

**BIRMINGHAM ROYAL BALLET**  
**(A company limited by guarantee)**

**Report and Financial Statements**

**31 March 2000**

**Deloitte & Touche**  
**Colmore Gate**  
**2 Colmore Row**  
**Birmingham**  
**B3 2BN**



**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr Robert Southgate (Chairman)  
Mr Colin Nears CBE  
Mr Gary Allen CBE DL  
Mr Richard Archer  
Mrs Tessa King-Farlow  
Dame Beryl Grey DBE (resigned 18 October 1999)  
Miss Nicola Katrak  
Mr Chris Kirk  
Mrs Jane Nicholas OBE  
Professor Ken Robinson  
Mr E Wallis  
Mr R Wright  
Sir John Drummond (appointed 18 October 1999)

**SECRETARY**

Mrs Anna Williams ACA

Registered in England & Wales  
Company No. 3320538

Registered Charity Number: 1061012

**REGISTERED OFFICE**

Thorp Street  
Birmingham  
B5 4AU

**BANKERS**

HSBC Bank plc  
130 New Street  
Birmingham  
B2 4JU

**SOLICITORS**

Pinsent Curtis  
3 Colmore Circus  
Birmingham  
B4 6BH

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

## **CHAIRMAN'S REPORT ON THE YEAR 1999/2000**

The past financial year has been dominated for BRB by one event - the closure for development and refurbishment of the Birmingham Hippodrome. It closed in January with sell-out performances of the first half of David Bintley's dramatic two-part ballet *Arthur* - based on stories of the legendary king. In the long-term, the rebuilding of our home theatre will provide the city and BRB with exceptional facilities. In the short-term, however, it is proving both costly and difficult to keep faith with the expectations of our Birmingham audiences.

As this financial year drew to a close, faced with the loss of our spring season at the Hippodrome, we moved for three weeks to the Birmingham Repertory Theatre with a season of Frederick Ashton classics. Artistically the programmes were exceptional, brilliantly danced, and full of joy. The Company and its orchestra, the Royal Ballet Sinfonia, received great critical acclaim. Among many highlights was the re-creation of *Dante Sonata* in which David Bintley was helped by former ballerinas Jean Bedells, Pauline Clayden and Pamela May. We are grateful to them, and to Antoinette Sibley, Lesley Collier and Lynn Seymour for their help in re-staging the other works, *The Two Pigeons*, a series of *divertissements*, *Scènes de ballet* and the perennial favourite for BRB's audience, *Enigma Variations*. The performances were a fitting tribute to the Company's founder choreographer.

However, The Rep is much smaller than the Hippodrome and revenue was greatly reduced. Having finished this financial year with a deficit of £70,000, we therefore face an even more difficult 12 months before the Hippodrome finally reopens. But the whole Company is excited by the prospect the new Hippodrome offers. In addition to an even more welcoming building with vastly improved facilities both in front of and behind the stage, we shall enjoy the revolutionary Jerwood Centre for the Treatment and Prevention of Dance Injuries and will have the opportunity for additional performance weeks in the 200 seat Patrick Studio Theatre. The Hippodrome will re-open with *Arthur* part 2, the conclusion of Bintley's ballet cycle.

In March the Company and the orchestra had an outstanding success in providing the closing performances of the Hong Kong Arts Festival with Bintley's brilliant *Edward II*. Every performance was standing-room only and the Company received a tumultuous reception. My own best memory was of sitting in the back row of the upper circle at one performance when no-one around me would have known of my involvement. At the end of the performance, a woman who had been sitting nearby turned to me and said: "I have seldom seen such excellence". Then she paused and added "and it does me good". Meanwhile across on Hong Kong Island, BRB's education department were conducting workshops with students and teachers from Hong Kong which culminated in a very moving, informal workshop performance of their version of *Edward II* at the Hong Kong University of Science and Technology. It was just one example among many of the creative and pre-eminent role the Company plays in the field of education throughout the year.

