

English National Ballet Limited and Subsidiary

(Limited by Guarantee)

Report and accounts

30 March 1996

Registered in England and Wales

company number 735040

Registered Charity number 214005



English National Ballet Limited and Subsidiary

Governors' report and accounts

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English National Ballet Limited and Subsidiary

Statement of the Chairman of the Governors

Last year a large section of my statement dealt with the discussions we had conducted with the management of English National Opera to secure the London Coliseum as the venue for our Christmas seasons. At the time of writing it appeared that there were too many practical problems in making such an arrangement. However, I am delighted to say that the subject was not allowed to rest and that the sticking points were worked on and sorted out. Consequently, we will be moving our Christmas season from the Royal Festival Hall to the London Coliseum from 1997/98. The beneficial effects will be substantial. Our dancers will be seen on the finest stage for ballet in London; new productions will no longer have to be created with the very specific requirements of the Royal Festival Hall in mind; and the orchestra will have a proper pit to play in at last. Although we are looking forward to the move with enormous excitement we will, of course, be sorry to leave the Royal Festival Hall, which has been our Christmas home for most of the Company's history.

The other major issue which has exercised our minds in the last year is that of grant revenue. This might appear perverse and ungrateful, given the fact that our Arts Council grant increased by £300,000 in 1995/96. As I said last year £200,000 of this increase was given to cover specific increases in expenditure, and the remaining £100,000 was not enough to counteract the effects of inflation. However, it is the future that gives us most cause for concern. We have been told to assume in our plans that our revenue grant will not increase for the foreseeable future. Depending on the rate of inflation this amounts to a real cut of over £100,000 a year. In addition, we have recently heard that there might be a cut in money terms of 1.7% which amounts to a further £66,000. There is a perception in some quarters that cuts in Revenue Grant can be funded from greater efficiency, and we strive to do so, but there is no getting away from the fact that ballet, like all performing arts, is necessarily labour intensive and does not lend itself to substantial savings through job reductions.

Another attitude widely encountered is that reductions in the real value of Revenue Grants do not matter because the National Lottery will take up the slack. Firstly, this approach flies in the face of assurances given by the Government when the Lottery was established, that the money raised would be additional to existing public expenditure. Secondly, the current Lottery rules only allow awards to be made for capital projects, which will do little to help a shortfall in revenue funding. The New Programmes, which are still in development, seem likely to provide finance for many worthwhile projects. We might be able to apply to them to replace some of the lost revenue funding, but the Arts Council still appears keen to preserve the concept of additionality, and might block schemes like this. If this proves to be the case, we will be caught in a double bind: we will not be able to fund all of our basic work from our Revenue Grant as it shrinks but we will not be able to claim from the Lottery because it is not perceived as additional. If this proves to be the case, it will be substantially counter-productive and, in the long run, a waste of public funds. One of my main tasks in the coming year will be to try to ensure that Arts Council policy in this area is based on a sound practical basis.

Pamela, Lady Harlech
Chairman

English National Ballet Limited and Subsidiary

Report of the Artistic Director

This year has again been one of immense achievement, with standards of dancing continuing to improve. I have worked to develop the Company's own talent while at the same time bringing in a number of distinguished Guest Artists. I am particularly pleased that Laurentiu Guinea, who guested with us in the course of the year, is to return as a full company member in August 1996. In maintaining the Company's standards I am indebted not only to my hardworking ballet staff, but also to several distinguished ballet teachers who I have persuaded to work with the Company for a period. During the year Patrick Hinson, Nanette Glushak, Renata Calderini, Thomas Mayr, Eileen Ward and Misha Messerer have all worked here; my thanks go to all of them. In this context, I also wish to mention Woytek Lowski who died this year. He was a teacher of international renown and we were fortunate that he was Ballet Master here for a number of years.

Last year I created a new production of the great classic *Giselle*, and it was very satisfying for me to see its London premier at the London Coliseum in March 1996. For our next project I turned my attention to producing a completely new fantasy ballet that would appeal to a family audience and which would provide a Christmas alternative to *The Nutcracker*. I chose Lewis Carroll's *Alice in Wonderland*, a subject which is full of opportunities for eye-catching design and quirkiness, so as to create a production full of the magic of live theatre. In this I collaborated with Carl Davis, who selected and arranged the score from Tchaikovsky's music. Sue Blane, who designed the sets and costumes, Paul Kieve, who created the many tricks and illusions, and Hugh Vanstone, whose lighting created much of the atmosphere. We believe that the piece is tremendously effective, and audience reaction has been very positive. By the time of our Coliseum season in March the show had achieved the status of a hot ticket, almost selling out.

