- Continue to offer opportunities for behind the scenes access to the work of the company through BRB Friends, Director's Appeal etc to increase access and promote affinity with the company
- Implementing a digital communications strategy through the use of existing and emerging technologies
- Developing an audience database to increase our knowledge and understanding of the profile of our audiences across all performance venues

Community Engagement and Cultural Diversity – BIRMINGHAM ROYAL BALLET wants to reflect the changing population of our city and country through its Community Engagement Action Plan to:

- Develop plans to further our relationship with Birmingham City Council Youth Service based on the outcomes of the Birmingham Ballet and Me (BBandMe) project
- Use Warwick University evaluation of BBandMe to develop a range of outcome indicators that can be used to demonstrate the value of Birmingham Royal Ballet community engagement work to help develop relationships with other organisations and funders to help develop and support work
- Continue Dance Track in the North and South of Birmingham and review possibilities for any further expansion
- Agree strategy for the development of Freefall Dance Company
- Continue to participate in Birmingham City Council initiatives such as Arts Champions Scheme (Perry Barr Constituency) and Artsfest
- Continue Birmingham Royal Ballet's flagship learning programme to achieve the following learning priorities
 - 1 Raising the standard of dance in primary schools
 - 2 Increasing the use of new technology
 - 3 Promoting healthy lifestyles
 - 4 Supporting international touring

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

- Building on the positive progress in demonstrating Birmingham Royal Ballet's contribution and value to the Royal Ballet family
- Continuing the development of the relationship with Elmhurst School for Dance
- Succession planning for board vacancies and senior staff members
- Maintaining Investors in People recognition
- Develop training and skill sharing programme with Birmingham Repertory Theatre and CBSO
- Work with University of Birmingham on their cultural internship programme

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

- Support government initiatives to offer training and work placements to long term unemployed individuals
- Offer apprenticeships or similar opportunities to develop skills to ensure transfer of knowledge and assist in succession planning in the technical department

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

- Fund new work through collaboration with other companies including *Aladdin* a co-production with Houston Ballet, *The Prince of the Pagodas* a co-production with NBJ and reducing production costs and contributing to Birmingham Royal Ballet's international cultural reputation Birmingham Royal Ballet is also being commissioned to create a new work for IDFB 2012
- Continue to articulate the case for support to demonstrate need and create affinity to Birmingham Royal Ballet
- Develop Birmingham Royal Ballet's customer and donor databases
- Confirm major donor campaign target and secure lead campaign gift in 2012/2013
- Secure at least 50% of major donor campaign target by the end of 2012
- Maintain general, unrestricted reserves at a minimum £500,000
- Develop a touring model which strikes an improved balance between costs and income thus reducing the net cost of touring
- Prepare contingency plans to address changing funding scenarios

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

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

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

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

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

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

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

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

- Perform with other companies including Opera North, The Royal Ballet (Royal Opera House) and Sadlers Wells
- Give orchestral concerts including the annual Music and Dance Concert at Symphony Hall, Birmingham
- Undertake regular recording sessions

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

DIRECTORS' REPORT

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

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

Going concern

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

Auditor

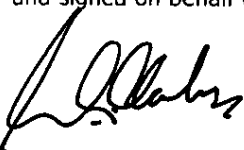
Each of the persons who is a director at the date of approval of this report confirms that

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

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

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

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



Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

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

We have audited the financial statements of Birmingham Royal Ballet for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

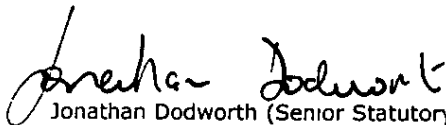
**BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)**

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

Matters on which we are required to report by exception

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

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



Jonathan Dodworth (Senior Statutory Auditor)

