

Companies House

Birmingham Hippodrome Theatre Trust Limited

FINANCIAL STATEMENTS

for the 52 week period ended

29 March 2014



Company Registration No. 1446309
Charity No. 510842

Birmingham Hippodrome Theatre Trust Limited

TRUSTEES AND PRINCIPAL ADVISERS

TRUSTEES

A Bhalla OBE	(resigned 19 December 2013)
B Blow	
J R A Crabtree OBE	(Chairman)
R J Dungate	
S Fowler	
M Hayes	(resigned 16 July 2013)
G Howells	
M Lavery	
G Rowe	(appointed 27 February 2014)
Hon Alderman D Roy OBE	
M Smith	
The Rt Revd D A Urquhart	

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
Director of Creative Programmes – Paul Kaynes

REGISTERED OFFICE

Hurst Street
Southside
Birmingham B5 4TB

BANKERS

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

SOLICITORS

Wragge Lawrence Graham & Co LLP	Anthony Collins Solicitors LLP
55 Colmore Row	134 Edmund Street
Birmingham B3 2AS	Birmingham B3 2ES

AUDITORS

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

Birmingham Hippodrome Theatre Trust Limited

CHAIRMAN'S REPORT

There is little doubt that 2013/14 will be remembered for some time by all of us privileged to be associated with this great theatre's long history.

There were a number of signal achievements in the year, but achieving the highest attendance for over 50 years must rank as the most notable, especially as this represented more than 85% capacity over 404 performances. It is pleasing also that there has been a rise in first-time bookers, with over 48% new to the Hippodrome in the last 12 months.

There is no doubt that Chief Executive Stuart Griffiths and his team have delivered a particularly impressive set of results across a wide range of the Hippodrome's activities and I would like to thank them and of course all those who presented productions and attended the theatre this year.

Other terrific achievements include the launch of the theatre's Hippodrome Plus programme of education, access and free outdoor performance and the main fundraising focus of the charity. The number of people engaged in creative learning projects doubled to over 19,000 and free events such as Summer in Southside, Illuminate and Chinese New Year engaged with many thousands. The Hippodrome Plus team also produced the 4 Squares Weekender with free events across the city to celebrate the opening of the new Library of Birmingham.

Fundraising too saw a bumper year with generous donations from members of the ticket-buying public. Corporate support improved by over 30%, and higher-level individual giving through our expanding Patrons' Scheme, nearly doubled.

Operational achievements included the renewal of the British Standard ISO14001 in environmental management and we believe we became the first UK theatre to achieve certification in OHSAS 18001 (Occupational Health & Safety Management). Expansion of digital technology and the installation of LED lighting resulted in significant reductions in energy use.

Crowning a memorable period, in March the theatre featured in the Sunday Times' renowned "Top 100 Best Not-for-Profit Organisations to Work For", part of our ongoing programme of staff development.

In keeping with the successful formula created in recent years, the success of the 2013/14 period is already being used to invest in an ambitious programme aimed at expanding our audience.

I express my sincere thanks to my fellow Trustees for their continued support and advice in the knowledge that they too offer their best wishes and congratulations to the entire Hippodrome team for their record-breaking efforts this year.

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 including the Strategic Report and the audited consolidated financial statements of the charitable company ("the company") and its subsidiary undertakings ("the group") for the 52 week period ended 29 March 2014.

The accounts have been drawn up to Saturday 29 March 2014.

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 two trading subsidiaries: 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 Birmingham Hippodrome Theatre and Creative Shift Limited which was acquired in October 2011 and provides creative training and consultancy.

The governing body of the company is a board of eleven 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:

A Bhalla OBE	(resigned 19 December 2013)
B Blow	
J R A Crabtree OBE	(Chairman)
R J Dungate	
S Fowler	
M Hayes	(resigned 16 July 2013)
G Howells	
M Laverty	
G Rowe	(appointed 27 February 2014)
Hon Alderman D Roy OBE	
M Smith	
The Rt Revd D A Urquhart	

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, 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. There is also a position of Young Person Observer to the Board, appointed annually for a one-year term which provides experience and mentoring to a person under the age of 26.

The responsibilities of the Board in respect of the preparation of the financial statements are set out on page 19.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

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;
- 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 when necessary 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.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Internal Controls (continued)

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), Director of Hospitality & Service (Gary Aymes) and Director of Creative Programmes (Paul Kaynes) 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.

Staff work over several departments: the executive, administration, marketing and sales, hospitality and service, technical services and creative programmes (including education). Staff are generally employed on a permanent full- or part-time basis, although casual staff are employed within information and sales, customer services, catering 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 over 50 volunteers who are used at many performances. The Executive Team is very grateful for the contribution made by our volunteers.