I also commissioned a major reworking of *Cinderella* to Prokofiev's wonderful score. Michael Corder agreed to re-choreograph the piece using the sets and some of the costumes of an existing production, a necessary economy in light of our consistent lack of funds. I am very pleased that Michael took on the task despite restrictions that would not appeal to all choreographers, and I would like to pay tribute to his flexibility and that of David Walker, who designed the sets and costumes, both old and new. The result is a production which is very different from the traditional treatment of this piece, without the pantomime element but full of elegant dancing. Critical response has been very positive.

The year started with our Middle Scale Tour, which saw the premier of Mauro Bigonzetti's *Symphonic Dances*, set to Rachmaninov's music of the same name. This piece has proved very successful performed to two pianos on tour and in the full orchestral version at the Royal Festival Hall last summer. Plans for 1996/97 include three world premieres: *Encounters*, international ice skater Christopher Dean's first ballet, *Blitz* by Matthew Hart and *Unrequited Moments* by Company member Patrick Lewis. Also entering the repertoire will be a 20th Century classic, Sir Kenneth MacMillan's *My Brother, My Sister*.

We were to have created a new *Nutcracker* in November 1996, but the news that we are to move to the London Coliseum from 1997/98 led us to postpone this work for a year so that the new production could be planned and made without having to worry about the many compromises required for use in the Royal Festival Hall. Although it is always sad to sever a connection as long and fruitful as that between ourselves and the South Bank, the standards of performance, technical operation and production will be improved immeasurably by the move. I always strive for the highest standards, and in the London Coliseum we will have one of the best dance theatres in the world.

Derek Deane
Artistic Director

English National Ballet Limited and Subsidiary

Report of the Executive Director

In each of the last five years I have been able to report a surplus, so it is disappointing not to be able to do so again this year; after adjustments (see note 14 on page 22) our Accumulated Deficit has increased by £3,518 to just under £107,000. I am, however, happy that the Company's financial position is no worse than last year and that the hard work of the last five years has not been thrown into reverse. We still plan to pay back the remainder of our accumulated deficit by the end of March 1998, although achievement of this target could be jeopardised if threatened reductions in our Arts Council grant are made.

We are very pleased with the increase in ticket sales, which has been helped by an increase in attendances to 1565 per main stage performance, the highest since 1988/89. As part of our Audience Development project we are trying to increase the number of tickets sold, while at the same time broadening our audience by using telephone marketing to sell tickets at a discount to targeted groups of non-attenders. The pilot schemes are only now being undertaken, so we have no indication of their effectiveness as yet. We were also able to arrange two Overseas tours this year, whereas work on improving the standard of the Company took priority last year. It is worth noting that expenditure on Subsistence and travelling in particular has been greatly increased by Overseas touring.

More worryingly, Sponsorship and fund raising, having been boosted last year by the Nomura sponsorship, has again subsided to a very moderate level. It appears that all nationally based arts companies are having trouble raising the large amounts of general sponsorship that used to be forthcoming, which gives us some comfort that we are not performing below trend. However, that does not help balance the books, so we are enlarging our focus to include individual givers, whilst at the same time continuing to identify new corporate opportunities.

We are currently reviewing various capital projects which will form the basis of a Lottery application. These include a company-wide computer network, commercial vehicles, technical equipment and a feasibility study for a purpose-built scenery store to become available by the beginning of year 2000. We are also looking at the New Initiatives with interest.

Our Education and Community Unit has continued to enhance its already high reputation. The main phase of the *Striking a Balance* programme came to an end during 1994/95, while the *Passport to Ballet* scheme did not commence until part way through the year, hence the small fall in the expenditure on this area. Both of the schemes referred to above were supported by J Sainsbury plc, to which we give our heartfelt thanks. This work brings ballet to young people and engenders an interest in the artform, one that we hope will continue into adulthood.

Carole McPhee
Executive Director

English National Ballet Limited and Subsidiary

Governors' report

The Governors submit their report and the audited accounts for the 52 weeks to 30 March 1996.