Early in the financial year we paid our last visits for the time being to Bristol and to Manchester, which is being replaced as one of our touring venues by The Lowry Centre in neighbouring Salford. We continued to tour to our venues in Sunderland, Plymouth and Bradford. The repertory for the early part of the financial year included *Coppélia*, followed by a stunning new *Giselle*, *Arthur* and *The Nutcracker*. We were delighted that choreography created by our own Company dancers for *The Four Seasons* as part of the previous year's choreographic project became part of the established repertory. Bintley combined it with *The Dance House* and *Five Tangos* and then Twyla Tharp's *In the Upper Room* in a sparkling triple bill. Bintley also gave us a thrilling and joyous new triple bill, featuring *The Shakespeare Suite* and *The Nutcracker Sweeties*, based on the music of Duke Ellington and played by our own Echoes of Ellington jazz band, together with George Balanchine's *Slaughter on Tenth Avenue*.

We are, as ever, greatly indebted to our principal funders, The Arts Council of England and Birmingham City Council, for their continued support during the year. Birmingham City Council in particular contributed an extra £200,000 for the creation of *Arthur* part 1 as one of its millennium projects. We remain deeply grateful to PowerGen, our principal sponsor, and look forward to the creation of *Arthur* part 2 which has been made possible by their generous sponsorship. To Ed Wallis, Chairman of PowerGen and also the Chairman of BRB Trust, and to all Trust members, we offer our warmest thanks.

During the year we reorganised and streamlined our staffing structure and I would like to thank all the administrative staff and especially Chief Executive, Derek Purnell, for their unstinting hard work in bringing the changes into effect with the least possible disruption.

## **CHAIRMAN'S REPORT ON THE YEAR 1999/2000**

I would like to pay tribute to the dedicated and energetic work of the whole Board. We had to say a fond farewell to Dame Beryl Grey who represented the Royal Ballet Governors on our Board and were delighted to welcome in her place, Sir John Drummond. Finally, let me on behalf of the Board, the whole Company and BRB's audiences worldwide, thank my predecessor as chairman, Colin Nears CBE. Colin is the founding Chairman of Birmingham Royal Ballet. He oversaw the Company's move to Birmingham, the gaining of independence from the Royal Opera House, the change of Artistic Director, and the first years as a newly constituted, independent company with flair, brilliance and a total commitment which did not waver over ten years. He knew and knows everyone in the Company personally and is known to virtually everyone in the ballet community throughout the world. We all owe him a huge amount - and I am delighted that he has agreed to remain a Board member.



Robert Southgate  
Chairman

## **DIRECTORS' REPORT**

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 March 2000.

### **STATUS, OBJECTS AND POLICIES**

Birmingham Royal Ballet is incorporated as a company limited by guarantee and not having a share capital and engages in all aspects of presenting ballet, including related education activities.

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. In this endeavour, the company seeks the highest standards of performance and presentation supported by effective press, public relations and marketing and wide-ranging education and community work. 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 of England and Birmingham City Council. The company operates an equal opportunities policy and has a commitment to good health and safety practices.

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

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 administration and financial management, gained both nationally and, more specifically, in the West Midlands.

The Administrative Director is responsible for managing the business affairs of the company, the Artistic Director is responsible for the company's creative policy and artistic presentation and direction.

#### **Directors' Interests in Related Bodies**

Mr Colin Nears CBE is also a Director of the Dance Companies' Resettlement Fund and a Governor of the Royal Ballet and of the Royal Ballet School and a Director of the Ballet Rambert. Mr Chris Kirk is also a Governor of the Royal Ballet and Chairman of the Birmingham Hippodrome Theatre Trust Limited. Mrs Jane Nicholas is a Director of the Benesh Institute Endowment Fund. Mrs Tessa King-Farlow is a Governor of the Royal Ballet School. Dame Beryl Grey is Chairman of the Royal Ballet Benevolent Fund and Vice-Chairman of the Governors of the Royal Ballet.

