

Birmingham Hippodrome Theatre Trust Limited

FINANCIAL STATEMENTS

for the 53 week period ended

2 April 2011



Company Registration No 1446309
Charity No 510842

Birmingham Hippodrome Theatre Trust Limited

TRUSTEES AND PRINCIPAL ADVISERS

TRUSTEES

A Bhalla OBE
B Blow
J R A Crabtree OBE (Chairman)
R Dunge
Hon Alderman D Roy OBE
M Smith
The Rt Revd D A Urquhart
S G Wellings

SECRETARY

Helen Bates

EXECUTIVE TEAM

Chief Executive - Stuart Griffiths
Director of Finance & Resources - Helen Bates
Director of Marketing & Development - Rob Macpherson
Director of Operations - Mike Bradford
Director of Hospitality & Service – Gary Aymes

REGISTERED OFFICE

Hurst Street
Birmingham
B5 4TB

BANKERS

Lloyds TSB Bank Plc
Birmingham City Centre
P O Box 908
125 Colmore Row
Birmingham
B3 2DS

SOLICITORS

Wragge & Co LLP
55 Colmore Row
Birmingham
B3 2AS

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Birmingham Hippodrome Theatre Trust Limited

CHAIRMAN'S REPORT

Despite continuing challenging economic conditions in 2010/11, ticket sales were very healthy and with over 523,000 paid admissions, the highest total for 10 years, Birmingham Hippodrome retained its position as the most popular single theatre in the UK

This year we also claimed the *Creative Industries* category at the Birmingham Post Awards where the theatre was described as "a success story that just continues to get better and better", the *Event of the Year* for International Dance Festival Birmingham at the Heart of England Excellence in Tourism Awards, and a *Special Award* to our Chief Executive Stuart Griffiths at the Ernst & Young Entrepreneur of the Year Awards

The Theatre also led the establishment of the Southside Business Improvement District following a positive ballot of over 300 local businesses. This important step and vote of confidence by the local business community will enable further investment into the Southside area under Stuart Griffiths' chairmanship. Chief Executives from the city's varied arts organisations have made their voices heard collectively this year advocating strongly in a time of funding restrictions

The Hippodrome's financial success at the box office has enabled us to invest in expanding our range of activity and our team with several new roles appointed during the year including a Strategic Projects Manager and Creative Programme Manager, the latter adding to the theatre's presenting capacity with a successful new strand of free street theatre including our first *Six Summer Saturdays* programme

Our important work with education and access continues to benefit large numbers of people from schoolchildren to older people in local communities. For some years, we have been committed to supporting children with special educational needs, building strong partnerships with Birmingham's network of special schools and running some outstanding projects that make a lasting and sustained impact where it is needed most. The small but efficient team at the Hippodrome are recognised for their tenacity and diligence and for squeezing the most out of every penny from their modest budgets. On top of this core work, the same team's success working with colleagues in marketing and ticket sales has resulted in enticing large numbers of young people via the Arts Council's A Night Less Ordinary scheme which has helped to fund free tickets for many productions

This year we published a new Prospectus (available at www.birminghamhippodrome.com/invest) outlining some of our recent successes and allowing a glimpse of our future vision. One of our main priorities for the next year is to secure financial support to replace our stage towards the end of 2012, and in these accounts we have recorded our own allocation of £100,000 towards the £1m target. The fundraising has begun in earnest

I want, as ever, to record my thanks and appreciation to Chief Executive, Stuart Griffiths and his excellent staff who continue to work so fruitfully with our partner producers, our audiences and allies in education and the city. But as I pay tribute to my fellow Trustees for their advice, their commitment and wise counsel, we must record the sad loss of one of our number, Ronnie Bowker who died just before Christmas. Ronnie's contribution, friendship and support as a private individual alongside his wife Julie, as well as his corporate commitments through Ernst & Young, were of enormous value to the Hippodrome in every sense and he will be much missed by everyone here

John Crabtree

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

The trustees (who are also the directors for the purposes of company law) submit their annual report and the audited consolidated financial statements of the charitable company ("the company") and its subsidiary undertaking ("the group") for the 53 week period ended 2 April 2011

The accounts have been drawn up to Saturday 2 April 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Birmingham Hippodrome Theatre Trust Limited was established in July 1979 and its constitution is set out in a Memorandum and Articles of Association. The company is a company limited by shares and is also a registered charity (number 510842). Birmingham Hippodrome Theatre Trust Limited has a trading subsidiary, Birmingham Hippodrome Limited, which was established in June 1981 and which operates Catering and Conference and Events activities and ancillary sales (programmes, merchandise, ice-creams, confectionery and soft drinks) at the Hippodrome Theatre.

The governing body of the company is a board of ten non-executive trustees. No Trustee received any remuneration or expenses in the year. The trustees of the charitable company during the period were as follows:

P Bassi CBE	(Resigned June 2010)
A Bhalla OBE	
B Blow	
R J Bowker	(Deceased 22 December 2010)
J R A Crabtree OBE	(Chairman)
R Dugate	
Hon Alderman D Roy OBE	
M Smith	
The Rt Revd D A Urquhart	
S G Wellings	

Each trustee holds 1 ordinary share in accordance with the qualification required by the company's Articles of Association.

The Trust complies with the Charity Commission Code for the Voluntary and Community Sector "Good Governance".

Trustees are appointed by the Board to serve a three year term with a maximum of three terms or until the age of 70, except in exceptional circumstances where the Board agrees otherwise. Trustees are selected by the Board based on their skills, knowledge and experience. Up to one-third of the trustees are appointed by Birmingham City Council.

The responsibilities of the Board, required by Company Law, are set out on page 18.

New Trustees meet with the Executive Team and receive a comprehensive Induction Pack which comprises:

- Company Information - history, organisation chart, mission statement and future programme, whistle blowing policy,
- Governing Documents - Memorandum and Articles of Association and the operating agreement between the Hippodrome, Birmingham Royal Ballet and DanceXchange, both resident in the Hippodrome building,

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- Directors' responsibilities – Directors' job description, terms of reference, code of conduct for Directors, Charity Commission guidance on the Responsibilities of Charity Trustees, a copy of the Charities SORP, risk assessments and the Trust's health and safety policy,
- Committee Terms of Reference – as appropriate,
- Financial and legal information – latest annual reports/ accounts, three months' Board papers, including management accounts, list of insurances,

During the course of the year management inform trustees on the availability of training and bring appropriate courses to their attention

The Board meets six times each year and has delegated authority to certain committees which are responsible for certain strategic aspects of management. The Trust's committees comprise

Audit

An Audit committee meets at least twice each year and meets annually with the company's auditors to examine the financial statements and recommend approval to the Board. The committee also reviews the scope and results of the statutory audit and reviews internal controls, the annual budget and the effectiveness of systems for the assessment and management of risk and health and safety.

Remuneration

The remuneration committee meets when necessary to review and approve salary amendments recommended. The responsibilities of the committee include the recruitment and appointment of the Chief Executive, negotiation and review of the salary of the Chief Executive and Senior Directors, and approving on behalf of the Board the annual pay award and specific pay awards above annual award as recommended by the Chief Executive or Chairman.

Nomination

The nomination committee meets at least once each year to identify and nominate, for the approval of the Board, candidates to fill board vacancies as and when they arise. When considering an appointment, the committee will evaluate the skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the roles and capabilities required for a particular appointment. The committee will consider candidates from a wide variety of backgrounds and will regularly review the size, structure and composition of the Board.

Internal controls

The Board is responsible for maintaining a sound system of internal control in order to safeguard the assets of the company and discharges this responsibility for internal controls and budgets through the audit committee. The Finance department constantly reviews the effectiveness of the company's system of internal control and reports regularly to the Board on all aspects including financial, operational and compliance controls.

The Executive Team of Chief Executive (Stuart Griffiths), Director of Finance & Resources (Helen Bates), Director of Marketing & Development (Rob Macpherson), Director of Operations (Mike Bradford) and Director of Hospitality & Service (Gary Aymes) reports to the Board on a monthly basis and the Board meets six times per annum. The Executive Team manages and operates the company with managers in each department. An annual budget is presented to and approved by the Board in February each year, having been reviewed in advance by the audit committee. Management accounts in which actual results are compared against budgeted figures are presented monthly to the Board for review.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Internal Controls (continued)

Staff work over five departments the Executive, administration, marketing and sales, hospitality and service and technical services. Staff are generally employed on a permanent full- or part-time basis, although casual staff are employed within information and sales, customer services and technical services in order to service the differing requirements of different shows and varying selling and audience patterns. Volunteers work alongside Hippodrome staff within the customer services department to enhance the customer experience and to provide additional cover within the auditorium. There are some 42 volunteers who are used at many performances. The Executive Team is very grateful for the contribution made by our volunteers.