Results

The trading results are set out in the consolidated income and expenditure account.

Review of activities

The Company has been established to further knowledge and enjoyment of classical ballet, which it does through public performance and education outreach work.

The basic pattern of activity has remained unchanged, with tours to regional centres in the autumn and spring, and seasons in London in summer and at Christmas. The short term future of the summer season in London is in some doubt because of the uncertainties caused by the closure of a number of London's receiving houses for redevelopment. The company's sponsorship and other trading activities were undertaken by English National Ballet Enterprises Limited.

Fixed assets

The movements in fixed assets are set out in note 5 to the accounts.

Future developments

The Company will continue with its planned programme which is dependent on the continuing support of the City of Westminster and the Arts Council of England. The company's Christmas season will move from the Royal Festival Hall to the London Coliseum from December 1997.

Board of Governors

For Companies Act purposes the governors constitute directors of the company:

The following served during the year:

Pamela, Lady Harlech*	Chairman
Nicholas Allott	
William Barnard FCA*	(retired 24 January 1996)
Cllr Roger Bramble DL*	
Carl Davis	(appointed 23 May 1995)
Diana Donovan	(retired 24 January 1996)
Denise Fiennes*	
Michael Garner*	(appointed 24 January 1996)
Michael Kremer	(retired 24 January 1996)
Chrysanthe Lemos	
Veronica Lewis	
The Baroness de Mandat-Grancey	(retired 24 January 1996)
Peter Mandelson MP	(appointed 26 July 1995)
Angela Rippon	
Jeremy Sacher	

English National Ballet Limited and Subsidiary

Governors' report (continued)

The Rt. Hon Sir Konrad Schiemann (appointed 23 May 1995)
Bruno Schroder
John Talbot FCA*
Hon Mrs Felicity Waley Cohen
Prue Waterhouse

Governors marked with an asterisk (*) are also members of the Finance and General Purposes Committee. Governors are, for the period of their appointment, also Members of the Company, guaranteeing a maximum of £1 each in the event of the Company's insolvent liquidation. New Governors are elected by the Members of the Company, and serve for a maximum of six years, except that this period is extended for those holding the posts of Chairman, Deputy Chairman and Hon. Treasurer.

Principal Officers

The following served during the period:

Derek Deane	(Artistic Director)
Carole McPhee	(Executive Director)
Richard Elliott	(Finance Director and Company Secretary)
Richard Shaw	(Director of Public Affairs)
Alan Riches	(Technical Director)

Status

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

English National Ballet Limited and Subsidiary

Governors' report (continued)

Statement of governors' responsibilities

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the result for that period. In preparing those financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

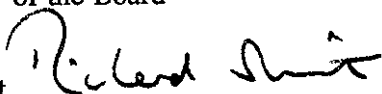
The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of and the group, and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

R Elliott
Secretary



Markova House
39 Jay Mews
London SW7 2ES

18th September 1996

English National Ballet Limited and Subsidiary

Sponsorship and fund raising

English National Ballet Limited wishes to acknowledge with gratitude the vital support received from the following individuals, trusts and corporations during the period. Such generosity is vital to the development of new projects and to artistic growth.

Mrs Luay Al Swaidi
American Friends of English National Ballet
Andersen Consulting
Arthur Andersen
Ashurst Morris Crisp & Co
Associated British Ports Holdings plc
Associated Newspapers Limited
Azzaro
David M Bain
Mr and Mrs William Barnard
Mrs Gabriella Bassatne
Mr Roger Bramble
Pete and Chris Brandon
Mr Jose Maria Cano
Chanel Limited
Churchill Inter-Continental London
Continental Airlines
D.C.A./Attachmate
Denton Hall
Digital Equipment Co. Limited
Direct Connection Ltd
Miss K Fallah
The Lady Farnham
The Hon Mrs Seymour Fortescue
Foundation for Sport and the Arts
Mr and Mrs Michael Garner
Mme Asun Gelardin
Mr & Mrs Kim D Gustafson
ICL
Iceland Frozen Foods
Mary Jordan
Lazard Brothers
Legal and General
Le Baron and La Baronne Jacques de Mandat-Grancey
Manweb plc