Mr Ed Wallis (Chairman of Birmingham Royal Ballet Trust), Mr Colin Nears, Mrs Tessa King-Farlow and Mr Gary Allen are Trustees of The Birmingham Royal Ballet Trust.

#### **Reimbursements to Directors**

Reimbursements of expenses was made to directors during the year, totalling £4,100 (1999 - £2,073).

### **PRINCIPAL ACTIVITIES**

The principal activities of the company are as stated above.

## **DIRECTORS' REPORT**

### **REVIEW OF ACTIVITIES DURING THE YEAR**

#### **Dance activities report on the year 1999/2000**

The year brought many successes for the Company with excellent new additions to the repertory. It was unusual in that two new full-length productions were undertaken in addition to one newly created one-act ballet and several revivals.

The incorporation of *The Four Seasons* to the repertory last summer is significant in that this work is the result of the Company's choreographic project and provided valuable experience and opportunities for the Company choreographers to re-visit and in some cases re-work sections of the ballet. The addition of *The Dance House* (Bintley) and the revival of *Five Tangos* (Van Manen) again proved the versatility of the Company dancers and the value of working with a variety of choreographers.

The first "new" full-length ballet was a new production of *Giselle*. In collaboration with Galina Samsova and assisted by Desmond Kelly, David Bintley made the characters and the setting more "believable" and at the same time added considerably to the eerie supernatural elements of Act II. The sets and costumes by Hayden Griffin and the lighting by Mark Jonathan added authenticity, a sense of period, place and atmosphere that resulted in a cohesive and beautiful production.

The Jazz triple bill - *Slaughter on Tenth Avenue* / *The Shakespeare Suite* / *The Nutcracker Sweeties* - has probably become the most popular and successful that BRB has staged. With assistance and agreement from the Balanchine Trust, Kate Ford was commissioned to redesign *Slaughter* for its staging by the Company. Kate had previously designed for one of the Company's choreographic projects and with the confidence and experience gained through this was able to make the most of her opportunity to undertake a "full" commission for the Company. We, and the Balanchine Trust, were delighted with the outcome. *The Shakespeare Suite*, made as a companion piece for *Sweeties*, again used an Ellington score, with costume designs by Jasper Conran and sets and lighting by Steve Scott. The result is sensational. The choreographic invention, musicality and structure of the work are magnificent. *Sweeties* closed this programme and again delighted audiences with its wit and exuberance.

*The Nutcracker* performances were as popular as ever, with *The Cracked Nut* drawing the performances to a successful close for a second year!

In January *Arthur* part 1 entered the repertory as BRB's contribution to the climax of Birmingham's Towards the Millennium Festival. David Bintley, working with the team that created *Edward II* - John McCabe, Jasper Conran, Peter Davison and Peter Mumford - produced a ballet of extraordinary depth, mystery and beauty. On a truly epic scale, characters reveal the complexities of their relationships within a shifting timeframe, making the work relevant and meaningful today. The performances given by dancers in principal roles were superb.

The education projects linked to *Arthur* were particularly noteworthy. The Quest project allowed a group of sixth-form students access to the creative process which was duly recorded in a variety of ways. *Living the Legend* resulted in a performance, based on the Arthurian legends, given at the Hippodrome on the final day before the theatre's closure for development. The performance involved nearly 100 dancers from a range of dance groups, clubs and schools. For these projects to have taken place during such a busy and often stressful period speak volumes about the Company's commitment to the work of the Education department.

The revival of *Edward II* for the Hong Kong Arts Festival was hugely successful. Five sell-out performances further established the name and reputation of BRB abroad.

## **DIRECTORS' REPORT**

### **REVIEW OF ACTIVITIES DURING THE YEAR**

#### **Dance activities report on the year 1999/2000 (continued)**

The full list of works performed in 1999/2000 is as follows:

Coppélia

Giselle

The Nutcracker

Arthur part 1

Edward II

The Four Seasons

The Dance House

Five Tangos

In the Upper Room

Slaughter on Tenth Avenue

The Shakespeare Suite

The Nutcracker Sweeties

#### **Financial activities**

The start of the 1999/2000 financial year saw the Company on a sound financial footing with the effective elimination of its accumulated deficit at the end of 1998/99.

