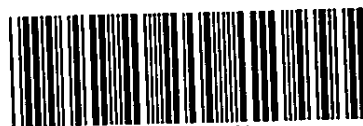


BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

Report and Financial Statements

31 March 2010

MONDAY



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BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

Officers and professional advisers	1
Directors' report	2
Statement of Directors' responsibilities	18
Independent auditors' report	19
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the accounts	24

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Professor Michael Clarke OBE DL (Chair)

Ms Jane Drabble OBE
Councillor Margaret Waddington
Councillor Ian Ward
Mrs Janet Smith
Mr Edmund Wallis
Mr Kirk Dawes QPM
Mrs Marguerite Henson
Mr Timothy Clarke
Mr Charles Glanville
Mrs Penelope Byatt (resigned 20 November 2009)
Mr Charles Parker (appointed 07 December 2009)
Ms Lesley Thomson (appointed 07 December 2009)

SECRETARY

Mrs Anna Williams ACA, 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

Pinsents Mason LLP
3 Colmore Circus
Birmingham
B4 6BH

Cobbetts LLP
One Colmore Square
Birmingham
B4 6AJ

Martineau
No 1 Colmore Square
Birmingham
B4 6AA

AUDITORS

Deloitte LLP
Chartered Accountants & Statutory Auditors
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 2010

STATUS, OBJECTS AND POLICIES

Birmingham Royal Ballet, 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 are responsible for decisions covering the significant areas of Birmingham Royal Ballet's affairs including overall strategy, approval of budgets, approval of major capital expenditure projects, and development of key policies including general treasury and risk management policies To enable the Board 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 is assisted by two sub committees

- The Executive Committee responsible for detailed review of planning documents, budgets and policies prior to recommendation for approval In addition the Executive Committee fulfils the role of the Audit Committee and the Personnel/Remuneration 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) 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 have the right to 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

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, education activities 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 2009 this session was a presentation by David Bintley and John Macfarlane of the designs and synopsis for the new production of Cinderella to be premiered in 2010-11

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's 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	Ms Jane Drabble OBE Mrs Marguerite Henson
Governor of the Royal Ballet School	Mr Edmund Wallis
Birmingham City Councillors	Councillor Margaret Waddington Councillor Ian Ward

Reimbursements to Directors

Reimbursements of expenses were made to three Directors during the period, totalling £2,012 (2008 - £1,635)

RISK MANAGEMENT

The Directors and senior staff 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 2009-10 has identified a changing risk profile with new strategic risks as follows

- The implications of the recession for Birmingham Royal Ballet and managing the organisation successfully through this uncertain period to ensure that the infrastructure remains strong
- Managing staff costs, our largest cost area through the economic downturn

As part of the risk management and assessment process we have held two Board sessions (November 2009 and March 2010) devoted to scenario planning looking at options available to the organisation in the event of a significant decline in income levels

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

We believe that Birmingham Royal Ballet is the UK's most creative and exciting classical ballet company. We aim to inspire audiences with work that is entertaining, relevant, exciting and technically excellent. We are 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 our art form remains vibrant and relevant. We are one of the few ballet companies in the world that not only creates new full length narrative ballets but regularly commissions new music for these works, adding richness to the cultural offer of the country. We also play 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 our major funders, Arts Council England and Birmingham City Council, we present world class performances of the widest possible range of repertory throughout the United Kingdom in both large scale and middle scale venues. We also tour internationally on a regular basis.

We work hard to ensure that cost does not prohibit access to our performances. Tickets for performances in the UK are priced across affordable ranges (between £10 and £45) which reflect the regional economies where we perform. We also offer a wide range of concessions and special offers on ticket prices. Schools can access performances for between £5 and £7.50. We are participating in the Arts Council's 'A Night Less Ordinary' Scheme (launched in February 2009), in Birmingham and Sunderland, making free tickets available to under 26 year olds. Birmingham Royal Ballet performs annually at Artsfest, Birmingham City Council's free arts festival and through projects such as Ballet on the Buses is exploring ways of taking ballet into the community and presenting it in new and unusual settings.

Our performances are supported by our groundbreaking education and community engagement work. We offer opportunities including 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 of our projects include free access to a Birmingham Royal Ballet performance and we continue to work towards the aim that every child in Birmingham will have an opportunity to experience ballet at some point of their school career.

In addition to our education and community engagement work we offer a number of free talks and activity days based around performances and we run membership schemes such as Birmingham Royal Ballet Friends and The Directors' Appeal 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 we believe in the importance of taking the arts to everyone and will work hard, through ballet, dance and music, to break down those barriers perceived or real that exclude people from the pleasure of experiencing or engaging with the arts in their 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 2009-10 were as follows

Creativity and Performances –

- Increasing the repertoire available to the company by creating two new one act ballets
- Maintaining a successful and wide reaching touring circuit including a return visit to the Grand Opera House Belfast funded through cross border touring
- Exploring opportunities for presenting ballet in different or unusual settings
- Developing the choreographic skills of BIRMINGHAM ROYAL BALLET dancers through a choreographic project in February 2010
- Launching the celebrations of our 20th anniversary in Birmingham with a series of gala performances in March 2010

Birmingham Royal Ballet as a cultural ambassador

- Increasing our presence in London by performing during 'Spring Dance' at the London Coliseum
- Planning tours to USA, Japan and China for 2011 and 2012
- Promoting the company's creativity and influence within the international dance sector

Birmingham Royal Ballet's corporate identity and the Birmingham Royal Ballet Brand

- Adopting the company's full name so that we are known as Birmingham Royal Ballet not BIRMINGHAM ROYAL BALLET
- Increasing the availability of video material of rehearsals etc on our website
- Encouraging dancers and members of the company to create diaries and blogs be used on our website to give 'behind the scenes' insight into our work
- Creating a stronger sense of presence of the company at our home base – Birmingham Hippodrome
- Highlighting awards and accreditations
- Exploring new ways to promote the company and to tailor marketing to local venue needs

The Relationship with our Audience

- Programming Sunday performances for The Nutcracker to encourage family attendances
- Encouraging attendance from post code areas with a low attendance rate
- Encourage new audiences with targeted offers and promotions
- Participating in Arts Council England's 'A night less ordinary scheme'