English National Ballet Limited and Subsidiary

Sponsorship and fund raising *(continued)*

National Westminster Bank PLC
NEC (UK) Limited
Nomura International plc
Norwich Union
Ocean Group PLC (P.H. Holt Charitable Trust)
Avvocato Vincenzo Palladino
Mr AN Papathomas
Pilkington Plc
Portugal 600
Red Funnel
Mrs Carmen Riera
Mr Jose Roji
Miss Sofia Roji
Miss Rocio Roji
Sainsbury's Arts Education Award
Save & Prosper Education Trust
Mr James Sherwood
Mr & Mrs Emmet Carter Smith
Mr & Mrs Brian Steer
Mr David Tang
Terry Murphy (Scenery) Limited
The Association of English National Ballet
The Audrey Sacher Charitable Trust
The Daily Telegraph
The Daniel D Prehn Foundation
The Gilbert & Eileen Edgar Foundation
The John Ellerman Foundation
The Royal Commissioners of 1851
The South Bank Centre
Thorn EMI
Unilever PLC
S G Warburg & Co Ltd, Custody & Investor Services Division
The Hon Mrs S Weinstock
Mrs Ida Whitehead
Wilde Sapte

English National Ballet Limited and Subsidiary

Statistics 1995/96

1 Box office income and attendances

	Ticket sales £	1995/96 Number of perfs.	Attend- ances	Ticket sales £	1994/95 Number of perfs.	Attend- ances
London	1,811,128	65	113,163	1,710,368	64	113,166
Regions and Scotland	1,393,271	100	116,650	1,384,188	110	114,426
	<u>3,204,399</u>	<u>165</u>	<u>229,813</u>	<u>3,094,556</u>	<u>174</u>	<u>227,592</u>
Foreign tours	<u>152,369</u>	<u>12</u>		<u>-</u>	<u>-</u>	
	<u>3,356,768</u>	<u>177</u>		<u>3,094,556</u>	<u>174</u>	

The U.K. sales figure of £3,204,399 (1995: £3,094,556) is shown after accounting for VAT of £560,770 (1995: £541,547) to HM Customs and Excise.

2 Income as a percentage of total expenditure

	1995/96	1994/95	1993/94	1992/93	1991/92
	%	%	%	%	%
Earned income	44.6	43.4	44.8	45.2	42.8
Arts Council Grant	49.0	47.8	46.7	46.8	46.5
Local Authority Grant	1.3	1.4	1.4	1.4	1.3
Grants for specific projects	2.6	2.7	3.2	3.7	1.8
Sponsorship	3.1	5.8	4.9	4.5	9.1
Transfer to designated funds	(0.6)	-	-	-	-
Deficit/(surplus)	<u>-</u>	<u>(1.1)</u>	<u>(1.0)</u>	<u>(1.6)</u>	<u>(1.5)</u>
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>



Report of the auditors to the members of English National Ballet Limited

We have audited the financial statements on pages 11 to 24.

Respective responsibilities of governors and auditors

As described on page 6 the company's governors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

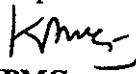
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Fundamental uncertainties

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis on which they were prepared. The financial statements have been prepared on a going concern basis, the validity of which is primarily dependent upon the continued financial support of the Arts Council of England. The financial statements do not reflect any adjustments that would be necessary should the going concern basis be inappropriate. Details of the circumstances which relate to this fundamental uncertainty are set out in note 1 which also describes the adjustments that would be necessary if the going concern basis is not appropriate. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 March 1996 and of the excess of income over expenditure of the group for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors

21 October 1996

English National Ballet Limited and Subsidiary

Consolidated income and expenditure account
for the 52 weeks ended 30 March 1996

	Notes	52 weeks ended 30 March 1996 £	52 weeks ended 1 April 1995 £
Income - continuing operations			
Ticket sales		3,356,768	3,094,556
Sponsorship and fund raising	3	244,408	436,542
Interest receivable		27,101	13,219
Hires and sundry		167,885	159,447
Grants for specific projects	3	205,000	196,714
Total income		4,001,162	3,900,478
Expenditure			
<i>Costs of productions</i>		<u>656,857</u>	<u>519,000</u>
<i>Performance, rehearsals and staging</i>			
Artists and technical staff salaries		2,708,282	2,531,463
Theatre charges		1,013,526	1,024,080
Orchestra and music staff salaries		1,046,230	1,016,119
Subsistence and travelling		505,702	468,296
Stage and wardrobe		324,044	321,848
Marketing		465,444	512,467
Royalties		65,069	32,265
Education and community		131,160	132,862
		<u>6,259,457</u>	<u>6,039,400</u>