The increased grants from the Arts Council of England (£5,589,580), Birmingham City Council (£892,000) plus their support for *Arthur* part 1 as part of the City's Forward Festival as well as the additional security provided by our principal sponsor, PowerGen, enabled the Company to restore regional touring to nine weeks (1998/99 - eight weeks) as well as produce two new full-length and one new one-act ballet. Public subsidy represented 73% of total incoming resources for the year (1998/99 - 67%). Box office income has held up well during the year given the challenges presented by the level of new work in the repertory and costs continue to be well controlled. However, the loss of two anticipated and lucrative set hires to Japan and New Zealand has resulted in a carried forward deficit of £70,148.

Direct charitable expenditure comprised 75% of resources expended (1998/99 - 76%) confirming our consistent commitment to our charitable objectives.

We were delighted that, for the first time, the Arts Council was able to announce two years of funding, for 2000/2001 - £5,650,000 and 2001/2002 - £5,791,250, representing a 2.5% increase in each year. This has greatly increased our ability to plan for the future and adapt those plans as necessary, in particular during the Hippodrome closure period. The Birmingham City Council Grant was increased by 2.5% to £914,000 for 2000/2001 with a qualified commitment to a similar increase to 2002. We would like to thank both the Arts Council of England and Birmingham City Council for their ongoing support during the Hippodrome closure.

#### **AVAILABILITY AND ADEQUACY OF ASSETS OF EACH OF THE FUNDS**

In respect of all its funds, the charity's assets are available and adequate to fulfil its obligations as they fall due.

#### **TAXATION**

The company has no liability to Corporation Tax or Capital Gains Tax.

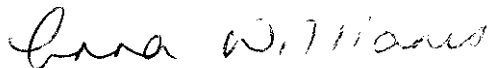


## **DIRECTORS' REPORT**

### **AUDITORS**

Deloitte & Touche 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

A handwritten signature in cursive script, appearing to read 'Mrs A Williams'.

Mrs A Williams  
Company Secretary

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors of a charity to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources for that year. In preparing those financial statements, the directors 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 and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and the Charities (Accounts and Reports) Regulations 1995. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **AUDITORS' REPORT TO THE MEMBERS OF**

### **BIRMINGHAM ROYAL BALLET (A company limited by guarantee)**

We have audited the financial statements on pages 10 to 21 which have been prepared under the accounting policies set out on pages 14 and 15.

#### **Respective responsibilities of directors and auditors**

As described on page 8 the directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of Birmingham Royal Ballet as at 31 March 2000 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Charities Act 1993 and the Charities (Accounts and Reports) Regulations 1995.

*Deloitte & Touche*

Chartered Accountants and Registered Auditors

*21 November 2000*

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Year ended 31 March 2000**

		Unrestricted		Restricted	2000	1999
	Note	Undesignated funds	Designated funds	funds	Total funds	Total funds
		£	£	£	£	£
<b>INCOME AND EXPENDITURE</b>						
<b>Incoming resources:</b>						
Grants receivable	3	6,681,580	-	-	6,681,580	6,338,280
Sponsorship	4	385,000	-	20,000	405,000	200,110
Other income	5	2,019,235	-	-	2,019,235	3,029,528
Investment income		17,333	-	-	17,333	22,792
<b>Total incoming resources</b>		<b>9,103,148</b>	<b>-</b>	<b>20,000</b>	<b>9,123,148</b>	<b>9,590,710</b>
<b>Resources expended:</b>						
Direct charitable expenditure	6	6,889,023	-	20,000	6,909,023	7,174,352
Support costs	6	132,782	-	-	132,782	127,652
Publicity	6	670,129	-	-	670,129	732,837
Management and administration	6	1,085,445	-	-	1,085,445	1,217,401
Orchestral projects	6	395,444	-	-	395,444	170,278
<b>Total resources expended</b>		<b>9,172,823</b>	<b>-</b>	<b>20,000</b>	<b>9,192,823</b>	<b>9,422,520</b>
<b>Net (outgoing)/ incoming resources before transfers</b>		<b>(69,675)</b>	<b>-</b>	<b>-</b>	<b>(69,675)</b>	<b>168,190</b>
<b>Transfers between funds</b>		<b>24,646</b>	<b>(24,646)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (outgoing)/incoming resources for the year</b>	<b>8</b>	<b>(45,029)</b>	<b>(24,646)</b>	<b>-</b>	<b>(69,675)</b>	<b>168,190</b>
<b>Opening funds</b>		<b>(40,813)</b>	<b>40,340</b>	<b>-</b>	<b>(473)</b>	<b>(168,663)</b>
<b>Closing funds</b>		<b>(85,842)</b>	<b>15,694</b>	<b>-</b>	<b>(70,148)</b>	<b>(473)</b>

