

**English National Ballet**  
**(Limited by Guarantee)**  
*(formerly English National Ballet Limited)*

**Trustee's Report and consolidated  
accounts**  
**31 March 2008**

Registered in England and Wales  
Registered Company number: 735040  
Registered Charity number: 214005

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## **Contents**

Trustees' report	1
Sponsorship and fund raising	9
Statistics 2007/08	13
Independent auditors' report to the members of English National Ballet Limited	14
Consolidated statement of financial activities (incorporating an Income and Expenditure account)	15
Consolidated balance sheet	16
Charity balance sheet	17
Consolidated cash flow statement	18
Notes	19

## Trustees' report

### Report of the trustees for the year ended 31 March 2008

The trustees are pleased to present their report together with the consolidated financial statements of the charity for the year ending 31 March 2008.

#### Reference and administrative details

Charity Number	214005
Company Number	735040
Status	English National Ballet is a company limited by guarantee with no share capital, and is a registered charity governed by its memorandum and articles of association.
Principal office	Markova House, 39 Jay Mews, London, SW7 2ES
Bankers	Coutts & Co, Media Banking Division, 440 Strand, London, WC2R 0QS
Solicitors	Simmons & Simmons, Citypoint, One Ropemaker Street, London EC2Y 9SS
Auditors	KPMG LLP, PO Box 695, 8 Salisbury Square, London EC4Y 8BB

#### Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

#### Board of Trustees

Chairman	John Talbot*	
	Lady Elizabeth Arnold	
	James Baker	resigned 1 <sup>st</sup> Sep 2008
	Carol Brigstocke	appointed 18 <sup>th</sup> Jun 2008
	Christopher Cowdray	appointed 26 <sup>th</sup> Sep 2007
	Lachlan Edwards	resigned 1 <sup>st</sup> Sep 2008
	Simon Freakley	resigned 1 <sup>st</sup> Sep 2008
	Roula Konzotis	
	Veronica Lewis MBE #	resigned 20 <sup>th</sup> Jun 2007
	The Baroness de Mandat-Grancey	
	Cecilia McAnulty*	appointed 18 <sup>th</sup> Jun 2008
	Carole McPhee *	
	Maurice Pinto *	
	John Roberts	resigned 18 <sup>th</sup> Jun 2008
	Paul Vickers	

Trustees marked with an asterisk (\*) are also members of the Finance and General Purposes Committee.

Trustees marked with a hash (#) resigned on completion of the maximum term allowed.

## **Company Secretary**

Robin Richman

## **Principal Officers**

Wayne Eagling	Artistic Director
Craig Hassall	Managing Director
Robin Richman	Finance Director and Company Secretary
Alan Riches	Technical Director
Sally Muckley	Development Director

## **Structure, Governance and Management**

### **Governing document**

English National Ballet is a company limited by guarantee governed by its Memorandum and Articles of Association amended to allow for current governance arrangement on 21<sup>st</sup> July 2006. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a trustee of the Company and there are currently 11 members (11 in 2007).

### **Appointment of trustees**

As set out in the Articles of Association the Chair of the trustees is nominated by his fellow Trustees. The Trustees may serve for a period of up to two, three year terms. Trustees 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 trustees are elected by the Members of the Company, and serve for a maximum of six years, except that this period can be extended for those holding the posts of Chairman and Deputy Chairman.

### **Trustee induction and training**

New trustees undergo an orientation meeting with the Chair and Principal Officers to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to keep fully up to date with the latest Charity Commission directives.

### **Organisation**

The board of trustees, which can have up to 20 members, administers the charity. The board meets quarterly and there is a sub-committee covering finance and management matters which meet more regularly. A Managing Director is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Managing Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance related activity.

### **Related parties**

The charity has a close relationship with English National Ballet School, a charity which trains and develops young dancers whilst allowing them to continue in full time education.

## Risk Management

The Company recognises that risk management is an essential part of good business practice and work will continue to develop its risk management policy to include all aspects of its work, including processes for strategic and operational planning, performance management, decision making and project management. Risk management is the responsibility of the Trustees.

A senior manager has been made responsible for the development and updating of the Risk Register and this is presented to a sub-committee of Trustees on a regular basis. The Chair of this body then reports to the full Board on a quarterly basis.

The major risks to which the company is exposed, as identified by the Trustees, have been reviewed and systems established to mitigate those risks, including setting realistic targets and setting schedules with commercial objectives to the forefront.

## Objectives and activities

The primary objective of the charity is to promote and further education in and knowledge, understanding and appreciation of the arts of ballet, opera, mime, drama, music and singing and similar and ancillary arts.

In addition to the any other powers it may have, the Company has the following in order to further the Primary Object.

1. To present, promote, organise, provide, manage, and conduct or assist in presenting , promoting, organising, providing, managing and conducting performances of ballet, opera, mime, drama, music and singing and also meetings, lectures, study circles, discussion groups and similar activities.
2. To provide financial and material assistance, encouragement and support for furthering education in and knowledge, understanding and appreciation of the said arts including the provision of scholarships or other emoluments for students of the said arts.
3. To enter into agreements with choreographers, composers, artists, designers, makers of scenery, costumiers, or other persons for acquiring the dramatic, musical, artistic or others rights of ballets, operas, dramas, musical compositions or other similar works and to grant licences or privileges in respect of such rights to persons, firms, companies or institutions for the performance or representation of such works.

## Current strategies

Repertoire expansion remains an important priority for the Company and this is undertaken in both the 2007/8 year and the 2008/9 year. The current year saw the creation of Michael Corder's *The Snow Queen*, sure to become a staple in the Company's touring repertoire.