English National Ballet Limited and Subsidiary

Consolidated income and expenditure account for the 52 weeks ended 30 March 1996 (continued)

	Notes	52 weeks ended 30 March 1996 £	52 weeks ended 1 April 1995 £
<i>General</i>			
Administration		476,760	437,244
Offices and other premises		399,613	398,588
Professional fees		17,589	3,713
Auditors' remuneration		6,000	5,465
Medical		53,580	50,051
Miscellaneous		43,425	33,697
Bank interest		3,061	5,337
Depreciation		43,008	35,223
		<u>1,043,036</u>	<u>969,318</u>
Total expenditure		<u>7,959,350</u>	<u>7,527,718</u>
Net operating costs		3,958,188	3,627,240
Grants			
Arts Council of Great Britain		3,903,000	3,602,930
Westminster City Council		106,380	104,800
		<u>4,009,380</u>	<u>3,707,730</u>
Surplus in the period before taxation		51,192	80,490
Corporation tax		(180)	-
Surplus in the period after taxation	4,14	<u>51,012</u>	<u>80,490</u>
Allocation to specific funds		<u>(54,530)</u>	<u>5,470</u>
Increase in accumulated deficit		<u>(3,518)</u>	<u>85,960</u>

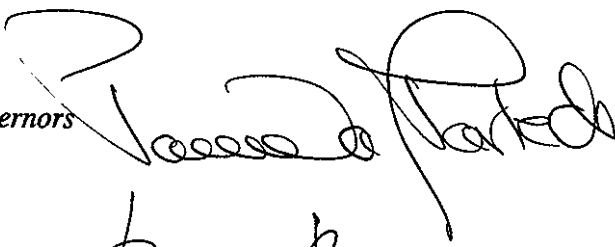
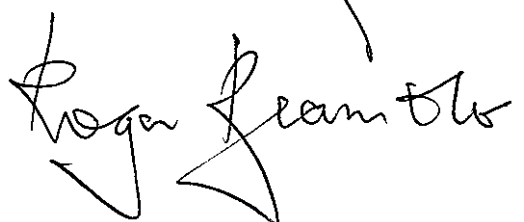
There are no recognised gains or losses in the current and previous period other than those shown above.

English National Ballet Limited and Subsidiary

Consolidated balance sheet
at 30 March 1996

	Notes	1996 £	£	1995 £	£
Tangible fixed assets	5	782,324		799,156	
Current assets					
Productions in progress		10,393		35,768	
Stocks		56,138		52,711	
Debtors	7	689,844		436,861	
Cash at bank and in hand		6,239		43,056	
		<u>762,614</u>		<u>568,396</u>	
Creditors: amounts falling due within one year	8	<u>(1,033,032)</u>		<u>(906,658)</u>	
Net current liabilities			(270,418)		(338,262)
Net assets			<u>511,906</u>		<u>460,894</u>
Reserves					
Building fund	9,14	558,863		564,333	
Designated funds		60,000		-	
Accumulated deficit	14	<u>(106,957)</u>		<u>(103,439)</u>	
		<u>511,906</u>		<u>460,894</u>	

These accounts were approved by the Board of Governors on 18 September 1996 and were signed on its behalf by:

Governors 



English National Ballet Limited

Company balance sheet at 30 March 1996

	Notes	1996 £	£	1995 £	£
Fixed assets					
Tangible fixed assets	5	782,324		799,156	
Investments	6	2		2	
		<u>782,326</u>		<u>799,158</u>	
Current assets					
Productions in progress		10,393		35,768	
Stocks		56,138		52,711	
Debtors	7	660,345		436,166	
Cash at bank and in hand		6,239		3,981	
		<u>733,115</u>		<u>528,626</u>	
Creditors: amounts falling due within one year	8	<u>(1,001,578)</u>		<u>(864,904)</u>	
Net current liabilities		<u>(268,463)</u>		<u>(336,278)</u>	
Net assets		<u>513,863</u>		<u>462,880</u>	
Reserves					
Building fund	9,14	558,863		564,333	
Designated funds		60,000		-	
Accumulated deficit	14	<u>(105,000)</u>		<u>(101,453)</u>	
		<u>513,863</u>		<u>462,880</u>	