All activities derived from continuing operations.

There are no recognised gains or losses other than the movement in funds for both years. Accordingly, no statement of total recognised gains and losses is given.

**BALANCE SHEET**  
**31 March 2000**

	Note	£	2000 £	£	1999 £
<b>FIXED ASSETS</b>					
Tangible assets	9		226,281		198,043
<b>CURRENT ASSETS</b>					
Stocks	10	72,459		76,618	
Debtors	11	1,078,296		705,631	
Cash at bank and in hand		71,300		62,204	
		<u>1,222,055</u>		<u>844,453</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(1,408,451)</u>		<u>(912,635)</u>	
<b>NET CURRENT LIABILITIES</b>	2		<u>(186,396)</u>		<u>(68,182)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			39,885		129,861
<b>CREDITORS: amounts falling due after more than one year</b>	13		(105,901)		(124,135)
<b>DEFERRED CAPITAL GRANTS</b>	14		<u>(4,132)</u>		<u>(6,199)</u>
			<u>(70,148)</u>		<u>(473)</u>
<b>FUNDS</b>					
Undesignated			(85,842)		(40,813)
Designated	15		15,694		40,340
			<u>(70,148)</u>		<u>(473)</u>

These financial statements were approved by the Board of Directors on 11 September 2000

Signed on behalf of the Board of Directors



Robert Southgate

Chairman

**CASH FLOW STATEMENT**  
**Year ended 31 March 2000**

	<b>Note</b>	<b>2000 £</b>	<b>1999 £</b>
<b>Cash flow from operating activities</b>	(i)	101,220	138,004
<b>Returns on investments and servicing of finance</b>	(ii)	17,333	22,792
<b>Capital expenditure and financial investment</b>	(ii)	<u>(109,457)</u>	<u>(99,868)</u>
<b>Increase in cash in the year being movement in net funds</b>	(iii)	<u>9,096</u>	<u>60,928</u>

**NOTES TO THE CASH FLOW STATEMENT**  
**Year ended 31 March 2000**

**(i) RECONCILIATION OF (OUTGOING)/INCOMING RESOURCES  
TO OPERATING CASH FLOWS**

	2000 £	1999 £
(Outgoing)/incoming resources before interest	(87,008)	145,398
Depreciation	81,219	70,173
Release of deferred capital grant	(2,067)	(2,067)
Decrease in stock	4,159	5,406
Increase in debtors	(372,665)	(124,456)
Increase in creditors	477,582	43,550
<b>Net cash inflow from operating activities</b>	<b>101,220</b>	<b>138,004</b>

**(ii) ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2000 £	1999 £
<b>Returns on investments and servicing of finance</b>		
Interest received	17,333	22,792
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>17,333</b>	<b>22,792</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(109,457)	(99,868)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(109,457)</b>	<b>(99,868)</b>

**(iii) ANALYSIS OF NET FUNDS**

	At 1 Apr 1999 £	Cash Flow £	At 31 Mar 2000 £
Cash in hand and at bank	62,204	9,096	71,300

## **NOTES TO THE ACCOUNTS**

**Year ended 31 March 2000**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities", and under the historical cost convention.