In the current year, a key strategy has been the consolidation of London presence with a complementary expansion in regional touring, particularly in the Midscale landscape, through the introduction of the children's ballet, *Angelina's Star Performance*. The latter has enabled the Company to broaden its touring circuit concurrent with its mainstage touring network, as well as increase performance numbers significantly.

In summary, the growth in activity was as follows;

Number of performances	2007/2008	2006/2007
Spring	13	21
Royal Albert Hall	14	-
Autumn	52	44
Christmas	50	58
Cross border	7	7
Foreign	8	22
Angelina	166	-
<b>Total</b>	<b>310</b>	<b>152</b>

## Significant Activities

There are three areas where the Company has particularly achieved excellence in the 2007/08 funding year.

1. The Snow Queen. This commission was excellently carried out by Michael Corder and audiences around England enthusiastically received this new ballet. As with Alice in Wonderland, we believe that we have created a contemporary classic in ballet.

2. *Angelina's Star Performance* was a landmark commission by the Company. Working with HIT Entertainment to bring this popular children's character to the stage without compromising any of the principles of classical ballet was a major challenge. The outcome was very positive and the tour, which is ongoing, speaks directly to the aspirations of English National Ballet i.e. to take classical ballet of the highest quality to as many people around the country as possible at the lowest possible prices.

Since this tour commenced, there have been further tours confirmed both nationally and internationally. We have also employed strategies to translate the national tour audiences to the mainstage performances in adjacent centres.

3. The Company's profile on the international stage as a popular and flexible ballet Company of the highest quality was demonstrated by two events: our performances on the outdoor stage at the Palace of Versailles and our appearance at the Concert for Diana at Wembley Stadium for a worldwide television audience.

## Financial Review

The financial year ended 31<sup>st</sup> March 2008, saw the artistic success of the Company mirrored by financial success. Surpluses generated in the year were sufficient to fund both The Snow Queen and Angelina's Star Performance without having to draw on the Designated Repertoire Reserve and to add a further £308,489 to Accumulated Reserves.

The current level of Reserves allow the Company to prudently plan future repertoire expansion in the knowledge that General reserves are adequate to cushion the effects of the current economic uncertainty.

### English National Ballet Financial Position

	Surplus/(Deficit)	Accumulated Reserves
2000/2001	£ 94,245	£ 499,390
2001/2002	£ 241,542	£ 740,932
2002/2003	£ (98,761)	£ 642,171
2003/2004	£ (548,441)	£ 93,730
2004/2005*	£ 1,519,634	£ 1,613,364
2005/2006*	£ 502,443	£ 2,115,807
2006/2007*	£ 589,002	£ 2,704,809
2007/2008	£ 308,489	£ 3,013,298

\* Includes Stabilisation Funds

## Achievements and Performance

The financial year 2007/8 was the first year of activity post stabilisation and enabled the Company to begin to test some of the advances made during the three year process of stabilisation and renewal. We were able to diversify our London presence, increase regional touring and perform at some internationally significant events which greatly aided the Company's public profile.

Our regional touring remains the cornerstone of our operations and focus. We began the year with our first season at the Wales Millennium Centre, performing Derek Deane's *Alice in Wonderland* to enthusiastic audiences. Should funding allow, our intention is to revisit both Scotland and Wales in alternate years.

We returned to London in June 2007 for a popularly received season of our arena *Swan Lake* at the Royal Albert Hall. These seasons are a very important way to reinforce the popularity and accessibility of the Company in London. Shortly afterwards, we returned to the Royal Festival Hall at Southbank, fresh from its renovations, for a gala performance, *Ballet for the People*, curated by the Ballet Boys. It is hoped that this venue may become a more regular one for the Company, should audiences and programming work in our favour.

Over the summer, we were fortunate to be involved in two events that had an impact around the world. The first was the Company's appearance as part of Concert for Diana at Wembley Stadium before a live audience of over 80,000 and a worldwide audience of several hundred million viewers. Shortly afterwards, the Company performed *Swan Lake* outdoors within the gardens of the Palace of Versailles to capacity crowds.

Autumn saw the outcome of a lengthy commissioning process and Michael Corder's *The Snow Queen* opened in Liverpool to strong reviews and extraordinarily strong houses around the country and in London. The London season was complemented with the annual *Nutcracker* season and Derek Deane's *Swan Lake*. The latter was then also the basis for a tour by the Company to Beijing in January 2008.

When the Company returned to London, rehearsals commenced for the Spring tour, which has been able to be reinstated due to the recent financial success of the Company. We presented Ronald Hynd's *Coppelia* and a triple bill including *Etudes*, a much loved signature work of the Company. The tour took the Company to Southampton and Bristol.

The other success story of the financial year was the launch of Angelina's Star Performance. This new work, choreographed by Anthony Dowson, is based on the popular childrens' character, Angelina Ballerina. HIT Entertainment, the owners of the licence for the character, worked closely with the Company in the developmental stages of the work. The result was a tremendously successful collaboration that enabled us to take ballet to a new audience of young people around the country, in venues too small to accommodate the mainscale Company. The initial season played to over 85,000 people over its fourteen week regional tour and the future life of this popular ballet. The tour also directly reinforced the key messages of English National Ballet – affordable, accessible classical ballet for all at a high level of quality.

The work over the last financial year demonstrated the Company's artistic excellence, fiscal responsibility and audience reach. Our artistic quality, both in the mainstage work and for *Angelina's Star Performance*, was assured by critics and audiences. Management has been consistently strong over this period and our successes in financial management, marketing, fundraising and operational planning evident through our performance in the period.

## Education Activities

English National Ballet was one of the first dance companies to initiate education work, in the 1980s. Since then, education has experienced changing fortunes in terms of its centrality to the Company and its

position relative to other companies. The recent refocus of the programme to be a department of Learning has been successful.