These accounts were approved by the Board of Governors on 18 September 1996 and were signed on its behalf by:

Governors


Roger Hamble

English National Ballet Limited and Subsidiary

Consolidated cash flow statement 30 March 1996

	Notes	52 weeks ended 30 March 1996 £ £	52 weeks ended 1 April 1995 £ £
Net cash outflow from operating activities	15	(67,372)	(1,475,559)
Return on investments and servicing of finance			
Interest received		27,101	13,219
Interest paid		(3,061)	(5,337)
		<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance		24,040	7,882
Taxation			
Tax payable		<hr/>	<hr/>
			-
Investing activities			
Payments to acquire tangible fixed assets		(26,176)	(56,244)
		<hr/>	<hr/>
Net cash outflow from investing activities		(26,176)	(56,244)
Net cash (outflow)/inflow before financing		(69,508)	(1,523,921)
		<hr/>	<hr/>
Decrease in cash and cash equivalents	16	(69,508)	(1,523,921)
		<hr/>	<hr/>

English National Ballet Limited and Subsidiary

Notes

(forming part of the accounts)

1 Accounting policies

Basis of accounts

The accounts are prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards.

The company substantially relies on funding in the form of grants from the Arts Council of England for its current and future commitments, and operates on the basis that, taking one year with another, its revenue will match its expenditure. The Governors are determined that the company should continue to perform classical ballet, provided it is financially viable for it to do so. This is dependent upon the availability of continued funding from the Arts Council of England. The Governors ensure that the relevant officers of the Arts Council of England are kept informed of the company's achievements, plans and aspirations at all times.

The company's available assets consist of leasehold properties or are tied up in working capital, neither of which is easily realisable.

Should the going concern basis prove to be inappropriate, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities that might arise, and to reclassify fixed assets as current assets.

Production costs

Production costs are written off in the year of first performance.

Productions in progress represents costs incurred on future productions.

Depreciation

Depreciation is charged against fixed assets in order to write off the cost of assets over the useful economic life of the asset.

Leaseholds are depreciated over the remainder of the term of the lease.

Motor vehicles are depreciated in equal annual instalments over five years, except for a second-hand tractor unit, purchased on 31 March 1995, which is depreciated over two years.

Equipment is depreciated in equal annual instalments over five years.

English National Ballet Limited and Subsidiary

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks of ballet shoes have been carried forward at the lower of cost and net realisable value, in order to write off their cost in the year of use.

2 Accounting format

As permitted by paragraph 3, sub-paragraph 3, of Schedule 4 of Companies Act 1985, the governors have adapted the formats required by Schedule 4 due to the special nature of the company's business. A revised statement of Recommended Practice, Accounting by Charities, has recently been issued. It is not practical to comply with this for the year ended 30 March 1996 because comparable figures for the prior year are not readily available. It is intended to comply with the revised recommendations in next year's accounts.

3 Income

The results for Middle Scale and Overseas touring are included in the relevant income and expenditure headings. They can be summarised as follows:

	52 weeks ended 30 March 1996 £	52 weeks ended 1 April 1995 £
<i>Middle Scale tour</i>		
Ticket sales	98,972	119,879
Grants for specific projects	170,000	199,960
	<hr/>	<hr/>
Total income	268,972	319,839
Productions	(42,976)	(86,108)
Performance, rehearsals and staging expenditure	(259,231)	(312,027)
	<hr/>	<hr/>
Funded from own resources	(33,235)	(78,296)
	<hr/>	<hr/>
<i>Overseas tours</i>		
Ticket sales	152,369	-
Performance, rehearsals and staging expenditure	(141,821)	-
	<hr/>	<hr/>
Surplus	10,548	-
	<hr/>	<hr/>

English National Ballet Limited and Subsidiary

Notes (continued)

3 Income (continued)

	52 weeks ended 30 March 1996 £	52 weeks ended 1 April 1995 £
<i>Grants for specific projects</i>		
Arts Council of England	200,000	196,714
City of Westminster	5,000	-
	<u>205,000</u>	<u>196,714</u>

4 Parent company results

Of the group surplus, £50,983 (1995: £81,280) is dealt with in the accounts of English National Ballet Limited. As permitted by section 230 of the Companies Act 1985 no separate income and expenditure account is presented for the company.