#### **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	25% per annum
Computer equipment	25% per annum
Technical equipment	33.3% per annum
Assets transferred from ROH:	
Premises	Written off over the remaining life of the lease
Other	33% to 100% depending on the assets remaining useful life

The equipment transferred from the Royal Opera House was originally purchased more than four years ago, for which verification of accumulated depreciation and useful economic life is not obtainable. Birmingham Royal Ballet policy is to review the useful life of such equipment and depreciate these assets accordingly.

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

The costs to the company of sets and wardrobe for new and revived productions are charged in full to the relevant production project in the year the production is first performed, or the year it is revived. 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.

#### **Grants**

Revenue grants receivable are accounted for in the year to which the grants relate. Grants received in advance of the year to which they relate are carried forward as a creditor in the balance sheet.

#### **Operating leases**

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the period of the leases.

#### **Stock**

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

#### **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
- BRB Pension Scheme
- Musicians Union Abbey Life Pension Scheme

The pension costs charged against profits represent the amount of contributions payable by the company to the pension schemes in respect of the accounting year.



## **NOTES TO THE ACCOUNTS**

**Year ended 31 March 2000**

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

#### **Fund accounting**

##### ***Unrestricted funds***

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

##### ***Restricted funds***

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

##### ***Designated funds***

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

#### **Expenditure**

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

Direct charitable expenditure includes all costs directly related to delivering the charitable objectives of the company as stated in the Directors' Report.

Publicity costs include the costs of staff who are directly engaged in the promotion and marketing of the company, and other direct costs of promoting specific tours and the company in general

Management and administration costs represent the costs of managing the charity's assets, the organisation and administration of the charity, and compliance with the constitutional and statutory requirements.

Support costs represent the costs of maintaining an adequate medical and physiotherapy service for dancers of the company.

### **2. FUTURE FUNDING**

The company is dependant on the continuing financial support from the Arts Council of England and Birmingham City Council. Income from these sources in 1999/2000 totalled £6,681,580 representing 73% of total income.

Looking to the future, funding for 2000/1 and 2001/2 has been secured from the Arts Council (£5,650,000 and £5,791,250 respectively) and for 2000/1 from Birmingham City Council (£914,000). Moreover, the City Council has confirmed that it expects to continue funding at this same level, plus increases to keep pace with inflation. In addition, PowerGen continue as BRB's Principal Sponsor for the next two years.

The Board is satisfied that this level of funding, together with estimates of ticket receipts and other income, will be sufficient for the company's needs in the coming year.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2000**

**3. GRANTS RECEIVABLE**

	Unrestricted funds £	Restricted funds £	2000 Total funds £	1999 Total funds £
Arts Council of England				
Revenue funding	5,589,580	-	5,589,580	5,417,280
New audiences scheme	-	-	-	25,000
Birmingham City Council				
Revenue funding	892,000	-	892,000	871,000
Year of the Arts	-	-	-	25,000
Forward Festival	200,000	-	200,000	-
	<u>6,681,580</u>	<u>-</u>	<u>6,681,580</u>	<u>6,338,280</u>

**4. SPONSORSHIP**

	Unrestricted funds £	Restricted funds £	2000 Total funds £	1999 Total funds £
Birmingham Royal Ballet Trust	360,000	20,000	380,000	185,000
Friends of Covent Garden	-	-	-	15,000
Sundry donations	25,000	-	25,000	110
	<u>385,000</u>	<u>20,000</u>	<u>405,000</u>	<u>200,110</u>

**5. OTHER INCOME**

	Unrestricted funds £	Restricted funds £	2000 Total funds £	1999 Total funds £
Performing fees	-	-	-	563,000
Box office income	1,344,489	-	1,344,489	1,474,119
Hire income and broadcasts	68,846	-	68,846	177,233
Sundry	221,035	-	221,035	206,678
Education programmes	18,945	-	18,945	19,200
Orchestral projects	244,242	-	244,242	176,055
Overseas touring	105,279	-	105,279	300,613
Release of capital grant	2,067	-	2,067	2,067
National insurance rebate	14,332	-	14,332	110,563
	<u>2,019,235</u>	<u>-</u>	<u>2,019,235</u>	<u>3,029,528</u>