Community Engagement and Cultural Diversity

- Developing our ongoing partnerships with community organisations and initiatives, particularly culturally diverse and disability led organisations This includes supporting Birmingham City Councils Arts Champions Scheme through our work in the Selly Oak Constituency and continuing our work with Freefall Dance Company
- Continuing to develop Dance Track as a mechanism for eventually diversifying the company's professional dancers by 2020 by extending the scheme by up to a further ten schools in North Birmingham
- Working in partnership with Birmingham City Council Youth Service and Birmingham Association of Youth Clubs as part of the Birmingham, Ballet and Me project due to culminate in 2010/11
- Supporting Queensbridge School's Creative and Media Diploma and work experience programme

Organisational Development

- Improving the flexibility of performers contracts to enable greater access to media opportunities
- Appointing a new Music Director
- Ensuring that the Board of Directors maintains an appropriate breadth of skills and knowledge
- Implementing a health and safety training programme for staff leading to a recognised qualification

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

- Working with Dance UK, Laban, British Olympic Association and Wolverhampton University towards the development of a National Institute of Dance Medicine

Financial Stability

- Maintaining general reserves of at least £250,000 in accordance with our stated reserves policy
- Generating a net contribution of at least £500,000 per annum from fundraising activity to support core activity
- Developing a strategy and programme to raise income from major gifts and grants to fund new productions and major projects

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 and throughout the UK as well as undertaking international touring. The company seeks the highest standards of performance and presentation supported by appropriate management structures, exemplary healthcare and effective press, public relations and marketing. Birmingham Royal Ballet delivers a wide-ranging education and community programme offering life long learning opportunities to the widest range of communities because we believe that ballet has the ability to enhance and enrich peoples' lives. This policy is based on a belief that a varied repertory and programme of events will reach a varied audience, thereby making ballet accessible to all.

In implementing this 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 financial year continuing to ensure that we 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
Serenade	Balanchine	Tchaikovsky
Enigma Variations	Ashton	Elgar
Still Life at the Penguin Cafe	Bintley	Jeffes
Sylvia	Bintley	Delibes
Galanteries	Bintley	Mozart
The Dance House	Bintley	Shostakovich
Elite Syncopations	Macmillan	Joplin
Mozartiana	Balanchine	Tchaikovsky
Twilight	Van Manen	Cage
The Centre and its Opposite	Stewart	Benjamin
Two Pigeons	Ashton	Messenger arr Lanchbery
The Dream	Ashton	Mendelssohn arr Lanchbery
Powder	Welch	Mozart
E=mc ²	Bintley	Hindsen
Cyrano	Bintley	Davis
The Nutcracker	Wright, Ivanov, Redmon	Tchaikovsky
The Sleeping Beauty	Petipa, Wright	Tchaikovsky

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

DIRECTORS' REPORT

The company gave

- 146 performances in the UK - 55 in Birmingham and 91 on tour (2008-09 140 performances)
- Audiences of approximately 123,500 (2008-09 143,000)

Full repertory by venue was as follows

The Lowry – Salford The Coliseum - London	April 2009	Serenade/Enigma Variations/Still Life at the Penguin Cafe Sylvia
Everyman – Cheltenham Lighthouse – Poole Northcott – Exeter Hall For Cornwall - Truro	May 2009	Mozartiana/Twilight/The Centre and its Opposite
The Lyceum – Sheffield Gala – Durham Theatre Royal –York The Corn Exchange – Kings Lynn	May 2009	Galanteries/ The Dance House/ Elite Syncopations
Birmingham Hippodrome The Lowry - Salford	June 2009	Mozartiana/Two Pigeons Galanteries/The Dance House/The Dream
Birmingham Hippodrome The Grand Opera House – Belfast Theatre Royal – Plymouth The Empire – Sunderland Sadlers Wells - London	September to November 2009	Cyrano Powder/E-mc2/The Centre and its Opposite
Birmingham Hippodrome	November to December 2009	The Nutcracker
Birmingham Hippodrome The Empire – Sunderland Theatre Royal – Plymouth The Lowry - Salford	March 2010	The Sleeping Beauty
Birmingham Hippodrome	March 2010	20 th Anniversary Gala

April 2009 – Salford and London

The performances in Salford and London concluded our tour of the *Sylvia* and 'Pomp and Circumstances' programme which commenced in March 2008. We were thrilled to be able to take this programme The Coliseum in London as part of 'Spring Dance' and we have been invited to return to the Coliseum in 2010 and 2011 on the strength of our performances. This addition of The Coliseum to our touring schedule gives us a regular presence in the West End of London increasing our London profile. The 'Pomp and Circumstances' programme was nominated and shortlisted for the 2010 TMA award for dance.

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

May 2009 – Midscale tour

We enjoyed another successful midscale tour visiting four venues each in both the South West and North East/East of the country

On 12 May 2009 we performed the world premiere of a new work by the acclaimed Australian contemporary choreographer Garry Stewart, *The Centre and its Opposite*. The work was borne out of a successful collaboration with Birmingham Royal Ballet dancers in 2008 when Garry was artist in residence for the inaugural Birmingham International Dance Festival. This was probably one of the most extreme pieces that we have ever done pushing the dancers well beyond the conventions of their classical training resulting in a stunning display of athleticism and virtuosity.

The midscale tour is important not only as an opportunity to take work to venues outside of our large scale touring circuit but as a great opportunity for development across the company. Corps de ballet dancers will often be given their first opportunity to take on soloist and principal roles and many members staff including technical team and administration will take on additional responsibilities as the company effectively splits in two resulting in the duplication of roles in order to run two different shows a night in two different theatres.

June 2009 – Birmingham and Salford

We returned to Birmingham to two mixed programmes. 'Sir Fred and Mr B' showcased two distinctive ballets from the two great choreographic genius of the twentieth century George Balanchine's masterpiece of pure classical dance *Mozartiana* and Sir Frederick Ashton's charming love story *The Two Pigeons*.

This was followed by a triple bill, Love and Loss which featured David Bintley's *Galanteries* and *The Dance House* and one of Sir Frederick Ashton's best known and funniest ballet's, *The Dream*. Both programmes were subsequently performed at The Lowry, Salford.

September to November 2009 – Birmingham, Belfast, Plymouth, Sunderland and London

We opened the autumn season by performing extracts from forthcoming ballets at Artsfest, Birmingham City Council's free arts festival to celebrate the vibrant cultural life of the city. As part of the festival we offered 300 tickets for BIRMINGHAM ROYAL BALLET performances in Birmingham at £15 each all of which had been purchased by the end of the Saturday morning of the festival weekend.