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Period ended 31 March 2012

	Note	Un- restricted General £	Restricted Funds £	Endowment Fund	2012 Total Funds £	2011 Total Funds £
Incoming resources:						
<i>Incoming resources from generated funds:</i>						
<i>Voluntary income</i>						
Grants and donations	3	8,919,683	64,962	330,000	9,314,645	10,925,188
<i>Activities for generating funds</i>						
Memberships and other funds	4	97,661	-	-	97,661	73,395
<i>Investment income</i>						
Bank interest receivable		6,222	-	-	6,222	4,206
		<u>9,023,566</u>	<u>64,962</u>	<u>330,000</u>	<u>9,418,528</u>	<u>11,002,789</u>
<i>Incoming resources from charitable activities:</i>						
Performance and related activities	5	3,329,363	-	-	3,329,363	3,638,495
Total incoming resources		<u>12,352,929</u>	<u>64,962</u>	<u>330,000</u>	<u>12,747,891</u>	<u>14,641,284</u>
Resources expended:	6					
<i>Costs of generating funds:</i>						
Costs of generating voluntary income		276,277	-	-	276,277	275,683
Costs of generating memberships and other funds		76,106	-	-	76,106	63,475
<i>Charitable activities:</i>						
Production and performance		11,216,750	13,630	-	11,230,380	12,562,435
Orchestral projects		270,187	-	-	270,187	681,543
Education projects		299,055	65,448	-	364,503	624,445
<i>Governance costs</i>		90,489	-	-	90,489	88,582
Total resources expended		<u>12,228,864</u>	<u>79,078</u>	<u>-</u>	<u>12,307,942</u>	<u>14,296,163</u>
Net incoming/ (outgoing) resources for the period before transfers, being net income/ (expenditure)	8	124,065	(14,116)	330,000	439,949	345,121
Transfers	13	(486)	486	-	-	-
Net incoming resources for the period after transfers		123,579	(13,630)	330,000	439,949	345,121
Opening funds		<u>1,466,389</u>	<u>31,668</u>	<u>-</u>	<u>1,498,057</u>	<u>1,152,936</u>
Closing funds		<u>1,589,968</u>	<u>18,038</u>	<u>330,000</u>	<u>1,938,006</u>	<u>1,498,057</u>

All the above results are derived from continuing activities

All gains and losses recognised in the period are included above. The surplus for the period for Companies Act purposes comprises the net surplus for the period of £439,949 (2011: £345,121 surplus)

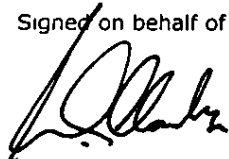
BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

BALANCE SHEET
31 March 2012

	Note	31 March 2012 £	02 April 2011 £
FIXED ASSETS			
Tangible assets	9	342,097	347,485
CURRENT ASSETS			
Stocks	10	59,044	61,106
Debtors	11	1,044,892	810,803
Cash at bank and in hand		<u>2,866,204</u>	<u>2,154,898</u>
		3,970,140	3,026,807
CREDITORS: amounts falling due within one year	12	<u>(2,374,231)</u>	<u>(1,876,235)</u>
NET CURRENT ASSETS		<u>1,595,909</u>	<u>1,150,572</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,938,006</u>	<u>1,498,057</u>
FUNDS			
Unrestricted designated funds	13	527,276	477,762
Unrestricted general funds	13	1,062,692	988,627
Restricted funds	13	18,038	31,668
Endowment fund	13	330,000	-
		<u>1,938,006</u>	<u>1,498,057</u>

These financial statements of Birmingham Royal Ballet (registered number 3320538) were approved by the Board of Directors on 16 October 2012

Signed on behalf of the Board of Directors



Professor Michael Clarke
Trustee

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
Period ended 31 March 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	15	800,663	945,726
Returns on investments	16	6,222	4,206
Capital expenditure and financial investment	16	(95,579)	(96,734)
Increase in cash in the period		<u>711,306</u>	<u>853,198</u>
Reconciliation of net cash flow to movement in net funds			
Increase/ in cash in the period		711,306	853,198
Change in net funds resulting from cash flows		<u>711,306</u>	<u>853,198</u>
Net funds at 3 April		<u>2,154,898</u>	<u>1,301,700</u>
Net funds at 31 March		<u>2,866,204</u>	<u>2,154,898</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

1. ACCOUNTING POLICIES

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

Basis of preparation

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

Going concern

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

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

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

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

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

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

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

Incoming resources

Deferred income

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

Grants receivable

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

Capital funds comprise grants/donations towards the cost of fixed assets to be used by the company for its charitable purposes. Such income may not be treated as a deduction from the capital cost, therefore the depreciation on the underlying asset is charged to the appropriate fund.

Investment income

Investment income is recognised on an accruals basis.