It has been agreed with the Contributions Agency that entertainment staff previously classed as employed could properly be re-classed as self employed for National Insurance contribution purposes. The effect of this has been to enable the company to reclaim a total of £169,179, of which £14,332 was received in 1999/2000 as disclosed above. The balance of £154,846 relates partly to 1998/99 (£44,283 netted off touring and production costs shown in note 6) and £110,563 relating to 1997/98.

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2000**

**6. ANALYSIS OF TOTAL EXPENDED RESOURCES**

	Staff costs	Other costs	Depreciation	2000 Total	1999 Total
	£	£	£	£	£
Direct charitable expenditure:					
Touring and production costs	4,138,419	2,525,830	30,652	6,694,901	7,002,282
Education projects	63,832	130,290	-	194,122	172,070
Education restricted	-	20,000	-	20,000	-
Support costs:					
Medical costs/physio	66,316	62,953	3,513	132,782	127,652
Other expenditure:					
Publicity	141,352	528,777	-	670,129	732,837
Management and administration	539,083	499,308	47,054	1,085,445	1,217,401
Orchestral projects	359,971	35,473	-	395,444	170,278
<b>Total</b>	<b>5,308,973</b>	<b>3,802,631</b>	<b>81,219</b>	<b>9,192,823</b>	<b>9,422,520</b>

Touring and production costs include a cost of £375,000 for the production of Arthur 1 that was supported by Birmingham City Council Forward Festival.

**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2000 £	1999 £
<b>Employee costs during the year</b>		
Wages and salaries	4,611,262	4,601,792
Social security costs	457,184	379,929
Pension costs	240,527	230,806
	<b>5,308,973</b>	<b>5,212,527</b>
<b>Average number of persons employed</b>	<b>No</b>	<b>No</b>
<b>Permanent:</b>		
Artists and ballet staff	64	62
Sinfonia and music staff	46	47
Production and technical	15	16
Management and administration	35	32
	<b>160</b>	<b>157</b>
<b>Temporary:</b>		
Sinfonia and music staff	-	9
Production and technical	10	8
	<b>10</b>	<b>17</b>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2000**

**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	2000	1999
	No	No
<b>Employees with total emoluments greater than £40,000 fell into the following bands:</b>		
£ 40,001 - £ 50,000	7	4
£ 50,001 - £ 60,000	6	5
£ 60,001 - £ 70,000	4	4
£ 70,001 - £ 80,000	2	2

The directors received no remuneration in the year. Where claimed, travel expenses were reimbursed.

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

	2000	1999
	£	£
<b>Net (outgoing)/ incoming resources are stated after charging/(crediting):</b>		
Operating lease rental	131,280	144,755
Depreciation of owned assets	81,219	70,173
Auditors' remuneration	4,750	4,600
Release of deferred capital grant	(2,067)	(2,067)

**9. TANGIBLE FIXED ASSETS**

	Leasehold property £	Office equipment £	Computers £	Technical and stage equipment £	Total £
<b>Cost</b>					
At 1 April 1999	68,792	55,381	124,831	91,706	340,710
Additions	52,357	9,498	29,782	17,820	109,457
At 31 March 2000	121,149	64,879	154,613	109,526	450,167
<b>Accumulated depreciation</b>					
At 1 April 1999	7,642	20,719	62,867	51,439	142,667
Charge for year	7,786	3,520	31,360	38,553	81,219
At 31 March 2000	15,428	24,239	94,227	89,992	223,886
<b>Net book value</b>					
At 31 March 2000	105,721	40,640	60,386	19,534	226,281
At 31 March 1999	61,150	34,662	61,964	40,267	198,043