Review of risks

On an ongoing basis the Board reviews the major risks to which the Trust is exposed, and systems have been established to mitigate these risks. Internal risks are minimised by the implementation of procedures for authorisation and monitoring of all transactions, and potential external risks to future income levels and the availability of product are addressed by the Senior Management and the Board of Trustees.

The risks facing the Hippodrome are reviewed in three parts: major and material risks, financial risks and risks associated with the Catering, Conference and Events businesses within the trading subsidiary.

The Trustees consider that the major risks facing the Charity remain loss of the building, external events which might close the building (such as terrorism, pandemic or police action), loss of public confidence (for example, due to recession) and the impact on programming of funding cuts for visiting companies. The Trust is working on a Business Recovery Plan which addresses building issues, such as externally hosting ticket sales and IT. Potential savings have been identified to cover short term loss of income from other risks.

OBJECTIVES AND ACTIVITIES

Birmingham Hippodrome Theatre Trust Limited was established for the purpose of the presentation of theatrical productions, the encouragement of the arts and the promotion of education. As one of the world's leading presenting theatres, Birmingham Hippodrome's mission is to provide the best possible theatre experience. Its aims are:

- to provide a performance programme of the highest quality, featuring the finest UK and international companies and productions,
- to continue attracting the largest audience to a single theatre in the UK,
- to be accessible to everyone, engaging with people of all ages and backgrounds,
- to provide valued service to all our visitors,
- to ensure our business practices are as safe, sustainable and efficient as possible,
- to utilise the widest range of skills and talents in employment and governance and provide a progressive workplace, actively promoting personal development, equality and fairness,
- to play a leading role in Birmingham's economic and cultural development,
- to build sufficient resources to maintain independence, achieve organisational objectives and enable ambitious development.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE

During the 2010/11 financial year, we presented 392 performances (2010 391) attended by 523,219 patrons (2010 510,316) with paid capacity of 75% (2010 72%), retaining our position as the most popular single theatre in the UK

Total ticket sales of £15,088,265 (2010 £14,404,816) made this the highest value and highest number of tickets since 2001

Sales by art form were as follows

	Performances		Tickets Sold		Show Contribution	
	2011	(2010)	2011	(2010)	2011	(2010)
Musicals	46%	(50%)	46%	(51%)	45%	(46%)
Pantomime	19%	(18%)	20%	(20%)	22%	(21%)
Ballet	14%	(15%)	14%	(13%)	20%	(16%)
Opera	3%	(4%)	3%	(4%)	5%	(5%)
Other	18%	(13%)	17%	(12%)	8%	(12%)

Programme

Musicals

Musicals remain our core programming, representing 46% of stage time and 50% of sales value. The second half of the 25th Anniversary tour of Cameron Mackintosh's *Les Miserables* opened the financial year, a hugely successful production playing to 94% of capacity here. The welcome return of *The Harder They Come* (based on the classic reggae film) was very well received, with some 49% new, first-time attenders. We were delighted also to co-produce with the amateur Birmingham & Midland Operatic Society (BMOS) a production of the spirited Brummie musical *Wallop Mrs Cox*.

Our summer period was dominated by *The Sound of Music* starring the reality TV star Connie Fisher, and *Joseph and the Amazing Technicolor Dreamcoat* with its own TV show winner Keith Jack. The return of *Blood Brothers* and the massive success of *Hairspray* (taking over £1m in a two week run) ensured continued impressive footfall for the theatre in the autumn. We supported a successful revival of the Tim Rice/Abba musical *Chess* with a modest investment and welcomed the return of the popular dance musical *Footloose*.

International Dance

It was a very strong year for international dance which, due to our efforts over the last seven years, now has a growing and adventurous audience. The return of *International Dance Festival Birmingham* for 2010 following the success of 2008 was supported by over £700,000 in public funding from Arts Council England, Birmingham City Council and Advantage West Midlands and successfully attracted double the audience of the first festival. The Hippodrome co-produced *International Dance Festival Birmingham 2010* with our resident partners DanceXchange. On the Hippodrome's main stage Mark Morris Dance Group opened the festival with his rarely performed masterpiece *L'Allegro il Penderoso ed il Moderato*, followed by Ballet Nacional de Cuba with guest star Carlos Acosta. One week of the BBC TV sensation *Strictly Come Dancing* attracted large audiences to the festival which ended at the Hippodrome with a return visit by Brazil's Companhia de Danca de Deborah Colker.

IDFB 2010 also featured performances at Birmingham Repertory Theatre, The Town Hall, Ikon Gallery and the Patrick Centre, plus a host of free outdoor events including dance on the canal networks, large scale participatory performances in the Bullring, a major outdoor show, *Utopia*, in Victoria Square over the May Bank Holiday, and some inventive and surprising street performances entitled *(in)visible dancin*. With 25 different countries represented over 27 days, 48 performances were attended by over 55,000 people whilst 101 free events were enjoyed by over 27,000 people. *IDFB 2010* was twice as successful as its 2008 founding year, with over 40% new audiences.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE (continued)

We were delighted that Brewin Dolphin generously supported the festival as a new Corporate Sponsor, alongside Crowne Plaza as Accommodation Partner and BBC WM as Media Partner. It was particularly satisfying that all our partners were then able to join us at the University of Birmingham ceremony and dinner as IDFB 2010 won the *Event of the Year Award* at the 2010 Heart of England Excellence in Tourism Awards.

Later in the autumn, the Hippodrome welcomed the successful second visit of Alvin Ailey American Dance Theater and a return visit by the outrageous Les Ballets Trockadero de Monte Carlo who raised the roof with their lovingly-crafted and expertly-delivered parody ballet routines.

From the UK, Matthew Bourne's company performed his version of *Cinderella* set during the London Blitz, to capacity audiences. We also hosted the hip hop streetdance show *Blaze*.

Birmingham Royal Ballet (BRB)

Birmingham Royal Ballet recorded a 12% uplift in attendance on 2009/10 with ticket sales of £2,254,180 over 55 performances (2010 £1,970,007 over 60 performances).

2010 saw the 20th Anniversary celebrations of our resident partners, who moved to the city from Sadler's Wells in 1990 in what was described at the time as "the arts coup of the decade". Following a royal visit by BRB's patron, HRH The Prince of Wales in March, the BRB season continued strongly with *Swan Lake* in the summer, *Romeo & Juliet* in the autumn and a new production for Christmas.

Birmingham Hippodrome was delighted to lend financial support to Artistic Director David Bintley's new *Cinderella* for the traditional Christmas slot and this sparkling new seasonal event did not disappoint. Outstanding ticket sales were further embellished by a primetime Christmas day broadcast on BBC TV expanding the audience by millions and increasing international exposure for the theatre and the city.

Welsh National Opera (WNO)

Welsh National Opera regard Birmingham Hippodrome as their English home and we present all their repertoire, the only venue to do so outside Cardiff. Wagner's *Die Meistersinger von Nurnberg* starred Bryn Terfel and sold out to rave reviews. The other season highlights included a new production of *Fidelio*, a revival of the visually imaginative *The Magic Flute* and a sparkingly hilarious *Die Fledermaus*.

Pantomime

Hollywood legend Joan Collins made her pantomime debut with us this year in *Dick Whittington* ably supported by Nigel Havers, Julian Clary, Keith Harris and Orville. Strong sales and large numbers of first-time attenders ensured that we retained our title as the biggest and most popular Pantomime in the world. Joan Collins's involvement ensured huge levels of press interest globally, taking our name and that of the city to completely new territory.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE (continued)

Creative Programme

2010 saw the start of a completely new strand of programming at the core of which was *Six Summer Saturdays*. Over the summer holidays we produced some live outdoor performances across the city, which were free for everyone to enjoy. On a modest budget augmented by grant funding from various organisations including The Arts Council, over 100 performers and artists performed 220 shows for an estimated public audience of 100,000 on the city's shopping streets. A 'Vogue Ball' on Hurst Street got the party started, and through the summer *Sound of Music* patrons and many other passers-by were greeted by inspiring and funny performances which lent a positive atmosphere to public squares and brought people together.