There is support for the programme across the Company, and enthusiasm for more dynamic relationships. Artistically, involvement in learning shows great cohesion with dancers and the relationship between the Company and English National Ballet School is strong.

The Learning department's work provides a platform for the public profile of the Company; a process for engaging people and making English National Ballet more relevant to a wider range of people.

The department's key strategy is to:

- build audiences and diversify audience profile; engage in dynamic conversations with audiences
- interpret and enhance engagement with the artistic vision, creative processes and performances for new audiences
- deepen partnerships with venues and strategic geographical areas
- create an environment conducive to income generation
- contribute to the development of artists and creativity across and beyond the Company
- advocate for the role of ballet in contemporary society
- influence the direction of public policy as it affects ballet, the arts and the Company

### **Fundraising by the Company**

English National Ballet's fundraising was at an all time high with significant growth recorded year on year. In the financial year 2007/8 we have secured a number of new corporate partners including CMS and Swiss Re and have been concentrating on offering creative opportunities, first class fulfilment as well as developing a full understanding of all our sponsors needs and requirements. This has been coupled with success in attracting in-kind sponsorship, such as Swarovski's costume sponsorship of *The Snow Queen*.

Individual giving represents our strongest increase in the financial year, with noticeable gains in the area of major gifts. We re-launched our Friends and high level membership scheme - The Circle - simplifying the benefits and guaranteeing that both are eligible for gift aid. The new schemes have already proved popular with increases in both areas.

### **Plans for Future Periods**

The Company will continue with its aim to restore a substantial repertoire for touring by commissioning another arena ballet for the Royal Albert Hall, *Strictly Gershwin*. The London presence will be strengthened by a full season of mixed works at the Royal Festival Hall and regional touring will encompass a Spring tour to Leeds (*Swan Lake*) and an Autumn tour to the Company's key mainstage venues. The repertoire will be a revival of Kenneth MacMillan's *The Sleeping Beauty* and the first performances by the Company of MacMillan's *Manon*, hired from the Royal Danish Ballet.

A new challenge for the Company in the years ahead will be the search for additional rehearsal space or a new home. Whilst our Jay Mews studios are adequate for most purposes, the Company is increasing its activity level and it is expected that we will outgrow our current home within the next ten years.



## **Reserves Policy**

The Company operates on the basis that, taking one year with another, revenue will match expenditure. Reserves have also been accumulated to fund ongoing and future productions of classical ballet. The Trustees are determined that the Company should continue to perform classical ballet, provided it is financially viable to do so. This is dependent upon the continued availability of funding from Arts Council England which has been agreed until March 2011. The Trustees ensure that the relevant officers of the Arts Council England are kept informed of the Company's achievements, plans and aspirations at all times.

The Company shows a cumulative surplus on general reserves at 31 March 2008 of £1,218,741 (2007: £597,107). Free reserves are £799,667 (2007: £183,719) and represent amounts available to cover the short term working capital commitments of the charity. The trustees believe these amounts are appropriate for this purpose.

The Company also has a designated fund for future repertoire for potential investment in further full length classical works in the medium term, this fund currently totals £1,800,000.

During the year, the Charity incurred expenditure in relation to the Arts Council of England (ACE) stabilisation programme in anticipation of receipt of the next stage of funding from ACE. As a result there is a deficit on restricted funds at 31 March 2008 of £417,589 (2007: £108,828). This deficit has been eliminated during the course of the year ending 31 March 2009, when the ACE funding was received. Further ACE funding has been received in 2008/9 for the capital expenditure on storage facilities. This will result in a surplus on restricted funds by the end of 2008/9, which will reduce as the capital expense is depreciated.

## **Investment Policy**

Cash earmarked for the designated repertoire fund is placed on deposit of between 1 month and 3 months, depending on rates prevailing at the time, to maximise return. Additional surplus cash is put on overnight deposit each night.

### **Statement of Trustees' responsibilities of English National Ballet in respect of the Trustees' report and the financial statements**

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

Company law requires the Trustees to prepare financial statements for each financial year in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice).

The group and charitable company's financial statements are required by law to give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its 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 the group and to prevent and detect fraud and other irregularities.


### **Disclosure of information to auditors**

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each governor has taken all the steps that they ought to have taken as a governor to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the Board



**John Talbot**  
Governor

Markova House  
39 Jay Mews  
London SW7 2ES

January 2009

## **Sponsorship and fund raising**

As a registered charity, English National Ballet relies heavily on external support. Companies, trusts and foundations, and individuals all contribute vital funding for new productions, extensive national tours and the groundbreaking work of our Education & Community Unit.

### **Corporate Partners**

Corporate support is a vital part of English National Ballet's income. We extend our sincere thanks to our business partners, whose generosity and involvement helps us to maintain our high performance standards.

### **Corporate Supporters**

#### **Major Sponsor**

SkyARTS

*National Tour Sponsor 2007*

#### **Corporate Partners**

Accenture

Capezio

Chanel

Coast

Harrods

Neutrogena

Swiss Re

The Team

CMS Cameron McKenna LLP

Upfront Television Ltd

#### **Support for Special Projects**

The Dorchester

*London season sponsor 2006-07*

Magic 105.4

*Media Partner*

Mr & Mrs Maurice Pinto

*Sponsor of the Guest Teachers Programme*

Mrs Wafic Said

*Sponsor of Thoms Adur's participation in Synergy*

CMS Cameron McKenna LLP

*Sponsor of the role of Odette, Queen of the Swans (Swan Lake 2007)*

Swarovski

*Costume Sponsor, The Snow Queen*

Mr David Lloyd

*Sponsor of The Snow Queen (2007)*

#### **Education & Community Partners**

Freed of London Ltd

*Education Partner*

**In-kind Sponsors**

Armit  
Bottlegreen Drinks Co.  
By Word of Mouth  
Habitat  
Howrey CLP  
Laurent-Perrier  
Lithmark  
NB Flowers  
Sotheby's  
St Martin's Lane Hotel  
Thierry Mugler  
Winery Birgit Eichinger - Austria  
The Town House Company