Our autumn season opened at Birmingham Hippodrome with a mixed programme entitled 'Quantum Leaps'. The works included *Powder* (originally created for Birmingham Royal Ballet in 1998), the first Birmingham performances of *The Centre and its Opposite* and the world premiere of David Bintley's new one act ballet *E=mc2* with a superb commissioned score by composer Matthew Hindsen. The ballet's four movements inspired by Einstein's eponymous equation ranged from extremes of speed, explosive energy to slowness. This critically acclaimed work won the 2010 South Bank Show Award for Dance and was also nominated for an Olivier award.

'Quantum Leaps' was followed by *Cyrano* David Bintley's hilarious and heartbreaking narrative ballet based on the famous French play.

Both programmes were toured Plymouth, Sunderland and Sadlers Wells, London. *Cyrano* was also performed at the Grand Opera House, Belfast.

Despite the acknowledge quality of both the programmes and performances audience number were disappointingly low throughout the autumn, possibly a reflection of the economic climate and the consequent tendency for audiences to become more risk averse with their choices.

November 17 2009 witnessed a proud event in the history of the Royal Ballet family, Birmingham Royal Ballet, The Royal Ballet and The Royal Ballet School. A service was held in Westminster Abbey to dedicate a memorial stone in Poets' Corner to commemorate the founders of the Royal Ballet Companies, Dame Ninette de Valois, Founder Director, Sir Frederick Ashton, Founder Choreographer, Constant Lambert, Founder Music Director and Prima Ballerina Assoluta Dame Margot Fonteyn.

The memorial stone was unveiled by The Lady Sarah Chatto, Vice President of The Royal Ballet and Birmingham Royal Ballet.

The service included performance of Satan's Solo from *Job* by Dame Ninette de Valois and the solo from *The Wise Virgins* Sir Frederick Ashton danced simultaneously on two stages by dancers from Birmingham Royal Ballet and The Royal Ballet. The Royal Ballet Sinfonia conducted by Barry Wordsworth performed excerpts from works in the Royal Ballet's heritage repertory.

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

December 2009 - Birmingham

We concluded 2009 with Sir Peter Wright's sublime production of *The Nutcracker*. This production was premiered in December 1990 and was dedicated to the City of Birmingham in appreciation for our new home. After almost twenty years the production never fails to delight audiences of all ages and has been seen by more than 1million people. We continue to offer Sunday performances to increase the number of matinee performances available for the show. We exceeded our box office targets for *The Nutcracker* helping to offset some of the shortfall in income over the autumn period.

February 2010 – Choreographic Project

A relatively long rehearsal period in the early part of the new-year afforded the opportunity to spend some time investing in developing choreographic skills of our dancers. Five dancers, two of whom had not choreographed previously, created eight short pieces that were performed at Elmhurst School for Dance. The standard of the choreography was very high and one piece, *Printer Jam* by Kit Holder, was subsequently performed at our 20th anniversary gala as well as at the 2010 Rythm and Bass Awards held at The Custard Factory in Birmingham. In addition, one of the works was set to an excerpt from a sextet composed by Alan Taylor one of our orchestral musicians. The students from Elmhurst watched the performance in the afternoon followed by a free public performance in the evening to which we invited a number of community groups from the neighbouring Selly Oak constituency (with whom we are working as part of Birmingham City Council's Arts Champions) schemes as well as a number of other target groups identified as part of our audience development initiatives.

March 2010 – Birmingham, Sunderland, Plymouth, Salford

Our March 2010 performances saw the start of our celebrations to mark the 20th year since the relocation of the company to Birmingham to become known as Birmingham Royal Ballet. Our magnificent production of *Sleeping Beauty* opened the season, a fitting start to the celebrations as Sir Peter Wright, who created the production, was our Director at the time of the relocation. He was one of the driving forces behind the move and under his leadership saw the successful establishment in Birmingham. *Sleeping Beauty* exceeded box office target in Birmingham.

The performances of *Sleeping Beauty* spanned two weeks with a brief intermission to enable us to give three gala performances 'A Celebration of 20 Years in Birmingham'. The gala included excerpts from works associated with the 20 year history in Birmingham as well as looking forward to the future works such as *Printer Jam* and a pas de deux from David Bintley's *Aladdin* (originally created for National Ballet of Japan) which we hope to be able to bring to the UK in the next few years. Students from the Royal Ballet School and Elmhurst School for Dance performed and a group of the original participants in the Ballet Hool project returned to perform their interpretation of the Mandolin Dance from *Romeo and Juliet*. We were delighted to welcome our President, HRH The Prince of Wales, and Vice-President, The Lady Sarah Chatto, to the gala performance on 10 March 2010.

The Gala served to demonstrate many of the qualities that make Birmingham Royal Ballet unique.

- **Vision and Courage** without which the move would never have happened
- **Creativity** from *The Nutcracker* which opened in 1990 to our new production of *Cinderella* which will premiere at the end of 2010 the past 20 years have been a period of intense creativity
- **Our home in Birmingham** at one of the UK's great theatres in the heart of a great city
- **The company as an ensemble** with performances being given by Birmingham Royal Ballet dancers rather than guest artists and the accompanying film presentation that linked the performances being created in house by our communications department

We also opened our permanent front of house exhibition at Birmingham Hippodrome during March season which includes displays of costumes, props and photographs.

Sleeping Beauty toured to Sunderland and Plymouth, exceeding box office target in Plymouth and the financial year ended during our week of performances of *Sleeping Beauty* in Salford.

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

ORCHESTRAL WORK

Birmingham Royal Ballet's orchestra, The Royal Ballet Sinfonia, is the UK's only specialist ballet orchestra. In addition to performances with Birmingham Royal Ballet, the Sinfonia gave 51 performances with other companies including The Royal Ballet, The Royal Ballet School, Matthew Bourne and Carlos Acosta as well as continuing our association with the National Opera Studio at the annual showcase performances at the Hackney Empire.

In February 2010 the Sinfonia held its annual Music and Dance Concert at Symphony Hall in Birmingham.