Some enticing displays, exhibitions and performances added a layer of intrigue for patrons attending the Pantomime, most particularly the Re Stretch exhibition in the Patrick Centre which generated hundreds of comments via social media and positive local press coverage. Our contact with the Chinese community has also been boosted by our support for their New Year celebrations as part of our new Creative Programme.

Staff Development

We have invested in NVQs and professional qualifications so employees can gain a nationally recognized qualification with increased spending on training resulting in an in-depth training programme. Apprenticeships have been introduced in the Catering, Customer Services and Technical departments which have been very successful as well as gaining PR in local press, local and national TV and radio. Our apprenticeship scheme has been featured on BBC2, ITV, Birmingham Post, The Guardian and the Birmingham Evening Mail as we were one of the first creative companies in the UK to introduce Creative Apprenticeships. Apprentices who have secured employment with us feature heavily on the National Skills Academy website. Birmingham Hippodrome appointed the 500th Creative Apprentice in the UK since the launch of the scheme 18 months ago.

We received over 2,000 application forms last year as our vacancies remain popular, with some vacancies attracting over 100 applications. All these applicants' personal information is monitored to ensure we are equality compliant and shows that we attract from a diverse range of backgrounds. Whilst a couple of vacancies took longer to fill than normal, no vacancy was left unfilled.

Sickness levels and staff turnover continue to fall and over half of our staff now have more than five years' service.

An HR business plan has been introduced to identify key areas relevant to the organisation's business strategy which has resulted in an action plan which covers a new appraisal system, new policies and a review of terms & conditions. The details of the plan were developed following a full consultation with staff when an external consultant gained staff feedback on a range of issues affecting them whilst at work.

Energy reductions and Environmental improvements

The Trust continues its commitment of reducing energy consumption throughout the organisation. During 2010/11 we reduced our annual gas usage by a further 5.5% (this was exceptionally encouraging as 2010/11 had an extremely cold winter). We continue to investigate alternative heating sources such as CHP plant and solar which could further reduce our annual energy usage.

Having successfully become the first theatre in the UK to achieve the ISO 14001 Environment Management Standard Accreditation, we have published an Environmental Management Policy and Practice Manual which is now part of staff induction and we had two six-monthly external audits of the management system during the year. Both received positive feedback, the outcome of the second audit is detailed below.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

ACHIEVEMENTS AND PERFORMANCE (continued)

Energy and Environment (continued)

"The management system is clearly working for the operation and helping to drive performance improvements Training and other awareness programmes continue and the control of contractors appears to be effective Continued certification to ISO 14001 2004 is recommended "

We continue to investigate and implement energy saving projects, the installation of automatic sensor taps and low energy hand dryers in public toilets has now been completed, we have replaced a number of high power tungsten light fittings in public areas with low energy LED lighting and we are planning to replace all tungsten lights in front of house toilets with low energy LED fitting along with occupancy detectors Other larger projects under consideration include replacing our domestic hot water boilers with a smaller more efficient system that will allow us to provide more localized hot water reducing energy usage further

We continued to support the Cool Earth charity and 21 acres of rainforest have now been secured as a result of this project Recycling of paper, cardboard, glass, PET bottles and batteries continues We have also changed our waste contractor and all waste is now compacted, reducing collections from five times per week to one every two weeks Furthermore, the majority of waste was previously sent to landfill whereas now no waste now goes to landfill and 61% is recycled These initiatives have significantly reduced the theatre's carbon footprint

PUBLIC BENEFIT

General

Reduced prices for target groups

In 2010/11 overall the Hippodrome sold 25% of tickets (130,802) at a discount for education, audience development (including "A Night Less Ordinary" – see below) and access categories The discounted value of these sales equates to a contribution by the Hippodrome and producers of £874,712 or an average £6.69 per ticket (23%)

By agreement with visiting producers, the theatre offers a range of regular concessions to most performances These are generally available for performances Monday – Thursday plus matinees on the top three price bands Typically patrons who are aged 18 and under, 60+, or who are benefit claimants and possess a City Council 'Passport to Leisure' can claim £3 off standard prices Additionally we offer a standby rate on the day of the lowest full price for the best available seat We occasionally offer last minute ticket discounts targeted at groups of young people or staff of emergency services, hospitals etc

Our use of online social media networks continues to grow with strong support on Twitter and Facebook giving us more direct access to many young people This is an opportunity to deepen our engagement with other online features such as our Flickr photo streams and our Wordpress blog Our involvement with the Arts Council's "A Night Less Ordinary" free ticket scheme came to a close in March 2011 after two years, this scheme introduced many thousands of new young patrons to the Hippodrome

Significant discounts for groups continue strongly and in several instances we have lowered the minimum size of a group to 8+ All groups of 35+ still obtain one free organiser's ticket Young people in school groups of 10+ are also issued one free teacher ticket, an extra two free for selected performances such as Pantomime schools' shows All our rates are confirmed on a show by show basis with information published online or in leaflets and brochures, and mentioned on press releases

Ticket discounts for patrons with disabilities and their carers are still popular and well received We have made good progress recently improving communications with our disabled patrons and taking advice from our Access Forum

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Education and Audience Development

The Education & Audience Development team has a wide brief covering all ages and abilities. The work offered covers large areas of the local community and includes a variety of different activities ranging from long term projects to one-off talks. The department is becoming an important link between the theatre and the local neighbourhoods by developing relationships with many community groups, schools and colleges.

EDUCATION WORK

Our main education work is split into two main areas

- One off workshops/ short term projects working across all ages and abilities
- Core education work – delivering work to special schools in Birmingham

Workshops and Projects:

We offer two kinds of workshop for school pupils and college students, on average, two per week in-house at the theatre, and two per week in schools, delivered by freelance practitioners or by the in-house team. Typically we work with 2,500-3,000 young people on workshops annually and the workshops, whilst paid for, are partly subsidised by the Theatre. In 2010/11 we sold 14,719 school tickets, with 1,543 additional free tickets to teachers at a total subsidised value of £116,430 for our main house productions.

Show-specific workshops eg based on Matthew Bourne's *Cinderella*, Les Ballets Trockadero de Monte Carlo, Alvin Ailey American Dance Theater. These workshops are led by the visiting company and based at the theatre or at the school/college.

Non show-specific workshops eg study days based on theatre, maths, dance, business studies, travel and tourism, the creative and media diploma. These are led by Birmingham Hippodrome and are devised to support the school/college curriculum.

Examples of Projects (2010/11)

- **The Song Contest of the Birds and Beasts** was the fourth collaboration between Welsh National Opera and Birmingham Hippodrome taking place October 2009 to July 2010 working with 120 children from two mainstream and two special primary schools. It premiered on our main stage to an audience of over 1,000 people with the full Welsh National Opera orchestra. The project has enabled greater relationships to build between the schools and also Birmingham Hippodrome and we are still working with The Pines and Hamilton Schools on further projects.

"I liked making friends with different schools " Participating pupil

"A child was so frightened of going on stage, that he said to the Director that he couldn't do it and was refusing to go on. Karen (the Director) suggested that if he needed any support, that a little tug on my coat tails would do the trick. He touched them once as we walked on the stage, but then became so engrossed in the performance, that he left me behind and acted as though he had all the confidence in the world!" Member of the company, professional singer

"The confidence and self-esteem of the children has increased greatly " Teacher

"Attendance has gone up and they now arrive on time for school!" Teacher

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Education and Audience Development

- **Blaze:** 60 students from Stratford College and Joseph Chamberlain College worked with two professional dancers from the *Blaze* company for a whole day to create a dance piece to perform in the theatre foyer prior to the main performance. Their performance contributed towards a whole hip hop experience in the foyers with live DJ and MC sessions, graffiti workshops, and poetry with Birmingham's Young Poet Laureate.
- **Young Citizens**
Service Birmingham (part of Capita) funded a Young Citizenship project with around 150 children in four Birmingham primary schools, enhancing the young people's experience and understanding of theatre and building up their self-confidence and self esteem. This project started in January 2011 and will be completed in May 2011.
- **Cinderella Curtain Raiser** This is the second time that we have offered a five minute pre-performance on our main stage with the Matthew Bourne Company prior to their performance. Working with DX scheme 'Making Choreographers', 14 BTEC Dance students from Walsall College performed a devised piece inspired by Matthew Bourne's *Cinderella*. This was an amazing opportunity for all the young people involved. Birmingham Hippodrome and the Education arm of Matthew Bourne's Company (Re bourne) are looking at further collaborative projects.