**Sponsors of historic productions**

Mr David Lloyd  
*Giselle (2005)*  
Rudolf Nureyev Foundation  
*Side Show (2003)*  
Angelina Ballerina/HIT Entertainment  
*The Nutcracker (2002)*  
Herbert Smith  
*Double Concerto (2001)*  
The Diana, Princess of Wales Memorial Fund  
*Les Sylphides/Voluntaries/Etudes (2000)*  
*Swan Lake (2000)*  
*The Rite of Spring (1999)*  
*Romeo & Juliet (1998)*  
American Friends of English National Ballet  
*Tchaikovsky Pas de Deux (2000)*  
*Square Dance (1994)*  
Harrods  
*The Nutcracker (1997)*  
Pamela, Lady Harlech in memory of her late husband, Lord Harlech  
*My Brother, My Sisters (1996)*  
Unilever plc  
*Rudolf Nureyev's Romeo & Juliet (1995 Revival)*  
Denton Wilde Sapte  
*X.N. Tricities (1994)*  
Barclays Bank  
*Coppélia (1985)*

## **Sponsorship and fund raising *(continued)***

### **The Circle of English National Ballet**

Circle members are individuals who make an annual donation to one of four membership categories one of which, the Producers' Council, is dedicated to the creation of new acquisitions and the restaging of ballets. In giving their support, Circle members provide an invaluable and predictable source of income for which we are most grateful.

#### **Chairman**

The Baroness de Mandat Grancey

#### **Directors' Circle**

Aideen Masterson

Jennifer and John Talbot

#### **Creative Circle**

Sarah Cooke

Lady Shauna Gosling

Bruno L. Schroder

Mrs Louis Urvois

Mme Gerard Wertheimer

#### **Premiere Circle**

Anonymous (2)

Mr and Mrs L. Al Swaidi

Mr M T and Dr S L Bamber

Ian and Judy Barlow

Mrs Carol Brigstocke

Dr and Mrs John Buchanan

The Gilbert & Eileen Edgar Foundation

Diana, Lady Farnham, CVO

Michael and Margaret Garner

Michael Harrison

Craig Hassall

Hines Associates Limited

Michael and Micheline Kingston

Jayne Lewis

David Lloyd

Elizabeth Morison

Mrs Olaf Rogge

Ann-Marie Scanlon

Mr and Mrs James Smillie

Steve Springford

Mr and Mrs Julian Stanford

Mr and Mrs Brian Steer

The Hon. Mrs Simon Weinstock

**Dance Circle**

Anonymous (1)  
Marianne Avery  
David M. Bain  
Mr William Barnard and Mrs Maureen Everson-Barnard  
Charles Glanville  
Harold Gould, OBE  
Mrs Norman Grundon  
Pamela, Lady Harlech  
Lady Heseltine  
Mary Jordan  
Mr and Mrs Ted Kalborg  
Michael Ludgate  
The Simon Marks Charitable Trust  
Sally Muckley  
Eric Peel and Jacky Cowdrey  
The Amanda Restell Academy of Dance  
Hamish and Carol Ritchie  
Yvonne Sherrington  
Gerry and Ruth Weiss

**Friends**

English National Ballet would like to thank all the Friends, whose valuable support significantly contributes to the work of the Company.

## Statistics 2007/08

### Box office income and attendances

	2007/08 Ticket sales and fee income £	Number of perfs.	Attend- ances	2006/07 Ticket sales and fee income £	2006/07 Number of perfs.	Attend- ances
Angelina	1,153,468	166	107,427	-	-	-
London	3,106,172	67	197,238	2,201,437	68	98,840
Regions	1,626,480	62	77,144	1,044,308	55	50,154
Cross borders	98,725	7	6,497	63,588	7	6,503
Foreign	174,210	8	8,764	386,656	22	34,800
	<b>6,159,055</b>	<b>310</b>	<b>397,070</b>	<b>3,695,989</b>	<b>152</b>	<b>190,297</b>



## Independent auditors' report to the members of English National Ballet Limited

We have audited the group and charity financial statements (the 'financial statements') of English National Ballet Limited for the period ended 31 March 2008 which comprise the group statement of financial activities, the group and charitable company balance sheets, the group cash flow statement and the related notes. 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 section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the trustees and auditors

The responsibilities of the charitable company's trustees, who are also the directors of English National Ballet Limited for the purposes of company law, for preparing the trustees report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities on page [ ].

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 and are properly prepared in accordance with the Companies Act 1985. 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 proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatement 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 group's and 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.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

*KPMG LLP*

*30 January 2009*

KPMG LLP  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square, London, EC4Y 8BB

Registered company number 735040  
Registered Charity Number 214005  
31 March 2008