DEPARTMENT FOR LEARNING

The learning and education programme for participants of all ages is central to our work and is one of the ways in which we are able to take ballet and associated activities out beyond the traditional theatre presentations. Learning work is vital in our endeavours to make ballet an accessible art form for everyone. In 2009/10 we worked with over 10,800 individuals (over 40% of whom were male) during 721 sessions. 99 sessions were accessible to disabled participants. Repertory based workshops were delivered in Birmingham and on tour in Kings Lynn, Durham, Salford, Plymouth and Sunderland. One project, in Birmingham, based on *Sleeping Beauty* was extended by one week due to popular demand. We continue to offer 'Studio to Stage' insight days for young dancers, professional development for professional dancers and freelance artists and we launched a new MPhil in Education Studies (Dance) with the University of Birmingham. Seven BIRMINGHAM ROYAL BALLET dancers and staff are now studying for this degree. We have also Queensbridge School's work experience programme by giving ten students the opportunity to complete a week's work experience in May 2009.

Our longer term commitments to disability, access to ballet training and community engagement continue through

Freefall Dance Company, a company of young adults with severe learning difficulties. Freefall gave a number of performances during the year including two performances of *Freefalling from Outer Space* in the Patrick Centre at the Birmingham Hippodrome (April and December 2009), at the opening of the inaugural Youth Sports Trust Conference (July 2009) and Artsfest (September 2009). Freefall are also developing their outreach work including delivering classes for PGCE teacher training at University of Birmingham.

Dance Track, our scheme to offer free ballet training to children aged 6 (Year 2) – 8 (Year 3) who show potential for talent in dance is now well established in both North and South Birmingham. We work with closely 36 primary schools as part of the scheme and these long term relationships give us greater insight and understanding of the local communities and helping us to ensure that we develop projects and initiatives that are relevant and accessible to all. This year five second year students from Dance Track have been accepted by either the Royal Ballet Junior Associates or Elmhurst's pre vocational programme. In order to develop the links with our associate school and Dance Track, students from Elmhurst School for Dance are supporting the auditions and weekly dance classes as part of their vocational training.

Birmingham Ballet and Me, a two year project run in partnership with Birmingham City Council Youth Service and Birmingham Association of Youth Clubs. The project is designed to empower and equip young people with the skills to create, plan, manage and participate in their own major dance production to be performed in December 2010 alongside our new production of *Cinderella*. 85 young people are attending ballet classes and workshops on a regular basis and to date have given two performances based on *Still Life at the Penguin Cafe* and *Cyrano*. Gaining an Arts Award qualification has been incorporated into the design of the project. A Youth Arts Board has been established and all the participants are presently working on a synopsis on which the final performance will be based. We intend that legacy of the project should be to develop practical working methodologies to link youth work and the arts in the future.

ORGANISATIONAL DEVELOPMENT

We have continued to invest in our organisational infrastructure to ensure that we have the necessary knowledge and skills to meet future challenges as well supporting the health and wellbeing of our staff. Achievements during the year include

Governance Structures

- Chairman of Board of Directors in post for one year and well established in his role
- Appointment of two new Directors with skills in general charity management and governance, project management, marketing and communications to broaden the knowledge and skills base of the Board

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

- Revision of the Memorandum and Articles of Association to remove the age restriction on the appointment of Directors

Management Structures and operations

- A new music director (Koen Kessels) has been appointed and will be in post from September 2010
- An updated media agreement for performing staff has been proposed and is in the process of being negotiated
- 12 staff have undertaken health and safety training and have qualified to IOSH (Institute of Safety and Health) standard
- Our safeguarding policies have been revised and commended by the NSPCC Safeguarding training has been delivered to a number of staff groups and freelancers including all those working on the Birmingham Ballet and Me project
- We have been working on developing an industry Dance Health Scheme in conjunction with Dance UK, Laban and Wolverhampton University which will commence in September 2010
- We have embarked on a shared staff training initiative with Birmingham Repertory Theatre and the City of Birmingham Symphony Orchestra
- We have employed four individuals funded through the Future Jobs Fund

FINANCIAL REVIEW

The results for the period are set out in the financial statements on pages 21 & 22

The period ended with a surplus on activities of £151,671 and accumulated reserves of £1,152,936 at 31 March 2010 giving us a measure of financial security as we move towards the end of our present funding agreement at 31 March 2011 Arts Council England has confirmed its funding for 2011/12 at £7,598,622 representing a 6.9% cut on 2010/11 and their funding decisions from April 2012 onwards will be confirmed in Spring 2011 Birmingham City Council will confirm their 2011/12 funding in December 2011 Whilst any cut in funding represents a significant challenge to the organisation, the timetabling of these decisions making processes affords us sufficient time to plan robustly to ensure that we can continue to deliver an outstanding programme We would like to take this opportunity to thank our major funders Arts Council England and Birmingham City Council for their ongoing support

Income generation has been more difficult this year than in 2008-09 We experienced a particularly challenging period at the box office during the autumn when we were performing less well known repertory Box office income began to pick up again during the last four months of the financial year with the performances of *The Nutcracker* and *Sleeping Beauty*, both of which exceeded box office target in Birmingham

Fundraising in the present climate will inevitably be hard Income from corporate memberships has shown a reduction of over £60,000 in 2009-10 which was a direct result of companies cutting costs and income from trusts and foundations was also lower by around £50,000 reflecting the reduction in investment income experienced by many grant giving organisations as well as increasing competition for this source of funding

Income from trusts and foundations for the year was £96,075 (2008-09 142,440) with support as follows

	£
The Foundation for Sport and the Arts	10,000
The Ratcliff Foundation	5,000
The Eveson Charitable Trust	5,000
The John Thaw Foundation	5,000
GJW Turner Trust	5,000
Ernest Cook Trust	4,000

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

DIRECTORS' REPORT

The Arthur James Paterson Charitable Trust	3,325
The Allison Hillman Charitable Trust	3,000
Charles Henry Foyle Trust	3,000
The 29th May 1961 Charitable Trust	3,000
The Mercers' Company	3,000
The Loppylugs and Barbara Morrison Charitable Trust	2,500
The Perry Family Charitable Trust	2,000
Baron Davenport's Charity	2,000
Lord Austin Trust	2,000
John Feeney Charitable Trust	2,000
The Boshier-Hinton Foundation	2,000
The Douglas Turner Trust	2,000
The Madeline Mabey Trust	2,000
The Perry Family Charitable Trust	2,000
The Casey Trust	1,500
The George Fentham Birmingham Charity	1,500
Anonymous	1,000
The Goldmark Trust	1,000
C B & H H Taylor 1984 Trust	1,000
The Norton Foundation	1,000
The Souter Charitable Trust	1,000
The Edward and Dorothy Cadbury Trust	1,000
The Golsoncott Foundation	1,000
Eleanor Barton Trust	1,000
The Millichope Foundation	1,000
The Roughley Charitable Trust	1,000
The Thistle Trust	1,000
Bryant Trust	1,000
The John Avins Trust	1,000
The Joanies Trust	1,000
Dumbreck Charity	1,000
Mrs Margaret Guldo's Charitable Trust	1,000
The Goldmark Trust	1,000
Birmingham Decorative & Fine Arts Society	1,000
The Gimmitt Trust	1,000
The Sir Jules Thorn Charitable Trust	600
The Measures Trust	600
S & D Lloyd Chanty	500
The Owen Family Trust	500
The W E D Charitable Trust	500
The Sweet Pea Charitable Trust	500