"An eye-opener into the professional world" Student

"A truly inspirational project, providing students of all abilities with a wonderful insight into the world of professional dance" Dance teacher

- **Hodge Hill Cluster Project,** From December 2010 to March 2011, we were asked to create a 'once in a life time' experience for six primary schools based in Birmingham's Hodge Hill Cluster for twelve year 5 'gifted and talented' children from each of the schools. Working with a writer, musician, dancer, designer and drama practitioner, the children, following their visit to BRB's *Cinderella*, were able to create their own version of *Cinderella*, inspired by performance. They worked over a number of weeks independently then came together for four intensive rehearsal days at the Hippodrome before performing in our Patrick Centre studio for friends, families, schools and VIPs over three performances.

Core Education Work

Over the last four years we have made a strategic decision to increase our commitment to working with children and young people who have special educational needs. The majority of our work has been collaborative and project-based with The Shysters Theatre Company in special secondary schools in Birmingham. The projects have been inspired by our main house productions for example *SnowShow*, *Little Shop of Horrors* and *Edward Scissorhands*.

In 2010/11, we developed and increased our input into this strand of work by commissioning The Shysters to work over a three year period with Birmingham Special schools, developing real communication skills through the artifice of theatre and using drama as the main vehicle to steer young people's transition process from school to adulthood. This work will only be possible by building long-term relationships with the schools and teachers to ensure that drama is embedded into the school curriculum. This work has now begun in Oscott, Baskerville and Hamilton special schools.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

"The workshops were, as usual, a breath of fresh air for me as a teacher and a great learning experience! I feel the Shyster Methodology is about engaging, inspiring and motivating individuals to enable them to have the confidence to show what is inside them in the context of non-verbal, physical theatre " Oscott Special School Teacher

COMMUNITY ENGAGEMENT

Young Carers

We ran another successful summer project with twenty Birmingham Young Carers. The young people experienced a week of activities involving song, dance and drama, working towards a final performance for their friends and families. This year the young people worked on two musicals, *The Sound of Music* and *Joseph and His Amazing Technicolor Dreamcoat*. We offered the project to a wider age range of young people from 11 to 18, with five young carers acting as mentors.

"Your dedication, energy and commitment to this programme and to these young people is itself inspiring and heart-warming. It makes such an enormous difference to these young carers and offers a unique opportunity that they would never normally have and one which will stay with them for the rest of their lives " Pam Bloor, Young Carers Project Manager

Arts Champions

Birmingham Hippodrome has continued its work within the Perry Barr Constituency, as Birmingham City Council Arts Champion for the area. The work has included ongoing support for the Good Companions Singing Troupe, through workshops and theatre visits. This year we also worked with a group of 60 elderly residents of Handsworth, mainly African Caribbean, creating workshops based on Alvin Ailey American Dance Theater's signature piece *Revelations*, through gospel and dance workshops.

We also ran family workshops and organised a young people's carnival for the Simmer Down Festival, in Handsworth Park in July 2010, with an estimated attendance of 2,000 visitors. In March 2011, the Arts Champions rotate and we have been assigned the Edgbaston Constituency. However, we will still continue to work in the Perry Barr area, we are committed to continuing our work with Age Concern and will also hold more family workshops in the Simmer Down Festival 2011.

"Thanks to Birmingham Hippodrome we have had the opportunity to create a singing troupe that has performed at many places such as nursing homes and in sheltered accommodation. Our concerts have brought enjoyment to many older and frail people. It has also been beneficial to the members in that they have been able to contribute to the community by using their skills and talents and have felt useful and appreciated. The choir has provided a focus for their lives and we all feel very proud " Christine Higgins, Age Concern Project Manager

Talks & Tours

The Education department is receiving increased requests for talks, tours and visits from local community groups, for example local history societies, church groups and University of the Third Age (U3A) meetings about the history of the theatre. Whilst these do not generate significant income, they are unique opportunities to create new contacts, collecting invaluable snippets of Hippodrome history and also a way to facilitate reminiscence sessions. In this period, on average, we visited at least one organization every two to three months with an average 50 patrons. In January 2011, we hosted a group of 80 survivors of the Birmingham Air raids.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Free Tickets for Young People

The popular Arts Council free ticket scheme, A Night Less Ordinary, came to an end in March 2011 after two years. Birmingham Hippodrome was awarded a £50,000 grant to promote this scheme.

- There were 10,000 tickets on offer for a very mixed programme (from pantomime to ballet) with an 80% take up. Whilst the most popular genre for ANLO bookers was musicals, over 25% of tickets were taken for contemporary dance.
- New bookers totaled 3,734 with the majority attending an ANLO performance more than once. Of these, over 86% were first time attenders and 6% of this group went on to spend nearly £20,000 on tickets for other shows.
- The attenders were found to come from all over Birmingham with many recording postcodes near the universities, suggesting a majority of students as new bookers.

ACCESS

- We issued 22,324 tickets to patrons with disabilities, with a discounted value of £391,665, and a gross potential value of £670,249.
- We continued to offer audio-described, signed and captioned facilities to most productions and in 2010/11 offered 38 accessible performances. We attracted 171 blind and visually impaired patrons and companions to our touch tours (pre-show, on-stage tactile explorations of sets etc), and in some cases had to add an extra tour as they were oversubscribed. We continually attract new audiences for all our accessible performances and in January for Pantomime we had 171 deaf patrons over two performances.
- In this period we received £5,450 contribution towards our access budget from grant-making trusts and foundations via Birmingham Hippodrome Theatre Development Trust. On average the cost of a touch tour, captioned and audio described performance is just over £1,500.
- Our Access Forum continues to meet four times a year building new members within the local community and the Hippodrome staff. Its principal role is as an influential policy contributor towards the theatre's access provision and future strategy. As a result of the forum, the Hippodrome staff organised an audio-described talk and film of the journey from New Street station literally through the eyes of a guide-dog (belonging to one of our visually-impaired staff) which will be placed on our website.

Hippodrome patron Vidar Hjordeng chairs our Access Forum on a voluntary basis, and comments here on its recent development.

"Over many years I have been lucky enough to attend a wide variety of excellent productions staged at Birmingham Hippodrome and, being registered blind, I have more recently particularly enjoyed the various audio-described performances offered for an increasing number of shows. I provide reviews of these audio-described shows for a dozen or so West Midlands Talking Newspapers and RNIB's Insight Radio (broadcasting to up to 100,000 people across the UK) on a pro bono basis, to try to spread the word concerning the Hippodrome's warm welcome to disabled patrons, and provision of a range of access services, including audio-description."

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

ACCESS (continued)

"During this time - not least because of my professional role with ITV (I lead for Diversity for the Company's News Group across the country, and am based in Birmingham) I have got to know and admire the work of Liz Leck (Education & Audience Development Manager) and Mandy Rose (Press Officer) and was flattered to be invited to chair the theatre's Access Forum, when it was established a little over a year ago. Now, working closely on this with the Hippodrome team, who clearly have a real commitment to providing the best in terms of Access for disabled patrons, I have enjoyed helping to develop the group, and suggesting people who not only have an interest in the theatre, but also personal/professional experience of disability/access requirements

"Meeting for an hour four times a year, we cover a lot of important issues relating to people's experience of assisted shows, not just when in the Theatre but in terms of accessing information, either from the box office or on-line, as well as the logistics of actually getting to and from the Hippodrome. Thanks to the goodwill of staff and external stakeholders alike, I believe that the Forum has already come up with a number of key initiatives which are already enhancing the theatre experience at the Hippodrome - whether in the auditorium, bars or restaurants - of a demonstrably growing number of disabled people and their companions. Much of this important work is, of course, on-going, and the group is evolving all the time, aimed specifically at addressing the diverse needs of disabled patrons." Vidar Hjordeng, Diversity Manager ING and Regions, Broadcast, ITV plc

In drafting the above statements, the trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission

FINANCIAL REVIEW

The results for the period are shown in the consolidated statement of financial activities on page 20. A deficit of £904,732 (2010 deficit of £97,733) has been incurred on unrestricted funds, and a surplus of £105 (2010 deficit of £8,895) has been incurred on restricted funds in the period before transfers.