## Consolidated statement of financial activities (incorporating an Income and Expenditure account)

Year ended 31 March 2008

	Notes	Unrestricted general funds	Unrestricted future repertoire fund (designated fund)	Unrestricted building fund (designated fund)	Total unrestricted funds	Restricted funds	Total 2008	Total 2007
		£	£	£		£	£	£
<b>Incoming resources</b>								
<b>Incoming resources from generated funds:</b>								
<i>Voluntary income:</i>								
Donations, legacies and similar incoming resources		511,246	-	-	511,246	-	511,246	222,406
Grants	2	6,540,722	-	-	6,540,722	-	6,540,722	6,699,992
<i>Activities for generating funds:</i>								
Income of trading subsidiary	10	581,479	-	-	581,479	-	581,479	539,079
Income from in-kind sponsorships		111,444	-	-	111,444	-	111,444	-
Income from hiring productions		25,841	-	-	25,841	-	25,841	-
Income from programmes & merchandise		116,092	-	-	116,092	-	116,092	62,309
<i>Investment income</i>		112,429	-	-	112,429	-	112,429	148,427
<b>Incoming resources from charitable activities:</b>								
Ticket sales		6,159,055	-	-	6,159,055	-	6,159,055	3,695,989
<b>Total incoming resources</b>		14,158,308	-	-	14,158,308	-	14,158,308	11,368,202
<b>Resources expended</b>								
<b>Costs of generating funds:</b>								
Trading subsidiary operations	3	(491,628)	-	-	(491,628)	-	(491,628)	(352,644)
<i>Charitable activities:</i>								
Cost of production and sales	5a	(12,827,539)	-	-	(12,827,539)	(308,763)	(13,136,302)	(10,180,422)
Educational costs	5a	(183,305)	-	-	(183,305)	-	(183,305)	(196,998)
<i>Governance costs</i>	6	(38,584)	-	-	(38,584)	-	(38,584)	(46,136)
<i>Other resource expended: costs of sale of production</i>		-	-	-	-	-	-	(3,000)
<b>Total resources expended</b>		(13,541,056)	-	-	(13,541,056)	(308,763)	(13,849,819)	(10,779,200)
<b>Net income/(expenditure) for the year before transfers</b>	17	617,252	-	-	617,252	(308,763)	308,489	589,002
Transfers between funds	17	4,384	-	(4,384)	-	-	-	-
<b>Net movement in funds</b>		621,636	-	(4,384)	617,252	(308,763)	308,489	589,002
Fund balances brought forward	17	597,107	1,800,000	416,530	2,813,637	(108,828)	2,704,809	2,115,807
<b>Fund balances carried forward</b>	17	1,218,743	1,800,000	412,146	3,430,889	(417,591)	3,013,298	2,704,809

The statement of financial activities includes all gains and losses recognised in the year.

Incoming resources and resulting net movement in funds each year arise from continuing operations.

There is no difference between the result for the year stated above and its historical cost equivalent.

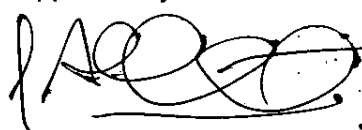
## Consolidated balance sheet

at 31 March 2008

	Notes	£	2008 £	£	2007 £
<b>Tangible fixed assets</b>	<b>9</b>		<b>986,935</b>		<b>559,814</b>
<b>Current assets</b>					
Stocks		56,339		66,821	
Debtors	11	994,455		586,461	
Cash at bank and in hand		2,168,672		2,995,132	
			<u>3,219,466</u>	<u>3,648,414</u>	
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<b>(1,193,103)</b>		<b>(1,503,419)</b>	
			<u></u>	<u></u>	
<b>Net current assets</b>			<b>2,026,363</b>		<b>2,144,995</b>
			<u></u>	<u></u>	
<b>Net assets</b>			<b>3,013,298</b>		<b>2,704,809</b>
			<u></u>	<u></u>	
<b>Reserves</b>					
General unrestricted funds	17	1,218,743		597,107	
Unrestricted future repertoire fund (designated fund)	17	1,800,000		1,800,000	
Unrestricted building fund (designated fund)	17	412,146		416,530	
			<u>3,430,887</u>	<u>2,813,637</u>	
<b>Total unrestricted funds</b>			<b>3,430,887</b>		<b>2,813,637</b>
<b>Restricted funds</b>	<b>17</b>	<b>(417,591)</b>		<b>(108,828)</b>	
			<u>3,013,298</u>	<u>2,704,809</u>	

These accounts were approved by the Board of Trustees on 12 January 2009 and were signed on its behalf by:

John Talbot



Carole McPhee



Trustees

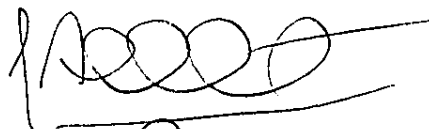
## Charity balance sheet

at 31 March 2008

	Notes	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Tangible fixed assets	9		986,935		559,814
Investments	10		2		2
			<u>986,937</u>		<u>559,816</u>
<b>Current assets</b>					
Stocks		56,339		66,821	
Debtors	11	964,150		560,417	
Cash at bank and in hand		2,151,646		2,995,132	
		<u>3,172,135</u>		<u>3,622,370</u>	
<b>Creditors: amounts falling due within one year</b>	12	(1,145,774)		(1,477,377)	
<b>Net current assets</b>			<u>2,026,361</u>		<u>2,144,993</u>
<b>Net assets</b>			<u>3,013,298</u>		<u>2,704,809</u>
<b>Reserves</b>					
General unrestricted funds	17		1,218,743		597,107
Unrestricted building fund (designated fund)	17		412,146		416,530
Unrestricted future repertoire fund (designated fund)	17		1,800,000		1,800,000
<b>Total unrestricted funds</b>			<u>3,430,887</u>		<u>2,813,637</u>
Restricted funds	17		(417,591)		(108,828)
			<u>3,013,298</u>		<u>2,704,809</u>

These accounts were approved by the Board of Trustees on 12 January 2009 and were signed on its behalf by:

John Talbot



Carole McPhee



Trustees

## Consolidated cash flow statement

Year ended 31 March 2008

	Notes	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	18	(411,503)	1,195,875
Return on investments and servicing of finance			
Interest received		112,429	148,427
Capital expenditure			
Payments to acquire tangible fixed assets		(527,386)	(69,699)
Increase/(decrease) in cash in the year	19	<u>(826,460)</u>	<u>1,274,603</u>

## Reconciliation of net cash flow to movement in net funds

		2008 £	2007 £
Increase/(decrease) in cash in the year	19	(826,460)	1,274,603
Opening net funds		2,995,132	1,720,529
Closing net funds		<u>2,168,672</u>	<u>2,995,132</u>

## Notes

*(forming part of the accounts)*

### 1 Accounting policies

#### ***Basis of preparation of accounts***

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with the reporting requirements of Companies Act 1985 and applicable accounting standards and under the historical cost accounting rules and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005).