Resources expended

Expenditure

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

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

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

Resources expended (continued)

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

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

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

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

New production and revivals

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

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

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

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

Operating leases

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

Pension costs

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

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

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

Tangible fixed assets

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

Office equipment	10 - 25% per annum
Computer equipment	25% per annum
Technical equipment	10 - 33 3% per annum
Assets transferred from ROH	
Premises	Written off over the remaining life of the lease

Fixed assets below £1,000 are not capitalised

Stock

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

Fund accounting

Unrestricted funds

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

Restricted funds

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

Designated funds

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

Endowment funds

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

Taxation

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

2. FUTURE FUNDING

The Company is dependent on the continuing financial support of Arts Council England and Birmingham City Council. Income from these sources in 2010-11 totalled £8,511,722 representing 68% of total income

Arts Council England and Birmingham City Council have committed revenue funding of £7,256,868 and £908,500 respectively for the 2012/13 financial year

3. VOLUNTARY INCOME

	2012 Un- restricted Funds	2012 Restricted Funds	2012 Endowment Fund	2012 Total Funds	2011 Total Funds
	£	£		£	£
Grants:					
Arts Council England					
Revenue funding	7,598,622	-	-	7,598,622	8,161,785
Cross Border Touring	-	-	-	-	139,856
Sustain	-	-	-	-	150,000
Dancing for the Games	-	-	-	-	72,472
Managed Funds	600	-	-	600	5,000
Birmingham City Council					
Revenue funding	908,500	-	-	908,500	1,113,436
Partnership Funding – USA tour	-	-	-	-	20,000
Creative Futures	-	-	-	-	4,000
Arts Champions Scheme	4,000	-	-	4,000	-
Big Lottery Fund					
Birmingham Ballet and Me	-	56,000	-	56,000	281,123
Awards for All – Dance Track	-	8,962	-	8,962	-
Donations					
Grants – Trusts and Foundations	169,816	-	311,000	480,816	270,450
Legacies	50,000	-	-	50,000	332,485
Other	188,145	-	19,000	207,145	374,581
	<u>8,919,683</u>	<u>64,962</u>	<u>330,000</u>	<u>9,314,645</u>	<u>10,925,188</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

4 ACTIVITIES FOR GENERATING FUNDS

	2012 Un- restricted funds £	2011 Total funds £
Memberships	90,393	37,208
Sponsorship	-	25,000
Sale of merchandise	7,268	11,187
	<u>97,661</u>	<u>73,395</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2012 Un- restricted funds £	2011 Total funds £
Performance and related activities		
Box office income	2,291,155	2,632,120
Performance Fees – UK performances	186,352	-
Overseas touring	401,640	191,813
Production sales and hires	119,324	110,439
Programmes	118,496	130,395
Friends	35,648	32,337
Director's appeal	-	37,649
Orchestra projects	89,888	442,387
Education	34,536	31,299
Other fees and services	52,324	30,056
	<u>3,329,363</u>	<u>3,638,495</u>

Director's Appeal income of £39,116 for 2011-12 is included under membership income

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct staff Costs 2012 £	Other direct Costs 2012 £	UNRESTRICTED FUNDS				Total 2011 £
			Support costs 2012 £	Premises 2012 £	Depreciation 2012 £	Expenditure 2012 £	
Costs of generating funds:							
Costs of generating voluntary income	189,525	77,756	4,091	4,346	559	276,277	275,683
Costs of generating memberships and other funds	30,293	27,594	8,408	8,693	1,118	76,106	63,475
Charitable activities:							
Production and performance	7,032,148	2,907,312	674,180	512,878	90,232	11,216,750	12,549,843
Orchestra projects	237,284	23,681	4,317	4,346	559	270,187	681,543
Education projects	149,887	102,539	21,894	21,732	3,003	299,055	269,694
Governance costs	56,911	24,581	4,092	4,346	559	90,489	88,582
Total - Unrestricted	7,696,048	3,163,463	716,982	556,341	96,030	12,228,864	13,928,820

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

6. ANALYSIS OF TOTAL RESOURCES EXPENDED - CONTINUED

	RESTRICTED FUNDS						
	Direct staff Costs 2012 £	Other direct Costs 2012 £	Support costs 2012 £	Premises 2012 £	Depreciation 2012 £	Expenditure 2012 £	Total 2011 £
<i>Charitable activities:</i>							
Production and performance – New Media Project	-	-	-	-	13,630	13,630	12,592
Education projects – Birmingham Ballet and Me Dance Track	1,040	55,446 8,962	-	-	-	56,486 8,962	354,751
Total - Restricted	<u>1,040</u>	<u>64,408</u>	<u>-</u>	<u>-</u>	<u>13,630</u>	<u>79,078</u>	<u>367,343</u>
	Direct staff Costs 2012 £	Other direct Costs 2012 £	Support costs 2012 £	Premises 2012 £	Depreciation 2012 £	Expenditure 2012 £	Total 2011 £
Total Funds	<u>7,697,088</u>	<u>3,227,871</u>	<u>716,982</u>	<u>556,341</u>	<u>109,660</u>	<u>12,307,942</u>	<u>14,296,163</u>