After transfers between funds a deficit of £175,561 (2010 surplus of £631,227) has been incurred on unrestricted funds in the period.

Birmingham Hippodrome Theatre Trust Limited received £19,317 (2010 £1,029) funding from Birmingham Hippodrome Theatre Development Trust, whose objects are to raise money for the Theatre Trust.

The covenanted payment from the trading subsidiary reduced to £285,169 (2010 £419,600) due to higher cost of sales and higher labour costs. Bank interest in the year reduced for the second year in a row to £112,489 (2010 £86,188) due to the reduction in interest rates.

PLANS FOR FUTURE PERIODS

2011/12 has started well with a large number of shows already on sale including all the 2011/12 WNO and BRB seasons (running until June 2012), *Dirty Dancing* (July & August 2012), and Cameron Mackintosh's tour of *Oliver!* in March/April 2012. *We Will Rock You* returns in the summer of 2011 and is keeping pace (in percentage terms) with the 2009 visit. Advance sales are therefore strong and Friends memberships are rising.

We are planning International Dance Festival Birmingham 2012 with our partners and co-producers DanceXchange, with funding applications to both Birmingham City Council and Arts Council England, we have also employed a fundraising consultancy to assist in targeting Trusts and Corporates for additional IDFB support.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PLANS FOR FUTURE PERIODS (continued)

Education and community projects are also being planned including a symposium around working with special needs schools based on the long-awaited return of Slava's *Snowshow* in November 2011

1 April 2011 saw the official creation of the Southside BID (Business Improvement District), chaired by Chief Executive Stuart Griffiths. Plans to work closely with local businesses to improve the area are progressing

Members of Birmingham Arts Partnership (co-ordinated by the Hippodrome), are working closely together this year on advocacy for the city's cultural sector and alongside Marketing Birmingham in support of the city's ERDF application

RESERVES POLICY

Restricted funds represent the capital funding received for the refurbishment of the Hippodrome Theatre

Unrestricted funds have reduced in the year to a surplus of £1,727,000 for the Group (2010 £1,902,000) and £1,727,000 for the Company (2010 £1,902,000)

Unrestricted undesignated funds were £325,000 at 28 March 2010 which was reduced by unrestricted deficit in 2010/11 of £175,000, and a further £265,000 was transferred to designated funds as outlined below. £337,000 was transferred from designated funds to undesignated funds as outlined below, leaving a balance of £222,000 in unrestricted undesignated funds

The Board regularly considers the Repairs & Maintenance liabilities of the Trust in order to ensure that sufficient funds are set aside annually to meet the Trust's repairs & maintenance obligations (over a twenty five year period) under the lease with Birmingham City Council, as funds allow. Trustees have approved an annual allocation of £140,000 per annum as sufficient in current circumstances, which also takes into account non-reclaimable VAT on repairs reserve expenditure

At 28 March 2010 the Trust had designated reserves of £1,252,000 in a Repairs Reserve, £305,000 in a Programming Reserve and £20,000 in a Production Investment reserve, total £1,577,000. During 2010/11, £140,000 has been allocated to the Repairs Reserve and £220,000 has been charged to the Repairs Reserve to cover the cost of new auditorium carpets and other planned maintenance

The Programming reserve was set up to enable the Trust to meet its artistic and charitable aims of creating new work for a Birmingham audience and broadening the artistic product offered, and the Production Investment Reserve is to enable the Trust to invest in touring productions with the intention of supporting new productions and making a return

£25,000 has been transferred to the Programming Reserve in the year and £107,000 has been transferred to non-designated funds of which £57,000 covers the costs in the year of the new Creative Programme department, created in January 2010, and a further £50,000 relates to the Theatre's contribution to Birmingham Royal Ballet's new production of *Cinderella*, which opened at Birmingham Hippodrome in December 2010

£10,000 of the Production Investment Reserve was invested in the touring production of Chess during 2010/11

A new Reserve has been created to account for the Trust's £1million appeal to refurbish the Stage floor and environs, which was not updated during the major refurbishment in 2000/01. The Theatre has committed to a contribution of £100,000 towards this appeal, and applications to Trusts and Foundations are now underway, as well as a concerted fund-raising effort by Birmingham Hippodrome Theatre Development Trust, including the fourth biennial Gala Dinner which took place in May 2011

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

RESERVES POLICY (continued)

The Trust has also considered the value of reserves necessary to meet the costs associated with winding up should this be required. This is estimated to be in the region of £750,000, based on statutory redundancy for all staff, some building & maintenance costs which would have been incurred in advance and would not be refunded, and some administration, financial and legal costs. This reserve is not held as a separate designated reserve as other reserves of this value exist (as in the event of any winding up the maintenance sinking fund and other designated reserves would no longer be required).

The Trust's reserves policy requires the Trust to make a surplus over time.

INVESTMENT POLICY

The funds available for the Trust to invest are advance box office receipts and the Repairs, Programming and Production Investment Reserve balances. To retain flexibility and availability of these funds, the Trust's current account monies are transferred daily to higher rate call accounts, taking account of beneficial interest rates. The Trust also uses short-term fixed interest money market deposit accounts to maximise interest rates received and these mature on a rolling basis to ensure availability of funds. The Board has approved a policy whereby only UK owned banks with a minimum AA credit rating are used and money market deposits are split over a minimum of three different institutions. No other investment vehicle is used.

BIRMINGHAM HIPPODROME LIMITED

The profit in the trading subsidiary for the period was £285,169 (2010 £419,600) and the full amount of £285,169 (2010 £419,600) was paid under deed of covenant to the parent undertaking. Catering turnover increased by 2% and ancillary sales of ices, confectionery, programmes & merchandise in the year by 1%. Conference & Events income reduced by 14% from the previous year, a reflection of the prevailing unfavourable economic conditions.

Overall the trading subsidiary produces a significant profit to support the Theatre business.

FIXED ASSETS

Movements in tangible fixed assets are set out in note 9 to the financial statements.

TRUSTEE LIABILITY INSURANCE

Birmingham Hippodrome Theatre Trust Limited holds Trustee liability insurance on behalf of Directors and Officers at a cost of £2,475 (2010 £4,250).

TAXATION STATUS

The company is a registered charity, and under the provisions of Section 505 of the Income and Corporation Taxes Act 1988, is exempt from liability to taxation in respect of its charitable activities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office



On behalf of the board
J R A Crabtree
Trustee

16 June 2011

Birmingham Hippodrome Theatre Trust Limited

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The trustees (who are also directors of Birmingham Hippodrome Theatre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

In so far as the trustees are aware

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM HIPPODROME THEATRE TRUST LIMITED

We have audited the group and parent charity financial statements of Birmingham Hippodrome Theatre Trust Limited ("the financial statements") for the period ended 2 April 2011 on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 2 April 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993.

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

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

Baker Tilly UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

1 July 2011

Birmingham Hippodrome Theatre Trust Limited
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the period ended 2 April 2011

		<i>53 weeks ended 2 April</i>			<i>52 weeks ended 27 March</i>
	<i>Notes</i>	<i>Unrestricted funds 2011 £'000</i>	<i>Restricted funds 2011 £'000</i>	<i>Total funds 2011 £'000</i>	<i>Total funds 2010 £'000</i>
INCOMING RESOURCES					
FROM GENERATED FUNDS					
Incoming resources from generated funds					
- voluntary income	3	19	-	19	11
- activities for generating funds	4	2,714	-	2,714	2,751
- investment income	5	113	-	113	86
Income from charitable activities	6	16,242	64	16,306	15,476
TOTAL INCOMING RESOURCES		19,088	64	19,152	18,324
RESOURCES EXPENDED					
Cost of generating funds	7	2,510	-	2,510	2,315
Charitable activities	7	17,313	64	17,377	15,981
Governance costs	7	169	-	169	134
TOTAL RESOURCES EXPENDED		19,992	64	20,056	18,430
NET OUTGOING RESOURCES		(904)	-	(904)	(106)
Transfers between funds	15a	729	(729)	-	-
NET MOVEMENT IN RESOURCES		(175)	(729)	(904)	(106)
Fund balances brought forward at 28 March 2010		1,902	33,513	35,415	35,521
Fund balances carried forward at 2 April 2011	15, 16	1,727	32,784	34,511	35,415