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

The Lynn Foundation	500
Wilmcote Charitrust	500
Charlotte Marshall CharitableTrust	500
S & D Lloyd Charity	500
Warwickshire Masonic Charitable Association Limited	300
The Lillie C Johnson Charitable Trust	250
The George Henry Collins Charity	250
Charles Brotherton Trust	150
Greggs Foundation	100

Total income from donations, membership schemes and other fundraising activity during the year was £420,018 (2008-09 £551,235)

The year was not without its successes on the fundraising front with £40,000 sponsorship for the 20th Anniversary Gala from Bullring Birmingham and legacy income of £40,202 to help support the new work created in the financial year

We were successful in obtaining commitments of grant funding from The Big Lottery Fund of £392,000 and People Dancing Programme (funded by Legacy Trust UK, Arts Council England West Midlands and Advantage West Midlands) of £100,000 to support Birmingham, Ballet and Me. Support for our new production of *Cinderella* in 2010-11 has also been secured in the form of a significant legacy and a private donation

Ensuring that our resources are well used in the furtherance of our charitable objects remains a priority and as ever we endeavour at all times to ensure that good cost control has been exercised throughout all areas of Birmingham Royal Ballet's activity

Expenditure on charitable activities in the year was £12,236,934 remaining consistent with 2008-09 at 97% of total resources expended (2008-09 £12,959,147 – 97%) Costs were generally lower in 2009-10 as compared to 2008-09 due to differences in activities as follows:

- Relatively low expenditure on new productions and revivals in the year at £375,223 (2008-09 709,546)
- No overseas touring activity in 2009-10 compared to the major tour of China in 2008-09

We have also maintained a number of vacant posts across the year in order to mitigate the impact of the shortfalls in income across the year

Our primary financial management policies are

- Budget setting and control – the senior managers are responsible for proposing their own departmental budgets based on the planned activity for the year. These departmental budgets are 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 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 Executive 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

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

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 identifying and developing new income streams.

As in previous years our principal funding sources are

- Arts Council, England – £7,987,146 revenue funding to contribute towards Birmingham Royal Ballet's core operating costs and the costs of delivering our performances and activities including touring nationally, middle scale touring, audience development activity, a broad education and outreach programme, choreographic opportunities for company members and the operation of the Jerwood Centre. In addition we received £171,412 from Arts Council England to fund cross border touring to Belfast. We also received a grant of £250,000 Sustain Funding to offset the impact of shortfalls in income from box office and fundraising in 2009-10 and 2010-11. The funding has been allocated between the two years, £100,000 in 2009-10 and £150,000 in 2010-11.
- Birmingham City Council – £1,113,436 revenue funding to contribute towards BIRMINGHAM ROYAL BALLET's core operating costs and the costs of delivering performances and activities primarily in Birmingham. Birmingham City Council have also supported the Birmingham Ballet and Me Project with Creative Futures funding of £30,000 and through obtaining a grant through the Youth Opportunity Fund to support the performance based on *Cyrano*.

Core revenue funding from our major funders, Arts Council England and Birmingham City Council, accounted for 71% of total income (2008-09 68%)

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 23% of total income (2008-09 24%)
- Fundraising activities and membership schemes

Reserves Policy

The Directors will seek to create adequate reserves to ensure that the company would be able to meet the costs associated with the winding up of the company should this need arise. The most likely scenario for the winding up of the company would be the withdrawal of significant funding from the company. Therefore, the Directors seek to hold reserves equivalent to the costs of maintaining the leased premises for a period of six months plus the administrative costs of the final winding up of Birmingham Royal Ballet. We believe that reserves of £250,000 would be adequate to cover such an eventuality. General reserves presently stand at £266,315 in accordance with this policy.

From time to time designated or restricted funds may be set aside for specific projects as agreed by the Board

At present designated reserves include

- **Capital Grants Fund** – being income designated for the acquisition of fixed assets
- **Community 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. These funds were originally designated for use to support educational activities particularly in association with dance and

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

DIRECTORS' REPORT

choreographic training, however, their use has been widened and redesignated to support further development of our community engagement activity in accordance with our 2008-2011 Business Plan

- **New Production Fund** - to support investment in major new productions that will increase the repertory available for performances
- **UK Touring Fund** - being surplus funds arising from changes in scheduling of touring weeks from one financial year to the next
- **Overseas Touring Development Fund** - funds set aside to develop overseas touring
- **Overseas Touring Activity Fund** - funds identified to support overseas touring activity over the next 3 years

The reserves policy was reviewed in June 2008 following the confirmation of Arts Council funding through to 2011

Investment Policy

Birmingham Royal Ballet does not hold any investment funds other than monetary funds. Any surplus funds, over and above those needed for any immediate purpose will be held on money market deposit or in an interest earning deposit account. No funds are held on deposit for notice periods exceeding 1 month.