ENB sustained a loss in 2003/2004 when it was originally envisaged that it would break even. This had a serious negative impact on cash flow. In May 2004, ENB were admitted into the ACE Recovery Programme. Based upon admission to the programme and the receipt of the additional funding from ACE through its Recovery Programme, the Trustees believe that it remains appropriate to prepare these financial statements on a going concern basis.

The Trustees are determined that ENB should continue to perform classical ballet provided it is financially able to do so. This will be dependant upon the continued availability of existing grants, which have been agreed until March 2011, and continued Box Office success to ensure that taking one year with another, revenue will match expenditure.

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertakings on a line by line basis. The trading results of the subsidiary undertakings are disclosed in note 9. A separate Statement of Financial Activities for the charity is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

#### ***Incoming resources***

Grant, donation, legacy and sponsorship income is recognised on an accruals basis in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income tax recoverable in respect of covenanted or gift aid donations is reflected in the accounts at the time the donations are received.

Income from theatre ticket sales is included in incoming resources in the period in which the relevant performance takes place. Income received before the year end relating to performances in subsequent periods is recorded in deferred income.

Gifts in kind, in the form of donated facilities, are included in the Statement of Financial Activities at a reasonable estimate of their gross value to the charity, in the period to which they relate and are matched by equivalent expenditure.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Resources expended and basis of allocation of costs***

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resources.

Costs of generating funds represent the cost of fundraising activities which are carried out in the trading subsidiary and are separately disclosed on the face of the Statement of Financial Activities.

Costs of charitable activities include the salaries, direct expenditure and overhead costs of rehearsing, staging, performing and marketing ballet, and additional costs associated with carrying out educational activities. Production costs are written off in the year of first performance. Support costs include those costs incurred as an integral part of the Company's work in staging ballet. Such expenditure comprises health and safety and programmes designed to promote dancers' wellbeing. Management and administration costs are those incurred in connection with the administration of the charity and have been allocated across the different activity cost categories in proportion to the costs incurred with those activities.

Governance costs represent the cost of governance arrangements and consist of audit fees, legal fees and the cost of Trustees meetings.

#### ***Fixed assets and depreciation***

Tangible fixed assets are depreciated on a straight line basis, at rates calculated to write off the cost of each asset over its useful economic life.

Leaseholds and leasehold improvements are depreciated over the remainder of the term of the lease. Plant is depreciated over its useful economic life, being 10 to 25 years, and comprises those assets that are permanently attached to, but not part of, the fabric of the building. Equipment is depreciated in equal annual instalments over five years. Musical instruments are depreciated in equal annual instalments over 15 years.

#### ***Stocks***

Stocks comprise stocks of ballet shoes and merchandise which are carried at the lower of cost and net realisable value.

#### ***Pensions***

The company contributes to two defined contribution pension schemes. Contributions are expensed in the Statement of Financial Activities in the year to which they relate.

#### ***Fund accounting***

Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are further segregated between general funds, a designated building fund and a designated future repertoire fund. Restricted funds are funds which have been given for particular purposes and projects. The restricted funds are funds to be used to implement the Recovery Plan as agreed by Arts Council England in 2003/4

A transfer is made between general unrestricted funds and the building fund to match depreciation charged on the building.

## Notes (continued)

### Related party transactions

The company has taken advantage of the exemption contained within FRS 8 'Related Party Disclosures' and not disclosed transactions with subsidiary undertakings where the charity controls 90% or more of the voting rights.

#### 2 Grant income

	Unrestricted General Funds	Restricted Funds	Total 2008	Total 2007
	£	£	£	£
Arts Council of England - Revenue Grant	6,515,722	-	6,515,722	6,328,188
Arts Council of England - Stabilisation Grant	-	-	-	331,804
City of Westminster	25,000	-	25,000	40,000
	<u>6,540,722</u>	<u>-</u>	<u>6,540,722</u>	<u>6,699,992</u>

#### 3 Cost of generating funds

	Unrestricted General Funds	Restricted Funds	Total 2008	Total 2007
	£	£	£	£
<i>Trading subsidiary expenditure</i>				
Management and administration <i>Note 5b</i>	56,638	-	56,638	49,085
Events	200,312	-	200,312	124,815
Fundraising	49,743	-	49,743	25,579
Salaries	184,935	-	184,935	153,165
	<u>491,628</u>	<u>-</u>	<u>491,628</u>	<u>352,644</u>

#### 4 Net income / (expenditure) for the year before transfers is stated after charging

	2008	2007
	£	£
<i>Operating lease rentals:</i>		
Land and buildings	210,653	183,789
Plant and machinery	-	-
Depreciation on tangible fixed assets	98,451	81,207
Profit/(Loss) on disposal of tangible fixed assets	(1,814)	-
<i>Auditors' remuneration</i>		
Group and company - audit	21,700	21,500