Birmingham Hippodrome Theatre Trust Limited

INCOME AND EXPENDITURE ACCOUNT

for the period ended 2 April 2011

	<i>53 weeks ended 2 April 2011 £'000</i>	<i>52 weeks ended 27 March 2010 £'000</i>
Gross income of continuing operations	19,152	18,324
Total expenditure of continuing operations	(20,056)	(18,430)
NET DEFICIT FOR THE PERIOD BEFORE TRANSFERS	(904)	(106)
Transfer from restricted funds – amortisation of capital grants	729	729
Net (expenditure)/income for the period	(175)	623

- Total income comprises £19,121,000 (2010 £18,280,000) from unrestricted funds and £31,000 (2010 £44,000) from restricted funds. A detailed analysis of income by source is provided in the Consolidated Statement of Financial Activities
- Turnover of non-charitable trading activities amounted to £2,685,632 (2010 £2,662,400). A detailed analysis of the trading results is shown in note 17a
- Detailed analysis of the expenditure is provided in the Consolidated Statement of Financial Activities and note 7
- The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 20 which, together with the notes to the accounts on pages 24 to 40 provides full information on the movements during the period on all the funds of the group
- No separate statement of total recognised gains or losses is required as all gains and losses recognised in the period are included in the consolidated statement of financial activities
- All incoming resources and resources expended derive from continuing activities

The above income and expenditure account adds back the amortisation of capital grants, as this ordinarily would have been matched with the release of the grant to expend on leasehold improvements in accordance with SSAP 4

Birmingham Hippodrome Theatre Trust Limited

BALANCE SHEETS

2 April 2011

Company Registration No. 1446309

		Group		Company	
	Note	2011 £'000	2010 £'000	2011 £'000	2010 £'000
FIXED ASSETS					
Tangible assets	9	33,119	33,872	33,037	33,801
Investments	10	-	-	7	7
		<u>33,119</u>	<u>33,872</u>	<u>33,044</u>	<u>33,808</u>
CURRENT ASSETS					
Stock		51	66	-	-
Debtors	11	805	829	979	946
Cash at bank and in hand	12	5,645	8,112	5,408	7,848
		<u>6,501</u>	<u>9,007</u>	<u>6,387</u>	<u>8,794</u>
CREDITORS					
Amounts falling due within one year	13a	(5,109)	(7,464)	(4,920)	(7,187)
NET CURRENT ASSETS		<u>1,392</u>	<u>1,543</u>	<u>1,467</u>	<u>1,607</u>
NET ASSETS		<u><u>34,511</u></u>	<u><u>35,415</u></u>	<u><u>34,511</u></u>	<u><u>35,415</u></u>
RESTRICTED FUNDS	15a	32,784	33,513	32,784	33,513
UNRESTRICTED FUNDS					
Share capital	14	-	-	-	-
Non designated	16a	222	325	222	325
Designated	16b	1,505	1,577	1,505	1,577
		<u>1,727</u>	<u>1,902</u>	<u>1,727</u>	<u>1,902</u>
		<u><u>34,511</u></u>	<u><u>35,415</u></u>	<u><u>34,511</u></u>	<u><u>35,415</u></u>

The financial statements on pages 20 to 40 were approved by the board on 16 June 2011, and authorised for issue on its behalf by



J R A Crabtree – Trustee



S G Wellings – Trustee

Birmingham Hippodrome Theatre Trust Limited

CASH FLOW STATEMENT

for the period ended 2 April 2011

	<i>Note</i>	53 weeks ended 2 April 2011 £'000	52 weeks ended 27 March 2010 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	20a	(2,390)	3,249
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Net interest received		113	86
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of fixed assets		(190)	(208)
		(2,467)	3,127
Management of liquid resources	20b	2,250	(3,250)
NET CASH FLOW BEFORE FINANCING		(217)	(123)
FINANCING			
Other loans		-	(3)
MOVEMENT IN CASH	20b	(217)	(126)
RECONCILIATION OF CASHFLOW TO MOVEMENT IN NET FUNDS			
Movement in cash in the period		(217)	(126)
Movement in loans		-	3
Movement in short term deposits		(2,250)	3,250
CHANGE IN NET FUNDS		(2,467)	3,127
Net funds at the beginning of the period		8,112	4,985
NET FUNDS AT PERIOD END	20b	5,645	8,112

Birmingham Hippodrome Theatre Trust Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment assets and have been prepared in accordance with the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities" and applicable accounting standards

The accounts have been drawn up to Saturday 2 April 2011, being the nearest Saturday to 31 March. Shows are settled on a Sunday to Saturday basis and the Trust's accounting periods operate on the same principle

GROUP ACCOUNTS

The Statement of Recommended Practice 2005 (SORP 2005) requires the results of charities and their subsidiary undertakings to be consolidated and the results presented in group accounts. The results have therefore been drawn up in accordance with SORP 2005, except that no separate statement of financial activities is presented for the charitable company, as provided by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005

INCOMING RESOURCES

Incoming resources are represented by gross box office receipts and other income generated in furtherance of the objects stated net of value added tax. The company's incoming resources and results are derived from continuing operations during the current and the previous period. No operations have been acquired during these two periods

Charitable trading activities

Income from theatre admission fees is included in incoming resources in the period in which the relevant show takes place

Commercial trading activities

Income from commercial activities is included in the period in which the group is entitled to receipt

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable

Interest receivable

Interest is recognised as it accrues using the effective interest method

Birmingham Hippodrome Theatre Trust Limited

ACCOUNTING POLICIES (continued)

RESOURCES EXPENDED

Resources expended are included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities include expenditure associated with the staging of productions and educational programmes and include both the direct costs and support costs relating to these activities
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

LIABILITIES

Liabilities are recognised when either a constructive or legal obligation exists

DEFINED CONTRIBUTION PENSION SCHEME

Pension contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing agreements are shown as obligations to the lessor

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding. All other leases are 'operating leases' and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost. Assets with a value below £1,000 are not capitalised. Depreciation of fixed assets is charged by equal annual instalments commencing with the period of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows

Short lease premium	Over period of the lease of 10 years
Long lease Premium	Over period of the lease of 125 years
Hippodrome Theatre long leasehold improvements	50 years
Birmingham Royal Ballet long leasehold improvements	50 years
Computer equipment	3 years
Other office equipment	10 years
IT and Box Office Infrastructure project	5 years

INVESTMENTS

Investments have been included at trustees' estimate of open market value

Birmingham Hippodrome Theatre Trust Limited

ACCOUNTING POLICIES (continued)

STOCK

Stock of goods for resale have been included at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

LIQUID RESOURCES

Liquid resources detailed in the cashflow statement comprise short term investments which can be readily converted into cash.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

1	NET OUTGOING RESOURCES BEFORE TRANSFERS	Period ended 2 April 2011 £'000	Period ended 27 March 2010 £'000
	Net incoming resources are stated after charging		
	Depreciation of tangible fixed assets		
	- owned	943	906
	Operating lease rentals - equipment and vehicles	60	60
	Staff costs (note 2)	2,990	2,735
	Auditor's remuneration - audit	13	14
	- VAT advice	29	2
	Charity trustees liability insurance	2	4
		<u> </u>	<u> </u>

2 STAFF COSTS

Birmingham Hippodrome Theatre Trust employs all staff for the group as well as for Birmingham Hippodrome Theatre Development Trust. Staff costs recharged to the trading subsidiary, Birmingham Hippodrome Limited, are £1,051,000 (2010 £973,000)

	Period ended 2 April 2011 £'000	Period ended 27 March 2010 £'000
Wages and salaries	3,156	3,044
Social security costs	248	273
Other pension costs	135	93
	<u> </u>	<u> </u>
	3,539	3,410
Staff costs recharged to visiting companies	(549)	(675)
	<u> </u>	<u> </u>
	2,990	2,735
	<u> </u>	<u> </u>

None of the directors received any remuneration from the company during the period

AVERAGE NUMBER EMPLOYED	Number 2011	Number 2010
Full time equivalent average number of staff		
Administration	36	31
Production and selling		
- permanent	60	57
- temporary	42	42
	<u> </u>	<u> </u>
	138	130
	<u> </u>	<u> </u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

2 STAFF COSTS (continued)

NUMBER OF EMPLOYEES WHOSE EMOLUMENTS EXCEEDED £60,000	Number 2011	Number 2010
£60,001 - £70,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£160,001-£170,000	1	-
£180,001-£190,000	-	1

Pension costs for the period for higher paid staff totalled £45,259 (2010 £41,062)