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, identified in our 2008-11 Business Plan will be achieved in the 2010-2011 period as follows:

Creativity and Performances

- Increase the repertoire available to the company by creating a new full length production of *Cinderella* to be premiered in November 2010
- To maintain a successful and wide reaching touring circuit
- Explore opportunities for presenting ballet in different or unusual settings

Birmingham Royal Ballet as a cultural ambassador

Birmingham Royal Ballet aims to undertake at least two international tours in the period 2010-2011. Overseas tours confirmed to date including:

- Virginia Arts Festival, USA - May 2010
- Hong Kong Arts Festival - February 2011

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:

- Creating a stronger sense of presence of the company in its home base - The Birmingham Hippodrome
- Reviewing communications resources and technology to make most effective use of resources
- Exploring new ways to promote the company on tour and to tailor marketing to local venue needs
- Identifying company personalities (not stars) to demonstrate the personality and diversity of the company
- Focussing on the musical excellence of the orchestra and the technical skills required to mount a classical ballet production
- Highlighting awards and accreditations
- Opening up the backstage / production areas for tours

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:

- Review performance patterns to help ensure performances are programmed to maximise attendance such as Sunday performances for family shows
- Increase attendance from 25-30 year olds living in the city centre

BIRMINGHAM ROYAL BALLET

(A Company Limited by Guarantee)

DIRECTORS' REPORT

- Increase familiarity with and ownership the company, artists and repertoire within identified communities through word of mouth promotion through community ambassadors and community networking
- Work with key venues to promote familiarity and overcome perceptual barriers

Community Engagement and Cultural Diversity – Birmingham Royal Ballet wants to reflect the changing population of our city and country

- Ensure that all company policies, procedures and practises are in line with current legal requirements on diversity and are models of good practice
- Deepen and broaden the range of partnerships with community organisations and initiatives, particularly culturally diverse and disability led organisations and to develop mechanisms to ensure that diverse partner organisations and our communities are able to contribute to our planning processes
- Ensure diversity is reflected in audience development, marketing and participation in education projects
- Develop Dance Track as a mechanism for eventually diversifying the company's professional dancers by 2020

Organisational Development

- Renegotiating contracts where necessary to better reflect modern working practises in particular in association with the use of new media
- Ensuring that Board membership, practise and procedures properly reflect Birmingham Royal Ballet's aspirations and best practise as well as meeting legislative and reporting requirements
- Ensuring that Birmingham Royal Ballet's charitable objects and constitution remain appropriately drawn and fulfil the requirements of the new Charities Bill
- Working towards the development of a National Institute of Dance Medicine

Financial Stability

- Maintaining general reserves at least £250,000 in accordance with our stated reserves policy
- Generating a net contribution of at least £500,000 per annum from fundraising to support core activity
- Launching a fundraising programme to secure major gifts and grants to fund new productions and other significant projects

In order to meet Arts Council national objectives we have agreed that our planned programme 2010-2011 will deliver the following outcomes

Excellence

- Music Director in post from September 2010
- Launch Dance Health Scheme in September 2010

Reach

- Increase Birmingham Royal Ballet's presence in London by performing at 'The London Coliseum in April 2010 and 2011
- Improve the flexibility of performers' contracts to respond to new media opportunities by negotiating a revised media agreement by December 2010

Diversity

- Continue to profile Birmingham Royal Ballet with Black and Minority Ethnic and Asian communities by inviting high profile community members, media representatives and community groups to performances and events
- Continue to develop our relationships with The Vine Magazine and BBC Asian network
- Work with young people and adults with learning and behavioural difficulties through Freefall Dance Company including performance and teaching opportunities

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

DIRECTORS' REPORT

Engagement

- Complete the Birmingham, Ballet and Me project in December 2010 in conjunction with the new full length production of Cinderella
- Continue to deliver the Dance Track programme in both North and South Birmingham (40 schools and up to 120 children attending classes)
- Continue to develop relationship with new audience who attended our 'Proud to be in Birmingham' performance in October 2008 and other target groups from the Arts Champion scheme postcode areas and cultural cold spot areas
- Increase opportunities for families to attend performances through Sunday performances of Cinderella
- Support Queensbridge School's Creative and Media Diploma and work experience programme

Innovation

- Continue the development of choreographic skills of Birmingham Royal Ballet dancers
- Creation of a new full length production of Cinderella - November 2010

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors 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

13 December 2010

BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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 trustees 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 trustees 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.

In so far as the trustees are aware

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

The trustees 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 AUDITORS' 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 2010 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 auditors

The trustees' (who are also the Directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BIRMINGHAM ROYAL BALLET (A Company Limited by Guarantee)
(Continued)**

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the financial statements

Jane Lodge

Jane Lodge BSc FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom

14 December 2010

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Period ended 31 March 2010

	Note	Un- restricted General £	Funds Restricted £	2010 Total funds £	2009 Total funds £
Incoming resources:					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income</i>					
Grants and donations	3	9,662,898	86,419	9,749,317	9,673,466
<i>Activities for generating funds</i>					
Memberships and other funds	4	87,950	0	87,950	187,601
<i>Investment income</i>					
Bank interest receivable		3,024	0	3,024	32,622
		<u>9,753,872</u>	<u>86,419</u>	<u>9,840,291</u>	<u>9,893,689</u>
<i>Incoming resources from charitable activities:</i>					
Performance and related activities	5	2,912,577	357	2,912,934	3,254,308
Total incoming resources		<u>12,666,449</u>	<u>86,776</u>	<u>12,753,225</u>	<u>13,147,997</u>
Resources expended:					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		201,492	0	201,492	163,919
Costs of generating memberships and other funds		70,696	0	70,696	166,908
<i>Charitable activities:</i>					
Production and performance		11,150,290	12,510	11,162,800	11,986,645
Orchestral projects		714,283	0	714,283	743,954
Education projects		273,124	86,727	359,851	254,412
Governance costs		<u>92,432</u>	<u>0</u>	<u>92,432</u>	<u>83,606</u>
Total resources expended		<u>12,502,317</u>	<u>99,237</u>	<u>12,601,554</u>	<u>13,399,444</u>
Net incoming / (outgoing) resources for the period	8	164,132	(12,461)	151,671	(251,447)
Opening funds		<u>943,339</u>	<u>57,926</u>	<u>1,001,265</u>	<u>1,252,712</u>
Closing funds		<u>1,107,471</u>	<u>45,465</u>	<u>1,152,936</u>	<u>1,001,265</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 £151,671 (2009 £251,447 deficit)

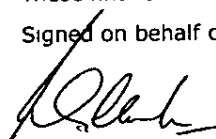
BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

BALANCE SHEET
31 March 2010

	Note	31 March 2010 £	31 March 2009 £
FIXED ASSETS			
Tangible assets	9	427,579	454,108
CURRENT ASSETS			
Stocks	10	60,249	81,608
Debtors	11	1,185,291	1,004,989
Cash at bank and in hand		<u>1,301,700</u>	<u>1,647,817</u>
		2,547,240	2,734,414
CREDITORS: amounts falling due within one year	12	<u>(1,821,883)</u>	<u>(2,187,257)</u>
NET CURRENT ASSETS		<u>725,357</u>	<u>547,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,152,936</u></u>	<u><u>1,001,265</u></u>
FUNDS			
Unrestricted funds			57,926
Restricted		45,416	691,206
Designated	13	841,205	252,133
General		<u>266,315</u>	<u>252,133</u>
		<u><u>1,152,936</u></u>	<u><u>1,001,265</u></u>