5 Tangible fixed assets

Company and Group	Total £	Long leaseholds £	Short leaseholds £	Equipment £	Motor vehicles £
<i>Cost</i>					
At 1 April 1995	1,080,820	669,502	224,295	163,018	24,005
Additions	26,176	-	4,264	14,060	7,852
Disposals	(45,107)	-	-	(45,107)	-
	<u>1,061,889</u>	<u>669,502</u>	<u>228,559</u>	<u>131,971</u>	<u>31,857</u>
<i>At 30 March 1996</i>					
<i>Depreciation</i>					
At 1 April 1995	281,664	79,710	83,070	112,482	6,402
Charge for the period	43,008	5,470	12,541	16,203	8,794
Disposals	(45,107)	-	-	(45,107)	-
	<u>279,565</u>	<u>85,180</u>	<u>95,611</u>	<u>83,578</u>	<u>15,196</u>
<i>At 30 March 1996</i>					
<i>Net book value</i>					
At 30 March 1996	<u>782,324</u>	<u>584,322</u>	<u>132,948</u>	<u>48,393</u>	<u>16,661</u>
At 1 April 1995	<u>799,156</u>	<u>589,792</u>	<u>141,225</u>	<u>50,536</u>	<u>17,603</u>

English National Ballet Limited and Subsidiary

Notes (continued)

6 Investments

	1996 £	1995 £
Shares in subsidiary undertaking	<u>2</u>	<u>2</u>

The company owns the whole share capital comprising 2 fully paid up ordinary shares of £1 each of English National Ballet Enterprises Limited, a company registered in England and Wales. The principal activity of English National Ballet Enterprises Limited is raising sponsorship.

7 Debtors

Group	1996 £	1995 £
Trade debtors	266,254	47,185
Amounts owed by related parties	16,182	15,144
Other debtors	267,917	248,800
Prepayments and accrued income	139,491	125,732
	<u>689,844</u>	<u>436,861</u>

Company

Trade debtors	227,914	36,411
Amounts owed by subsidiary undertaking	10,804	12,775
Amounts owed by related parties	16,182	15,144
Other debtors	267,917	248,800
Prepayments and accrued income	137,528	123,036
	<u>660,345</u>	<u>436,166</u>

English National Ballet Limited and Subsidiary

Notes (continued)

8 Creditors: amounts falling due within one year

Group	1996		1995	
	£	£	£	£
Bank overdraft		403,527		370,836
Trade creditors		249,098		157,867
Grants received in advance		-		26,595
Other creditors including taxation and social security:				
Corporation tax	180		-	
Social security & PAYE	112,474		93,456	
Income tax	31,369		29,869	
VAT	88,613		91,837	
Other	27,992		26,153	
		<u>260,628</u>		<u>241,315</u>
Accruals and deferred income		119,779		110,045
		<u>1,033,032</u>		<u>906,658</u>
Company				
Bank overdraft		387,109		370,836
Trade creditors		249,098		157,869
Amounts owed to subsidiary undertaking		22,500		9,173
Grants received in advance		-		26,595
Other creditors including taxation and social security:				
Social security & PAYE	112,474		93,456	
VAT	83,820		77,144	
Other	27,992		26,153	
		<u>224,286</u>		<u>196,753</u>
Accruals and deferred income		118,585		103,678
		<u>1,001,578</u>		<u>864,904</u>

The Company has an overdraft facility with Coutts & Co. which is secured by a legal charge on the lease of Markova House. This charge ranks prior to the legal charge referred to in note 9 below.

English National Ballet Limited and Subsidiary

Notes (continued)

9 Building fund

The following grants were received for the acquisition of the leasehold and for the adaptation of Markova House, London SW7 and are included in the Building Fund:

- (a) Arts Council of Great Britain £125,000 - Capital Grant offered 30 July 1976.
- (b) Greater London Council £75,000. Grant offered 26 July 1976, subject to the following conditions:

This grant is repayable in the event of the company disposing of the property without GLC consent. It is secured by a legal charge on the lease of Markova House, subject to a prior charge in favour of Coutts & Co. The charge is now held by Westminster City Council.