3 VOLUNTARY INCOME

	Period ended 2 April			Period ended 27 March
	Unrestricted funds 2011 £'000	Restricted funds 2011 £'000	Total funds 2011 £'000	Total funds 2010 £'000
Birmingham Hippodrome Theatre Development Trust grant	19	-	19	1
Arts Council grant – audience development	-	-	-	10
	19	-	19	11

4 ACTIVITIES FOR GENERATING FUNDS

	Period ended 2 April Unrestricted funds 2011 £'000	Period ended 27 March Unrestricted funds 2010 £'000
Catering, customer services, and conference and events income – subsidiary	2,686	2,662
Technical services income	17	78
Sundry income	11	11
	2,714	2,751

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

5	INVESTMENT INCOME		Period ended 2 April Unrestricted funds 2011 £'000	Period ended 27 March Unrestricted funds 2010 £'000
	Birmingham Hippodrome Theatre Trust bank interest		113	86
	Birmingham Hippodrome Limited bank interest		-	-
			<u>113</u>	<u>86</u>
6	INCOME FROM CHARITABLE ACTIVITIES			Period ended 27 March Total funds 2010 £'000
		Period ended 2 April 2011		
		Unrestricted funds 2011 £'000	Restricted funds 2011 £'000	
			Total funds 2011 £'000	
	Theatre tickets	15,457	-	15,457
	Booking fee and box office handling charges	650	-	650
	Friends memberships	74	-	74
	Education	39	31	70
	Creative programming	22	33	55
		<u>16,242</u>	<u>64</u>	<u>16,306</u>
				<u>15,476</u>
7	RESOURCES EXPENDED		Period ended 2 April 2011 £'000	Period ended 27 March 2010 £'000
(a)	<i>Direct charitable expenditure</i>			
	Fees of visiting companies and artistes		12,006	11,140
			<u>12,006</u>	<u>11,140</u>

Birmingham Hippodrome Theatre Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 2 April 2011

7 ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

	Period ended 2 April			Period ended 27 March	
	Charitable activities £'000	Cost of generating funds £'000	Governance £'000	Total 2011 £'000	Total 2010 £'000
(b) <i>Other expenditure – management and administration of the company</i>					
Wages and salaries	1,786	55	98	1,939	1,762
Marketing, friends, education & creative programming	702	-	-	702	503
Customer services	88	-	-	88	66
Technical services	1,155	248	-	1,403	1,389
Box office and ticketing	199	-	-	199	223
Financial and administration	283	-	-	283	226
Depreciation of tangible fixed assets	923	-	-	923	890
Catering and conference and events	-	2,162	-	2,162	2,011
Support costs (See note 7 (c))	235	45	71	351	220
	<u>5,371</u>	<u>2,510</u>	<u>169</u>	<u>8,050</u>	<u>7,290</u>
TOTAL RESOURCES EXPENDED	<u>17,377</u>	<u>2,510</u>	<u>169</u>	<u>20,056</u>	<u>18,430</u>
(c) <i>Support costs</i>					
General office costs	125	24	-	149	103
General financial costs	49	9	-	58	27
Computer support	61	12	-	73	64
Audit and accountancy	-	-	13	13	14
Legal fees	-	-	58	58	12
	<u>235</u>	<u>45</u>	<u>71</u>	<u>351</u>	<u>220</u>

8 TAXATION

The company, which is a registered charity, is exempt from taxation on its charitable activities

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

9 TANGIBLE FIXED ASSETS						
GROUP	Short lease premium £'000	Long lease premium £'000	Hippodrome Theatre leasehold improvements £'000	Birmingham Royal Ballet long leasehold improvements £'000	Fixtures, fittings and equipment £'000	IT infrastructure £'000
						Total £'000
COST						
28 March 2010	65	5,001	32,181	4,211	954	42,898
Additions	-	-	-	-	157	190
2 April 2011	65	5,001	32,181	4,211	1,111	43,088
DEPRECIATION						
28 March 2010	26	338	5,677	2,518	265	9,026
Charge for period	6	40	636	41	120	943
2 April 2011	32	378	6,313	2,559	385	9,969
NET BOOK VALUE						
2 April 2011	33	4,623	25,868	1,652	726	33,119
27 March 2010	39	4,663	26,504	1,693	689	33,872

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

9 TANGIBLE FIXED ASSETS (continued)

Under the terms of the property lease agreement granted on 1 April 1999, the company cannot assign, underlet, charge or dispose of the theatre premises or any part thereof, except under specific circumstances detailed in the lease agreement. Furthermore, under the terms of the lease agreement, the company is restricted to using the theatre premises for live stage plays, operas, ballet performances, concerts, other entertainments and necessary ancillary activities. Charges over the Company's leasehold property have been registered as a condition of a £4.35m grant in favour of Birmingham City Council received in 2007, expiring on 30 April 2023.

COMPANY

	Short lease premium £'000	Long lease premium £'000	Hippodrome Theatre leasehold improvements £'000	Birmingham Royal Ballet long leasehold improvements £'000	Fixtures, fittings and equipment £'000	IT infrastructure £'000	Total £'000
COST							
28 March 2010	65	5,001	32,181	4,211	849	486	42,793
Additions	-	-	-	-	126	33	159
2 April 2011	65	5,001	32,181	4,211	975	519	42,952
DEPRECIATION							
28 March 2010	26	338	5,677	2,518	231	202	8,992
Charge for period	6	40	636	41	100	100	923
2 April 2011	32	378	6,313	2,559	331	302	9,915
NET BOOK VALUE							
2 April 2011	33	4,623	25,868	1,652	644	217	33,037
27 March 2010	39	4,663	26,504	1,693	618	284	33,801

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

10 FIXED ASSET INVESTMENTS

Subsidiary undertaking

The company holds two £1 ordinary shares at a historic cost of £1 each, which represents the entire allotted share capital of Birmingham Hippodrome Limited, a company which has trading receipts and profits from the Theatre's bars and catering operations and whose profits are covenanted annually to Birmingham Hippodrome Theatre Trust Limited. Birmingham Hippodrome Limited is incorporated in England. Details of the subsidiary's trading results for the period are set out in note 17. Directors have valued the investment at 2 April 2011 at £7,156, an amount equivalent to the subsidiary's net assets.

£'000

Market value at 2 April 2011 and 27 March 2010

7

11 DEBTORS

	<i>Group</i>		<i>Company</i>	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts owed within one year				
Trade debtors	171	352	121	179
Amounts due from subsidiary (see note 17 (a))	-	-	240	327
Other debtors	47	67	47	67
Prepayments and accrued income	565	388	550	359
Amounts due from Birmingham Hippodrome Theatre Development Trust (see note 17(b))	22	22	21	14
	<u>805</u>	<u>829</u>	<u>979</u>	<u>946</u>

12 CASH AT BANK AND IN HAND

	<i>Group</i>		<i>Company</i>	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Cash at bank and in hand	645	862	408	598
Short term deposits	5,000	7,250	5,000	7,250
	<u>5,645</u>	<u>8,112</u>	<u>5,408</u>	<u>7,848</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

13	CREDITORS	<i>Group</i>		<i>Company</i>	
		2011	2010	2011	2010
		£'000	£'000	£'000	£'000
(a)	AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Trade creditors	1,114	537	980	405
	Other taxation and social security	212	244	212	244
	Other creditors	194	184	194	184
	Accruals and deferred income	213	1,082	158	937
	Advance bookings	3,376	5,417	3,376	5,417
		5,109	7,464	4,920	7,187
(b)	DEFERRED INCOME				
				Group and Company	
				£'000	
	Balance at 28 March 2010			5,417	
	Amount released to incoming resources			(5,417)	
	Amount deferred in period			3,376	
	Balance as at 2 April 2011			3,376	
	Deferred income comprises advance box office receipts				

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

14	SHARE CAPITAL	<i>Group</i>		<i>Company</i>	
		2011 £	2010 £	2011 £	2010 £
	<i>Authorised</i>				
	100 ordinary shares of £1 each	100	100	100	100
	<i>Allotted, called up and fully paid</i>				
	10 ordinary shares of £1 each	10	10	10	10

Each director of the company holds 1 ordinary share in accordance with the qualification required by the Articles of Association. No person may hold any share in the capital of the company unless he is a director of the company.

The Articles of Association prevent any dividends being paid on the share capital of the company. Furthermore, the members are not entitled to any distribution on the dissolution or winding up of the company.