These financial statements were approved by the Board of Directors on 13 December 2010

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 2010

	Note	2010 £	2009 £
Net cash (outflow) / inflow from operating activities	15	(228,175)	706,075
Returns on investments	16	3,024	32,622
Capital expenditure and financial investment	16	(120,966)	(183,529)
		<u>(346,117)</u>	<u>555,168</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		(346,117)	555,168
		<u>(346,117)</u>	<u>555,168</u>
Change in net funds resulting from cash flows		(346,117)	555,168
Net funds at 1 April 2009		<u>1,647,817</u>	<u>1,092,649</u>
Net funds at 31 March 2010		<u>1,301,700</u>	<u>1,647,817</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

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

The financial statements are prepared on a going concern basis as Arts Council England and Birmingham City Council have confirmed their commitment to fund Birmingham Royal Ballet to 31 March 2011 and Arts Council England have confirmed their funding for Birmingham Royal Ballet for the year ended 31 March 2012

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

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

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.

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.

Taxation

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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

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 2009-10 totalled £9,434,901 representing 74% of total income.

Arts Council England and Birmingham City Council have committed revenue funding of £8,428,544 and £1,113,436 respectively for the current financial year.

3. VOLUNTARY INCOME

	2010 Un- restricted funds £	2010 Funds Restricted £	2010 Total Funds £	2009 Total funds £
Grants:				
Arts Council England				
Revenue funding	7,987,146	0	7,987,146	7,777,162
Cross Border Touring	171,412	0	171,412	336,272
Sustain	100,000	0	100,000	0
People Dancing	0	27,528	27,528	0
Birmingham City Council				
Revenue funding	1,113,436	0	1,113,436	1,091,604
China Tour 2009	0	0	0	150,000
Creative Futures	0	30,000	30,000	0
Share of Youth Opportunity Funding	0	5,379	5,379	0
Big Lottery Fund				
Birmingham Ballet and Me	0	23,512	23,512	0
Donations:				
Grants – Trusts and Foundations	96,075	0	95,075	142,440
Legacies	40,202	0	40,202	10,000
Other	154,627	0	155,627	165,988
	<u>9,662,898</u>	<u>86,419</u>	<u>9,749,317</u>	<u>9,673,466</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

4. ACTIVITIES FOR GENERATING FUNDS

	2010 Un- restricted funds £	2009 Total funds £
Memberships	43,329	106,437
Sponsorship	40,000	25,000
Sale of merchandise	4,621	12,609
Fundraising events	0	43,555
	<u>87,950</u>	<u>187,601</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2010 Un- restricted funds £	2009 Total funds £
Box office income	2,125,709	2,164,608
Overseas touring	0	100,000
Production sales and hires	58,996	64,762
Programmes	85,924	113,357
Friends	33,562	37,436
Director's appeal	41,164	45,206
Orchestra projects	511,016	654,784
Education	19,309	29,522
Other fees and services	36,897	44,633
	<u>2,912,577</u>	<u>3,254,308</u>
Education – restricted funds	<u>357</u>	<u>0</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Total Funds 2009
	£	£	£	£	£	£	£
Costs of generating funds:							
Costs of generating voluntary income	147,066						163,919
Costs of generating memberships and other funds	28,001	45,257	4,205	4,347	617	201,492	166,908
		24,358	8,409	8,693	1,235	70,696	
Charitable activities:							
Production and performance	6,708,207	3,073,288	710,038	530,294	128,463	11,150,290	11,974,571
Orchestra projects	644,306	60,808	4,205	4,347	617	714,283	743,954
Education projects	141,108	86,313	20,535	21,733	3,435	273,124	254,412
Governance costs	56,118	27,144	4,206	4,347	617	92,432	83,606
Total - Unrestricted	<u>7,724,806</u>	<u>3,317,168</u>	<u>751,598</u>	<u>573,761</u>	<u>134,984</u>	<u>12,502,317</u>	<u>13,387,370</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

ANALYSIS OF TOTAL RESOURCES EXPENDED - CONTINUED

	Restricted Funds	Restricted Funds	Other direct costs £	Restricted Funds	Support costs £	Restricted Funds	Premises £	Restricted Funds	Depreciation £	Restricted Funds	Total Restricted Expenditure £	Total Funds 2009
<i>Charitable activities:</i>	Direct staff costs £	£	£	Support costs £	£	Depreciation £	£	£	£	£	£	£
Production and performance - New Media Project	0	0	0	0	0	12,510	0	12,510	0	12,510	12,510	12,074
Education projects - Birmingham Ballet and Me	31,336	55,391	55,391	0	0	0	0	0	0	86,727	86,727	0
Governance costs												0
Total - Restricted	<u>31,336</u>	<u>55,391</u>	<u>55,391</u>	<u>0</u>	<u>0</u>	<u>12,510</u>	<u>0</u>	<u>12,510</u>	<u>0</u>	<u>99,237</u>	<u>99,237</u>	<u>12,074</u>
	Direct staff costs £	Other direct costs £	Support costs £	Premises £	Depreciation £	Total Expenditure £	Total £					
Total Funds	<u>7,756,142</u>	<u>3,372,558</u>	<u>751,598</u>	<u>573,761</u>	<u>147,494</u>	<u>12,601,554</u>	<u>13,399,444</u>					

Support costs comprise £341,084 (2009 £ 295,359) staff costs and £410,514 (2009 £471,267) 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

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010	2009
	£	£
Employee costs during the period		
Wages and salaries	7,030,118	6,981,628
Social security costs	700,158	705,945
Pension costs	366,950	355,045
	8,097,226	8,042,618
	8,097,226	8,042,618
 Average number of full time equivalent employees employed	No	No
Permanent		
Artists and ballet staff	67	67
Sinfonia and music staff	51	51
Production and technical	19	19
Education	5	4
Support	17	16
Publicity and Development	14	14
Central management and administration	4	4
	177	175
	177	175
 Temporary		
Support	1	1
Production and technical	10	14
	11	15
	11	15
	2010	2009
	No	No
Employees with total emoluments greater than £60,000 fell into the following bands:		
£ 60,001 - £ 70,000	10	5
£ 70,001 - £ 80,000	3	6
£ 80,001 - £ 90,000	1	1
£ 90,001 - £100,000	0	0
£ 100,000+	2	2
	26	14
	26	14