## Notes (continued)

### 5 Charitable activities

	Unrestricted General Funds £	Restricted Funds £	Total 2008 £	2007 £
<b>5a) Cost of production and sales</b>				
Management and administration (note 5b)	1,474,581	287,418	1,761,999	1,611,963
New productions and refurbishment	1,035,413	-	1,035,413	644,678
Performances	3,968,476	-	3,968,476	2,787,953
Theatre charges	1,260,689	-	1,260,689	833,476
Copyrights and royalties	110,898	-	110,898	106,821
Artists	2,686,432	-	2,686,432	2,934,418
Technical	550,160	-	550,160	386,320
Music and orchestra	104,419	-	104,419	189,082
Wardrobe	297,321	-	297,321	299,583
Depreciation	9,605	-	9,605	8,234
Health & safety	14,669	-	14,669	13,612
Medical & welfare	204,679	-	204,679	197,376
Marketing and publicity	1,082,271	21,343	1,103,614	801,731
Hiring productions	8,582	-	8,582	1,980
Programmes & Merchandise	19,344	-	19,344	4,195
	<u>12,827,539</u>	<u>308,761</u>	<u>13,136,300</u>	<u>10,180,422</u>
<b>Educational costs</b>				
Management and administration (note 5b)	21,118	-	21,118	27,351
Education Department	162,187	-	162,187	169,647
	<u>183,305</u>	<u>-</u>	<u>183,305</u>	<u>196,998</u>
<b>5b) Management and administration</b>				
Salaries	641,911	16,322	658,233	648,213
Premises	647,385	-	647,385	491,016
Depreciation	17,648	70,437	88,086	72,214
Other	245,393	200,658	446,051	476,956
	<u>1,552,337</u>	<u>287,418</u>	<u>1,839,755</u>	<u>1,688,399</u>



## 6 Governance Costs

	Unrestricted General Funds £	Restricted Funds £	Total 2008 £	2007 £
Legal and professional	15,036	-	15,036	20,361
Audit fee	21,700	-	21,700	21,500
Committee costs	1,848	-	1,848	4,275
	<u>38,584</u>	<u>-</u>	<u>38,584</u>	<u>46,136</u>

## 7 Remuneration of trustees

The board are all non-executive trustees and none received remuneration in the year (2007: £nil). The trustees and officers of the Company are covered by Directors Liability Insurance, with maximum cover of £1 million. The premium paid was £1,848 (2007: £ 1,848). No Trustees received expenses for travel (2007: nil). Trustees expenses reimbursed were Nil (2007: nil).

## 8 Staff numbers and costs

The average number of full time equivalent employees during the year, analysed by category, was as follows:

	Number of employees	
	2008	2007
Management & Administration	59	51
Technical	5	6
Dancers	59	58
Orchestra	45	34
	<u>168</u>	<u>149</u>

## Notes (continued)

### 8 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	Unrestricted General Funds £	Restricted Funds £	Total 2008 £	2007 £
Wages and salaries	5,873,327	15,062	5,888,389	4,927,232
Social security costs	581,529	1,260	582,789	492,610
Other pension costs	149,566	-	149,566	130,669
	<u>6,604,422</u>	<u>16,322</u>	<u>6,620,744</u>	<u>5,158,994</u>

The number of employees with emoluments for the year in excess of £60,000 fell within the following bands:

	2008	2007
£60,000 - £69,000	1	0
£70,000 - £79,999	1	1
£80,000 - £89,999	-	1
£110,000 - £119,999	1	-
	<u>3</u>	<u>2</u>

Of staff earning in excess of £60,000 in the year, 3 are members of a defined contribution pension scheme (2007: one). The company contributed £16,725 to the defined contribution pension scheme in respect of these employees (2007: £6,657).

## Notes (continued)

### 9 Tangible fixed assets

Company and Group	Long leaseholds £	Short Leasehold improvements £	Plant £	Fixtures, fittings, equipment and musical instruments £	Vehicles £	Total £
<b>Cost</b>						
At 1 April 2007	468,025	163,903	72,167	341,946	27,800	1,073,841
Additions	508,490	-	-	18,896	-	527,386
Disposals	-	-	-	(10,128)	-	(10,128)
<b>At 31 March 2008</b>	<b>976,515</b>	<b>163,903</b>	<b>72,167</b>	<b>350,714</b>	<b>27,800</b>	<b>1,591,099</b>
<b>Depreciation</b>						
At 1 April 2007	109,380	154,910	54,322	193,562	1,853	514,027
Disposals	-	-	-	(8,314)	-	(8,314)
Charge for the year	24,141	8,993	3,882	59,582	1,853	98,451
<b>At 31 March 2008</b>	<b>133,521</b>	<b>163,903</b>	<b>58,204</b>	<b>244,830</b>	<b>3,706</b>	<b>604,164</b>
<b>Net book value</b>						
<b>At 31 March 2008</b>	<b>842,994</b>	<b>-</b>	<b>13,963</b>	<b>105,884</b>	<b>24,094</b>	<b>986,935</b>
<b>At 31 March 2007</b>	<b>358,645</b>	<b>8,993</b>	<b>17,845</b>	<b>148,384</b>	<b>25,947</b>	<b>559,814</b>

Included within fixed assets are fixed assets acquired out of restricted funds with a cost of £750,080 (2007:£259,471) and a NBV of £567,861 (2007:£146,426). All fixed assets are held for charitable purposes.

## Notes (continued)

### 10 Investments

Company	2008 £	2007 £
Shares in subsidiary undertaking	2	2

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.