15 RESTRICTED FUNDS

- (a) The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held to be applied for specific purposes

	<i>Balance at 28 March 2010 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Transfers between funds £'000</i>	<i>Balance at 2 April 2011 £'000</i>
Lease premium	4,663	-	-	(40)	4,623
Hippodrome Theatre leasehold improvements	27,136	-	-	(648)	26,488
Birmingham Royal Ballet leasehold improvements	1,704	-	-	(41)	1,663
Education grants	10	31	(31)	-	10
Creative Programming grants	-	33	(33)	-	-
	33,513	64	(64)	(729)	32,784

The above transfers relate to the amortisation of the capital grants within each fund.

There are charges totalling £25m by the Arts Council of England resulting from grants for refurbishment, expiring May 2018 (£20m), 2021 (£4m) and February 2024 (£1m).

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

15 RESTRICTED FUNDS (continued)

(b) ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible fixed assets £'000</i>	<i>Net current assets/ (liabilities) £'000</i>	<i>Total £'000</i>
RESTRICTED FUNDS			
Lease premium	4,623	-	4,623
Hippodrome Theatre leasehold improvements	26,488	-	26,488
Birmingham Royal Ballet leasehold improvements	1,663	-	1,663
Education grants	-	-	10
	<hr/>	<hr/>	<hr/>
	32,774	10	32,784
UNRESTRICTED FUNDS			
Share capital	-	-	-
Non designated	345	(123)	222
Designated	-	1,505	1,505
	<hr/>	<hr/>	<hr/>
	345	1,382	1,727
	<hr/>	<hr/>	<hr/>
	33,119	1,392	34,511
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

16a	UNRESTRICTED NON-DESIGNATED FUNDS	<i>Group</i> £'000	<i>Company</i> £'000
	28 March 2010	325	325
	Net incoming resources	(175)	(175)
	Transfer to designated funds	(265)	(265)
	Transfer from designated funds	337	337
	2 April 2011	222	222
16b	UNRESTRICTED DESIGNATED FUND	<i>Group</i> £'000	<i>Company</i> £'000
	Repairs reserve		
	28 March 2010	1,252	1,252
	Transfer from non-designated fund	140	140
	Transfer to non-designated fund	(220)	(220)
	2 April 2011	1,172	1,172
	Programming reserve		
	28 March 2010	305	305
	Transfer from non-designated fund	25	25
	Transfer to non-designated fund	(107)	(107)
	2 April 2011	223	223
	Production investment reserve		
	28 March 2010	20	20
	Transfer to non-designated fund	(10)	(10)
	2 April 2011	10	10
	Stage Appeal reserve		
	28 March 2010	-	-
	Transfer from non-designated fund	100	100
	2 April 2011	100	100
	TOTAL UNRESTRICTED DESIGNATED FUNDS	1,505	1,505
	TOTAL UNRESTRICTED FUNDS	1,727	1,727

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

16b UNRESTRICTED DESIGNATED FUND (continued)

The Board regularly considers the Repairs and Maintenance liabilities of the trust in order to ensure that sufficient funds are set aside annually to meet the Trust's repairs and maintenance obligations (over a twenty five year period) under the lease with Birmingham City Council, as funds allow and will be drawn down over that period

The Programming reserve was set up to enable the Trust to meet its artistic and charitable aims of creating new work for a Birmingham audience and broadening the artistic product offered, and this is likely to be allocated within the next two years. The Production Investment Reserve is to enable the Trust to invest in touring production with the intention of making a return and is utilised on a regular basis as investment opportunities arise. The Stage Appeal reserve relates to a £1million refurbishment of the Birmingham Hippodrome stage, to be carried out during 2012

17 RELATED PARTY ACTIVITIES

(a) NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY UNDERTAKING

A summary of the Birmingham Hippodrome Limited trading results are shown below. Audited accounts are filed annually with the Registrar of Companies

	Period ended 2 April 2011 £'000	Period ended 27 March 2010 £'000
PROFIT AND LOSS ACCOUNT		
Turnover	2,686	2,662
Cost of sales	(796)	(777)
Administrative expenses	(1,605)	(1,466)
	<hr/>	<hr/>
Profit on ordinary activities	285	419
Amount covenanted to Birmingham Hippodrome Theatre Trust Limited	(285)	(419)
	<hr/>	<hr/>
RETAINED IN SUBSIDIARY	-	-
	<hr/>	<hr/>
TOTAL SHAREHOLDER'S FUNDS	7	7
	<hr/>	<hr/>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

17 RELATED PARTY ACTIVITIES (continued)

(b) BIRMINGHAM HIPPODROME THEATRE DEVELOPMENT TRUST

The Company benefits from the fundraising activities of the Birmingham Hippodrome Theatre Development Trust (the Trust) which was set up to raise funds for the financial support of Birmingham Hippodrome Theatre Trust Limited, including for improving the fabric of the building and equipment of Birmingham Hippodrome Theatre, for the expression and development of the charitable objects and activities of Birmingham Hippodrome Theatre Trust Limited and such other charitable purposes of Birmingham Hippodrome Theatre Trust Limited as the Trustees shall from time to time determine. The management of the Trust is separate to that of the Company and the Trustees have absolute discretion in respect of the distribution of the income of the Trust. No controlling influence is exerted by the directors of the Company. The Trust is not considered to be a subsidiary of the Company and has not been consolidated within the group financial statements.

During the period Birmingham Hippodrome Theatre Trust Limited invoiced Birmingham Hippodrome Theatre Development Trust for £18,433 for salary recharges (2010 £59,202) and £Nil (2010 £36,180) for the costs of the Gala Dinner. The Trust operates from the same premises as the Company and certain Development department employees involved in the Trust's fundraising activities are paid by the Company. Donations received from the Trust during the period amounted to £19,317 (2010 £1,029).

In addition, Birmingham Hippodrome Theatre Trust Limited charged the Trust £5,200 (2010 £1,967) for tickets for Corporate Partners and £3,922 (2010 £10,249) for tickets for guest evenings. Overall £20,556 was outstanding at 2 April 2011 (2010 £32,605).

During the year, Birmingham Hippodrome Limited invoiced Birmingham Hippodrome Development Trust for £5,793 (2010 £36,150) for the provision of catering and £Nil (2010 £41) for Pantomime programmes and merchandise, of which £1,077 was outstanding at 2 April 2011 (2010 £14,367).

18 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

- (a) Financial commitments under non-cancellable operating leases will result in the following payments falling due in the period to 31 March 2012

	<i>Group Short lease £'000</i>	<i>Company Short lease £'000</i>	<i>Group Equipment £'000</i>	<i>Company Equipment £'000</i>
EXPIRING				
Within one year	-	-	21	15
Between two and five years	31	31	7	4
	<u>31</u>	<u>31</u>	<u>28</u>	<u>19</u>

- (b) Capital commitments, in respect of both the Group and the Company, at 2 April 2011, for which contracts had been placed, amounted to £Nil (2010 £Nil)

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 2 April 2011

19 PENSION COSTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £134,646 (2010 £92,582). Contributions totalling £13,034 (2010 £12,148) were payable to the fund at the period end and are included in other creditors.

20 NOTES TO THE CASH FLOW STATEMENT

		Period ended 2 April 2011 £'000	Period ended 27 March 2010 £'000
(a)	NET CASH FLOW FROM OPERATING ACTIVITIES		
	Net outgoing resources	(904)	(106)
	Depreciation	943	906
	Net interest receivable	(113)	(86)
	Movement in stock	15	(14)
	Movement in debtors	24	(47)
	Movement in creditors	(2,355)	2,596
		<u>(2,390)</u>	<u>3,249</u>
(b)	ANALYSIS OF CHANGES IN NET FUNDS		
		<i>At 28 March 2010 £'000</i>	<i>At 2 April 2011 £'000</i>
		<i>Cash flows £'000</i>	
	Total cash at bank and in hand	862	645
	Short term deposits	7,250	5,000
		<u>8,112</u>	<u>5,645</u>
	Change in net funds	<u>(2,467)</u>	<u>5,645</u>

21 CONTINGENT LIABILITIES

Birmingham Hippodrome Theatre Trust Limited is a member of a VAT group with its subsidiary Birmingham Hippodrome Limited. It has entered into a guarantee for all group companies with HMRC. At the year end, this potential liability was £65,320 (2010 £88,313). This was paid on 11 May 2011.