Support costs comprise £350,189 (2011 £339,994) staff costs and £366,793 (2011 £382,600) overhead costs

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

Premises costs comprise £2,988 staff costs and £553,353 overhead costs

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012	2011
	£	£
Employee costs during the period		
Wages and salaries	6,993,070	7,346,136
Social security costs	736,204	739,877
Pension costs	320,991	407,849
	<u>8,050,265</u>	<u>8,493,862</u>
Average number of full time equivalent employees employed	2012	2012
	No	No
Permanent		
Artists and ballet staff	64	65
Sinfonia and music staff	49	50
Production and technical	18	19
Education	5	5
Support	16	17
Publicity and Development	15	15
Central management and administration	4	4
	<u>171</u>	<u>175</u>
Temporary	2012	2011
	No	No
Support	1	1
Production and technical	13	11
	<u>14</u>	<u>12</u>
Employees with total emoluments greater than £60,000 fell into the following bands:	2012	2011
	No	No
£ 60,001 - £ 70,000	14	11
£ 70,001 - £ 80,000	4	6
£ 80,001 - £ 90,000	1	1
£ 90,001 - £ 100,000	0	0
£ 100,000+	<u>2</u>	<u>2</u>

During the period pension contributions of £71,301 were paid in respect of 19 employees with total emoluments greater than £60,000

The Directors received no remuneration in the period

During the period the total expenses reimbursed to two members of the Board amounted to £2,602 (2011 £3,520) This principally represents reimbursed travelling expenses and sundry expenses incurred in the management of the charity's affairs

The charity has arranged insurance to protect the charity from loss arising from neglect or default of its trustees, employees or agents and to indemnify the trustees and officers from the consequences of any neglect or default on their part. The annual cost of such insurance which covers the trustees and the officers was £2,359 (2011 £2,515)

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

8. NET INCOMING/(OUTGOING)RESOURCES

Net incoming/(outgoing) resources are stated after charging:	2012	2011
	£	£
Operating lease rentals	237,877	237,877
Depreciation of owned assets	109,661	176,828
Profit on disposal of fixed assets	8,694	-
Auditor's remuneration In respect of external audit fees	13,000	13,500
	<u> </u>	<u> </u>

9. TANGIBLE FIXED ASSETS

	Leasehold property	Computers	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 03 April 2011	338,694	418,157	1,173,434	1,930,285
Additions	-	27,435	80,494	107,929
Disposals	-	-	(35,517)	(35,517)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2012	338,694	445,592	1,218,411	2,002,697
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation				
At 03 April 2011	211,494	389,627	981,679	1,582,800
Charge for period	20,247	29,210	60,204	109,661
Disposals	-	-	(31,861)	(31,861)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2012	231,741	418,837	1,010,022	1,660,600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 March 2012	106,953	26,755	208,389	342,097
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 03 April 2011	127,200	28,530	191,755	347,485
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. STOCKS

	31 March 2012	02 April 2011
	£	£
Shoes	55,254	56,252
Merchandise	3,790	4,854
	<u> </u>	<u> </u>
	59,044	61,106
	<u> </u>	<u> </u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

11. DEBTORS

	31 March 2012	02 April 2011
	£	£
Trade debtors	640,744	224,280
Other debtors	87,407	356,527
VAT	-	28,732
Prepayments	316,741	201,264
	<u>1,044,892</u>	<u>810,803</u>

Other debtors includes £63,375 (2010 £63,375) in respect of a rent deposit which is due in more than one year

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2012	02 April 2011
	£	£
Trade creditors	220,824	349,239
Other creditors	71,229	99,362
Taxation and social security	345,242	165,318
Accruals and deferred income	1,736,936	1,262,316
	<u>2,374,231</u>	<u>1,876,235</u>
Movements in deferred income:	2012	2011
	£	£
Balance at 03 April 2011	851,239	645,030
Amounts released during the period	(278,246)	(645,030)
Deferred in the current period	703,682	851,239
Balance at 31 March 2012	<u>1,276,675</u>	<u>851,239</u>