During the period pension contributions of £61,625 were paid in respect of 14 employees with total emoluments greater than £60,000

The Directors received no remuneration in the period

During the period the total expenses reimbursed to three members of the Board amounted to £2,011 (2009 £1,635) 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 £2,515 (2009 £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 2010

8. NET INCOMING/(OUTGOING)RESOURCES

Net incoming/(outgoing) resources are stated after charging:	2010 £	2009 £
Operating lease rentals	252,641	252,953
Depreciation of owned assets	147,494	156,177
Auditors' remuneration		
In respect of external audit fees	13,000	13,000
In respect of other services	0	1,508
	<u> </u>	<u> </u>

9. TANGIBLE FIXED ASSETS

	Leasehold property £	Computers £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2009	266,620	399,955	1,046,010	1,712,585
Additions	50,000	9,634	61,332	120,966
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2010	316,620	409,589	1,107,342	1,833,551
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation				
At 1 April 2009	174,118	310,989	773,370	1,258,477
Charge for period	15,231	38,609	93,655	147,495
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2010	189,349	349,598	867,025	1,405,972
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 March 2010	127,271	59,991	240,317	427,579
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 1 April 2009	92,502	88,966	272,640	454,108
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. STOCKS

	31 March 2010 £	31 March 2009 £
Shoes	58,664	73,909
Merchandise	1,585	7,699
	<u> </u>	<u> </u>
	60,249	81,608
	<u> </u>	<u> </u>
	1,185,290	1,004,989
	<u> </u>	<u> </u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

1. DEBTORS

	31 March 2010	31 March 2009
	£	£
Trade debtors	651,052	373,078
Other debtors	98,063	288,740
VAT	-	-
Prepayments	436,176	343,171
	<u> </u>	<u> </u>

Other debtors includes £63,375 (2009 £63,375) in respect of a rent deposit which is due in more than one year

2. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2010	31 March 2009
	£	£
Trade creditors	602,614	275,783
Other creditors	119,573	83,328
Taxation and social security	227,858	201,040
Accruals and deferred income	871,838	1,627,106
	<u> </u>	<u> </u>
	1,821,883	2,187,257
	<u> </u>	<u> </u>
Movements in deferred income:	2010	2009
	£	£
Balance at 1 April 2009	1,267,105	79,650
Amounts released during the period	(1,222,105)	(79,650)
Deferred in the current period	600,030	1,267,105
	<u> </u>	<u> </u>
Balance at 31 March 2010	645,030	1,267,105
	<u> </u>	<u> </u>

Deferred income at 1 April 2009 comprised Arts Council and Birmingham City Council Funding, membership income, Director's Appeal income, donations and orchestra income relating to period ended 31 March 2010 and donations of £45,000 relating to the period 31 March 2011

Deferred income at 31 March 2010 comprised Arts Council Funding, Birmingham City Council Funding, membership income, Director's Appeal income, legacy income and donations relating to the period 31 March 2011

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

3. DESIGNATED FUNDS

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

	At 1 April 2009 £	New De- signations £	Released/ expensed in the period £	At 31 March 2010 £
Capital Grants Fund	150,000	-	-	150,000
Community Engagement Fund	177,763	-	-	177,763
New Productions Fund	250,000	150,000	-	400,000
UK Touring Fund	100,000	-	-	100,000
Overseas Touring Development Fund	13,443	-	-	13,443
	<u>691,206</u>	<u>150,000</u>	<u>-</u>	<u>841,206</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 2008-11 Business Plan.

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

The UK Touring Fund represents funds set aside to support the development of UK touring, in particular an additional weeks performing at the London Coliseum in April 2009 and 2010.

The Overseas Touring Development Fund represents funds set aside to invest in the development of overseas touring by promoting Birmingham Royal Ballet internationally.

4. 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 2010, there were 12 (2009: 12) members of the company.

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

5. RECONCILIATION OF INCOMING RESOURCES TO OPERATING CASH FLOWS

	2010 £	2009 £
Net incoming/(outgoing) resources before interest	148,647	(284,069)
Depreciation	147,495	156,177
Decrease/(Increase) in stock	21,359	(15,171)
(Increase) in debtors	(180,302)	(496,895)
(Decrease)/Increase in creditors	(365,374)	1,346,033
Net cash outflow from operating activities	<u>(228,175)</u>	<u>706,075</u>

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

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	<u>3,024</u>	<u>32,622</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	<u>120,966</u>	<u>(183,529)</u>

17. ANALYSIS OF NET FUNDS

	At 1 April 2009 £	Cash flow £	At 31 March 2010 £
Cash in hand and at bank	1,647,817	(346,117)	<u>1,301,700</u>

18. FINANCIAL COMMITMENTS

Capital commitments

At 31 March 2010 the company had £nil (2009 £nil) capital commitments which were contracted for but not provided in the financial statements

Operating lease commitments

At 31 March 2010, the company was committed to making the following payments during the next year in respect of operating leases

	Premises		Other	
	2010 £	2009 £	2010 £	2009 £
Leases which expire				
Within two to five years	100,000	-	13,503	20,952
After five years	132,000	232,000	-	-
	<u>232,000</u>	<u>232,000</u>	<u>20,640</u>	<u>20,952</u>

BIRMINGHAM ROYAL BALLET
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS (Continued)
Period ended 31 March 2010

19. PENSION COSTS

The company contributes to three group personal pension schemes. The cost to the company for the period ended 31 March 2010 is equal to the amount of employer contributions paid in the period to each scheme, and is detailed below.

	2010	2009
	£	£
Dancers' Pension Scheme	113,544	88,386
Birmingham Royal Ballet Pension Scheme	92,545	95,359
Musicians' Union Pension Scheme	65,008	61,729
	<u>271,097</u>	<u>245,474</u>

The company also contributes a fixed percentage of dancers' basic salaries to the Dancers' Resettlement Fund. In 2009-10 the company contributed a total of £95,853 (2008-09 £89,571).

At 31 March 2010 there was £0 (2009 £ 59,322) included in creditors falling due within one year in respect of the Musicians' Union Pension Scheme.