	2008 £	2007 £
Turnover	581,479	539,079
Expenditure	(491,628)	(352,644)
<b>Net profit</b>	<b>89,851</b>	<b>186,435</b>
Amount donated to the charity under deed of covenant	(89,851)	(186,435)
<b>Retained in the subsidiary</b>	<b>-</b>	<b>-</b>

The assets held in the trading subsidiary were:

	2008 £	2007 £
Current assets	150,154	132,348
Current liabilities	(150,152)	(132,346)
<b>Net assets</b>	<b>2</b>	<b>2</b>
<b>Aggregate share capital and reserves</b>	<b>2</b>	<b>2</b>

**Notes (continued)**

**11 Debtors**

<b>Group</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>490,601</b>	271,867
Other debtors	<b>17,212</b>	10,042
Prepayments	<b>439,316</b>	199,619
Accrued income	<b>47,326</b>	104,933
	<b>994,455</b>	<b>586,461</b>
<b>Company</b>		
Trade debtors	<b>374,423</b>	151,626
Amounts owed by subsidiary undertaking	<b>102,823</b>	106,304
Other debtors	<b>17,212</b>	10,042
Prepayments	<b>439,316</b>	199,619
Accrued income	<b>30,376</b>	92,826
	<b>964,150</b>	<b>560,417</b>

## Notes (continued)

### 12 Creditors: amounts falling due within one year

Group	£	2008 £	£	2007 £
Trade creditors		47,253		59,436
Other creditors including taxation and social security:				
Social security & PAYE	280,038		124,499	
VAT	28,139		1,222	
Other	66,503		66,476	
		374,680		192,197
Accruals		689,134		685,512
Deferred income		82,037		566,274
		<u>1,193,103</u>		<u>1,503,419</u>
<b>Company</b>				
Trade creditors		47,253		59,436
Other creditors including taxation and social security:				
Social security & PAYE	280,038		124,499	
VAT	28,139		1,222	
Other	63,591		64,636	
		371,768		190,357
Accruals		689,134		685,512
Deferred income		37,620		542,072
		<u>1,145,774</u>		<u>1,477,377</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 13 below.

The movement on deferred income is as follows:

	Group £	Company £
Balance brought forward at 1 April 2007	566,274	542,075
Amounts deferred in the year	82,037	37,620
Amounts released to the Statement of Financial Activities in the year	(566,274)	(542,075)
	<u>82,037</u>	<u>37,620</u>
Balance carried forward at 31 March 2008		

## Notes (continued)

### 13 Fund accounting

Funds held by the charity are either:

- unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees;
- designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects. A transfer is made between the general unrestricted funds and the designated building funds to reflect depreciation of the building (see note 13).
- restricted funds – these are funds to be used to implement the Recovery Plan as agreed by Arts Council England.

Further explanation of the nature and purpose of the designated fund is included in notes 13 and 16 to the financial statements.

#### 14a) Unrestricted building fund (designated fund)

The following grants were received and used 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.

#### 14b) Unrestricted Future Repertoire Fund (designated Fund)

During 2006/7, the company recorded a surplus on unrestricted general funds. Accordingly, during 2006/7 the Trustees designated an additional £750,000 for investment in future repertoire. This amount was transferred to a designated fund which now totals £1,800,000. [No additional transfers were made during 2007/8]

### 15 Pensions

The Company operates two defined contribution schemes. 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 £165,744 (2007:£134,311).

### 16 Capital

The liability of the members is limited to £1 per member. There are 11 members.

## Notes (continued)

### 17 Reserves

Group	Unrestricted general fund accumulated surplus £	Unrestricted future repertoire fund (designated fund) £	Unrestricted building fund (designated fund) £	Restricted funds £	Total £
Balance brought forward at 1 April 2007	597,107	1,800,000	416,530	(108,828)	2,704,809
Surplus for the year	617,252	-	-	(308,763)	308,489
Transfer for depreciation of long leasehold	4,384	-	(4,384)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance carried forward at 31 March 2008	<u>1,218,743</u>	<u>1,800,000</u>	<u>412,146</u>	<u>(417,591)</u>	<u>3,013,298</u>
<b>Company</b>					
Balance brought forward at 1 April 2007	597,107	1,800,000	416,530	(108,828)	2,704,809
Surplus for the year	617,252	-	-	(308,763)	308,489
Transfer for depreciation of long leasehold	4,384	-	(4,384)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance carried forward at 31 March 2008	<u>1,218,743</u>	<u>1,800,000</u>	<u>412,146</u>	<u>(417,591)</u>	<u>3,013,298</u>

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 General Accumulated Surplus/(Deficit).

The balance on the Building fund reserve is being amortised in equal annual instalments over the remainder of the lease term, being 96 years.

During the year, the Charity incurred expenditure in relation to the Arts Council of England (ACE) stabilisation programme in anticipation of receipt of the next stage of funding from ACE. As a result there is a deficit on restricted funds at 31 March 2008 £417,589 (2007: £108,828). The deficit has been eliminated during the course of the year ending 31 March 2009, as the ACE funding was received to cover expenditure incurred to date.



## Notes (continued)

### 18 Reconciliation of net income for the year to net cash outflow/ (inflow) from operating activities

	2008 £	2007 £
Net income for the year	308,489	589,002
Interest receivable	(112,429)	(148,427)
Operating surplus	196,060	440,575
Depreciation charge	98,451	81,207
Loss on disposal of tangible fixed assets	1,814	
Increase/(decrease) in stocks	10,482	(9,797)
(Decrease)/increase in debtors	(407,994)	165,719
(Increase)/decrease in creditors	(310,316)	518,171
Net cash inflow/(outflow) from operating activities	(411,503)	1,195,875

### 19 Analysis of net funds

	Opening balance £	Net cash flow £	Closing Balance £
Cash at bank and in hand	2,995,132	(826,460)	2,168,672

### 20 Analysis of net assets between funds

	Fixed Assets £	Cash & Bank £	Other £	Total Net Assets £
Unrestricted	419,074	2,168,672	843,141	3,430,887
Restricted	567,861	-	(985,450)	(417,589)
Total	986,935	2,168,672	(142,309)	3,013,298

### 21 Operating leases

At 31 March 2008, the Company had annual commitments under operating leases as follows:

	2008 £	2007 £
<i>Land and buildings</i>		
Operating leases which expire: within one year	-	137,445
Between two and five years	-	-
After more than five years	139,000	132,115
	139,000	269,560