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2000**

**9. TANGIBLE FIXED ASSETS (continued)**

The analysis of fixed assets according to their use is as follows:

	<b>Direct £</b>	<b>Support £</b>	<b>Admin £</b>	<b>Total</b>
Cost	200,593	14,044	235,530	450,167
Depreciation	109,598	6,025	108,263	223,886
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2000	90,995	8,019	127,267	226,281
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	121,176	7,532	78,295	198,043
	<hr/>	<hr/>	<hr/>	<hr/>

**10. STOCKS**

	<b>2000 £</b>	<b>1999 £</b>
Shoes	48,073	56,273
Merchandise	24,386	20,345
	<hr/>	<hr/>
	72,459	76,618
	<hr/>	<hr/>

**11. DEBTORS**

	<b>2000 £</b>	<b>1999 £</b>
Trade debtors	207,571	184,424
Other debtors	323,359	324,337
Prepayments	460,810	162,285
VAT recoverable	86,556	34,585
	<hr/>	<hr/>
	1,078,296	705,631
	<hr/>	<hr/>

Other debtors includes £63,675 (1999 - £63,675) in respect of a rent deposit which is due in more than one year.

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

	<b>2000 £</b>	<b>1999 £</b>
Trade creditors	383,982	229,569
Other creditors	252,643	44,441
Taxation and social security	116,762	88,654
Accruals and deferred income	655,064	549,971
	<hr/>	<hr/>
	1,408,451	912,635
	<hr/>	<hr/>

Other creditors above includes £18,234 (1999 - £18,234) due to the Royal Opera House (see note 13).

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2000**

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Other creditors	105,901	124,135

Other creditors due after one year comprises amounts due to the Royal Opera House as consideration for the assets and liabilities acquired by Birmingham Royal Ballet upon formation of the Company. The amount is payable in ten equal annual instalments, commencing in the year ended 31 March 1999, with the final instalment being due in the year ended 31 March 2008.

**14. DEFERRED CAPITAL GRANTS**

	2000 £	1999 £
Received in year	6,199	8,266
Released to incoming resources	(2,067)	(2,067)
	<u>4,132</u>	<u>6,199</u>

The grant of £8,266 was received from The Bigbury Trust during 1998/9 for the purchase of equipment, the cost of which is included in fixed assets.

**15. DESIGNATED AND RESTRICTED FUNDS**

Designated funds comprise amounts set aside in the year by the directors in respect of the following projects:

	£
Friends of Birmingham Royal Ballet	2,000
Education	3,694
Capital expenditure	10,000
	<u>15,694</u>

The balance is represented by cash.

The restricted fund comprises amounts received from Birmingham Royal Ballet Trust in respect of The Dance Track project.

**16. 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 2000, there were 12 (1999 – 12) members of the company.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2000**

**17. FINANCIAL COMMITMENTS**

**Capital commitments**

At 31 March 2000 the company had no capital commitments which were contracted for but not provided in the financial statements.

**Operating lease commitments**

At 31 March 2000, the company was committed to making the following payments during the next year in respect of operating leases:

	Premises		Other	
	2000	1999	2000	1999
	£	£	£	£
Leases which expire:				
Within two to five years	-	-	1,380	11,781
After five years	163,862	129,900	16,092	-
	<u>163,862</u>	<u>129,900</u>	<u>17,472</u>	<u>11,781</u>

**18. PENSION COSTS**

The company contributes to three group personal pension schemes. The cost to the company for the year ended 31 March 2000 is equal to the amount of employer contributions paid in the year to each scheme, and is detailed below:

	2000	1999
	£	£
BRB Pension Scheme	36,205	33,925
Dancers' Pension Scheme	91,758	85,137
Musicians' Union	32,500	31,113
	<u>160,463</u>	<u>150,175</u>

The company also contributes a fixed percentage of dancers' and ballet staff basic salaries to the Dancers' Resettlement Fund. In 1999/2000 the company contributed a total of £80,064 (1998/99 - £80,631).