10 Remuneration of governors

The board are all non-executive governors and none received remuneration in the year (1995: £nil). The governors and officers of the Company are covered by Directors Liability Insurance, with maximum cover of £1 million. The premium paid was £1,666 (1995: £1,830).

11 Employees

The average number of permanent employees in the year was 119 (1995: 117).

The aggregate staff costs of the employees during the 52 weeks was:

	1996 £	1995 £
Wages and salaries	2,433,416	2,323,747
Social security costs	280,364	259,322
Other pension costs	74,760	67,823
	<u>2,788,540</u>	<u>2,650,892</u>

12 Pensions

The company operates three pension schemes of which two are defined contribution schemes and one is a defined benefit scheme. The assets of all schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £74,760 (1995: £67,823). Contributions totalling £4,818 due to one of the funds was paid to the fund in April 1996 and are included in creditors (1995: Debtor of £7,748). Also the company pays additional fees to members of the English National Ballet Orchestra to enable them to make additional contributions to their own pension plans.

The defined benefit schemes has five members. Its last actuarial valuation took place in 1993 and revealed a surplus.

English National Ballet Limited and Subsidiary

Notes (continued)

13 Capital

The liability of the members is limited to £1 per member.

14 Reserves

Group	Accumulated deficit £	1996	Building fund £	Accumulated deficit £	Building fund £
		Designated funds			
Balance brought forward	(103,439)	-	564,333	(189,399)	569,803
Surplus in the period	51,012	-	-	80,490	-
Transfer re Audience development programme	(60,000)	60,000	-		
Transfer re depreciation of long leasehold	5,470	-	(5,470)	5,470	(5,470)
	<u>(106,957)</u>	<u>60,000</u>	<u>558,863</u>	<u>(103,439)</u>	<u>564,333</u>
Balance at carried forward					
Company					
Balance brought forward	(101,453)	-	564,333	(188,203)	569,803
Surplus in the period	50,983	-	-	81,280	-
Transfer re Audience development programme	(60,000)	60,000	-		
Transfer re depreciation of long leasehold	5,470	-	(5,470)	5,470	(5,470)
	<u>(105,000)</u>	<u>60,000</u>	<u>558,863</u>	<u>(101,453)</u>	<u>564,333</u>
Balance carried forward					

Included in the company's grant for 1995/96 from the Arts Council of England was the sum of £60,000 for Audience Development work. It has been decided that it would be more effective to combine two years funding for a larger programme in 1996/97. Accordingly, this sum has been identified separately and will be used in the course of 1996/97.

The Company's leasehold interest in Markova House is depreciated in equal annual instalments over the life of the lease. The premium paid for the lease and the cost of conversion and building work both at acquisition and subsequently were financed by funds raised for that purpose and retained in the Building Fund. As this Fund specifically finances the Markova House lease an amount equivalent to each year's amortisation is transferred from the Building Fund to the Accumulated Deficit.

English National Ballet Limited and Subsidiary

Notes (continued)

15 Reconciliation of operating surplus to net cash inflow from operating activities

	52 weeks ended 30 March 1996 £	52 weeks ended 1 April 1995 £
Surplus in the period before taxation	51,192	80,490
Interest receivable	(27,101)	(13,219)
Interest payable	3,061	5,337
	<hr/>	<hr/>
Operating surplus	27,152	72,608
Depreciation charge	43,008	35,223
Decrease in productions in progress	25,375	3,724
(Increase)/decrease in stocks	(3,427)	(4,672)
(Increase)/decrease in debtors	(252,983)	(208,857)
Increase/(decrease) in creditors	94,043	(1,373,585)
	<hr/>	<hr/>
	67,372	(1,475,559)

16 Analysis of balances of cash and cash equivalents as shown in the balance sheet

	1996 £	1995 £	Change in year £
Cash at bank and in hand	6,239	43,056	(36,817)
Bank overdraft	(403,527)	(370,836)	(32,691)
	<hr/>	<hr/>	<hr/>
	(397,288)	(327,780)	(69,508)

English National Ballet Limited and Subsidiary

Notes (continued)

17 Operating leases

At 30 March 1996, the company had annual commitments under operating leases as follows:

	1996 £	1995 £
<i>Land and buildings</i>		
Operating leases which expire:		
between two and five years	58,762	58,762
after more than five years	101,000	101,000
	<u>159,762</u>	<u>159,762</u>