Deferred income at 2 April 2011 comprised Big Lottery Fund Grant income, membership scheme income and donations relating to the periods to 31 March 2012 and 31 March 2013

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

13. FUNDS

a) Restricted Funds

	At 03 April 2011 £	Inflows in the period £	Outflows in the period £	Transfer in the period £	At 31 March 2012 £
New Media Project Fund	31,668	64,962	(79,078)	486	18,038
	<u>31,668</u>	<u>64,962</u>	<u>(79,078)</u>	<u>486</u>	<u>18,038</u>

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

	At 03 April 2011 £	Inflows in the period £	Transfer in the period £	At 31 March 2012 £
Capital Grants Fund	150,000	-	-	150,000
Community Engagement Fund	177,762	-	(486)	177,276
New Productions Fund	150,000	-	-	150,000
Cadbury Family Fund	-	50,000	-	50,000
	<u>477,762</u>	<u>50,000</u>	<u>(486)</u>	<u>527,276</u>

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

The Community Engagement Fund represents amounts received following the decision to wind up Birmingham Royal Ballet Trust. These funds have been re-designated from the former education fund to support community engagement work in accordance with our 2012-2015 Business Plan. £486 has been transferred to restricted funds to support the balance of outstanding costs from the BBandMe legacy projects.

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

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

c) Unrestricted, undesignated funds

	At 03 April 2011 £	Inflows in the period £	Outflows in the period £	At 31 March 2012 £
General fund	988,627	12,302,929	(12,228,864)	1,062,692
	<u>988,627</u>	<u>12,302,929</u>	<u>(12,228,864)</u>	<u>1,062,692</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

13. FUNDS (CONTINUED)

d) Endowment funds

	At 03 April 2011 £	Inflows in the period £	At 31 March 2012 £
Cadbury Family Endowment Fund	-	330,000	330,000
	-	330,000	330,000
	-	330,000	330,000

The Cadbury Family Endowment Fund represents donations received specifically for the purpose of funding dance fellowships to support young dancers with teaching, training and mentoring in perpetuity

14. LIMITED BY GUARANTEE

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

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

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

At 31 March 2012, there were 12 (2011: 9) members of the company

15. RECONCILIATION OF INCOMING RESOURCES TO OPERATING CASH FLOWS

	2012 £	2011 £
Net incoming resources before interest	103,727	340,915
Depreciation	109,661	176,828
Decrease/(Increase) in stocks	2,062	(857)
(Increase)/Decrease in debtors	(234,088)	374,488
Increase in creditors	827,995	54,352
Profit on sales of Fixed Asset	(8,694)	-
Net cash outflow from operating activities	800,663	945,726

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	6,222	4,206
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	107,929	96,734
Disposal of fixed assets	(12,350)	-
Net cash outflow	95,579	96,734

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2012

17. ANALYSIS OF NET FUNDS

	At 03 April 2011 £	Cash flow £	At 31 March 2012 £
Cash in hand and at bank	2,154,898	711,306	2,866,204

18. FINANCIAL COMMITMENTS

Capital commitments

At 31 March 2012 the company had £nil (2011 £nil) capital commitments which were contracted for but not provided in the financial statements

Operating lease commitments

At 31 March 2012, the company was committed to making the following payments during the next year in respect of operating leases

	Premises		Other	
	2012 £	2011 £	2012 £	2011 £
Leases which expire				
Within two to five years	100,000	100,000	5,876	13,503
After five years	132,001	132,000	-	-
	<u>232,001</u>	<u>232,000</u>	<u>5,876</u>	<u>13,503</u>

19. PENSION COSTS

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2012 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below:

	2012 £	2011 £
Dancers' Pension Scheme	109,756	118,960
Birmingham Royal Ballet Pension Scheme	99,307	87,364
Musicians' Union Pension Scheme	63,032	65,975
	<u>272,095</u>	<u>272,299</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Career Development Fund. In 2011-12 the company contributed a total of £48,896 (2010-11 £98,704)

As of 31 March 2012 contributions of £64,222 due in respect of the current reporting period had not been paid over to the schemes (2011 £nil)

20. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2011-12 (2010-11 £nil)