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. 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

STRATEGIC REPORT

a) ACHIEVEMENTS AND PERFORMANCE

During the 2013/14 financial year, we presented 404 performances (2013: 356) attended by 625,732 patrons (2013: 508,725) with paid capacity of 86% (2013: 78%), retaining our position as the highest attended single theatre in the UK.

Total ticket sales were £25,141,420 (2013: £17,177,850).

Sales by art form were as follows:

	Performances		Tickets Sold		Show Contribution	
	2014	2013	2014	2013	2014	2013
Musicals	48%	46%	52%	50%	49%	50%
Pantomime	19%	21%	19%	21%	19%	23%
Ballet	16%	17%	13%	14%	14%	18%
Drama	8%	-	9%	-	9%	-
Opera	3%	5%	2%	4%	3%	3%
Other	6%	11%	5%	11%	6%	6%

Programme

Musicals

Musicals once again formed nearly half of the programme, with an outstanding selection on offer in 2013/14. Cameron Mackintosh's 25th Anniversary Tour of *The Phantom of the Opera* completed its eight week run in May. Music & Lyrics delivered two strong classics in *High Society* (May) and *Fiddler on the Roof* (March) with a return visit for *Hairspray* and the Chichester Festival production of *Singin' in the Rain*.

The longest run though was for Disney's *The Lion King*, with 14 weeks of mostly capacity performances between June and September. 98.48% of capacity was achieved across the run representing 97% of gross financial potential. 54,038 bookers purchased 191,295 tickets. 53% of bookers were new to our database contributing £4.2m in ticket sales. Of the 27,000 new bookers to the theatre for *The Lion King*, 10.6% have gone on to make a further booking with us.

Pantomime

We were delighted to work once again with Qdos Pantomimes on *Snow White* with a star cast including John Partridge, Gok Wan, Stephanie Beacham, Gary Wilmot, Paul Zerdin and Matt Slack, plus Danielle Hope in the title role. It was the highest-attended pantomime for over ten years with over 116,000 paid attendances, many of them youngsters for a first-time theatre experience. Sales and profile were boosted by a Channel 4 documentary screened over Christmas following Gok Wan's debut pantomime appearance.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

a) ACHIEVEMENTS AND PERFORMANCE (continued)

Ballet and Dance

Resident partners, Birmingham Royal Ballet, delighted their supporters with perennial favourites *Coppelia* and *Giselle* and an autumn season featuring David Bintley's acclaimed *Still Life at the Penguin Cafe* and *The Sleeping Beauty*. Sir Peter Wright's famous production of *The Nutcracker* achieved record sales at Christmas and in the spring the company celebrated Benjamin Britten's centenary with his score for *Prince of the Pagodas* used as the basis for a new production created by Director David Bintley.

Matthew Bourne's now famous version of *Swan Lake* was presented in February for an extended sold-out run, attracting large numbers of fans plus many thousands of newcomers experiencing this popular work for the first time.

Opera

Welsh National Opera were in residence at their English home, performing three well received seasons including Birmingham-born Jonathan Harvey's *Wagner Dream* and two performances of *Lohengrin* as part of Wagner's bicentenary. The autumn period saw a rich celebration of Donizetti's complete Tudor operas (*Maria Stuarda*, *Roberto Devereux* and *Anna Bolena*) in one week, along with the powerful *Tosca*; and in the spring *Manon Lescaut* was paired with Henze's adaptation, *Boulevard Solitude*. WNO's supportive education programme was extended to Birmingham, with a number of community projects delivering impressive results.

Drama

In October/November for four weeks The National Theatre brought us their poignant drama *War Horse* based on the book by Michael Morpurgo. Unprecedentedly, every single seat was sold and this astonishing, hugely successful production received standing ovations at every performance.

Staff Development

Birmingham Hippodrome was honoured to be recognised in the 2014 Sunday Times 100 Best Companies To Work For – Not for Profit.

This listing was based on a staff survey and of the staff surveyed, 89% felt that they could make a valuable contribution to the success of the theatre with 84% feeling proud to work at Birmingham Hippodrome. Staff think highly of their managers too with 79% feeling they can speak honestly and openly with them. The theatre team gave top scores again with 88% for employees having fun with colleagues, and the same score was given for the Hippodrome's environmental management and continued commitment to reducing energy usage.

Following the survey we held staff focus groups using an external consultant to present to staff the results from the Sunday Times Best Companies to Work For employee survey and to gain views on ways we can improve in certain areas. An action plan is being produced to take this forward.

During the year we introduced the negotiation of pay and terms & conditions by an Employee Representative Group to involve all staff in decisions about their pay. This Group also agreed improvements to maternity leave and adoption leave.

We continue to offer a regular programme of Staff Development courses in Introduction to Service, Towards Service Excellence, Personal Organisation & Effectiveness and Introduction to Team-building, Developing Yourself and Leadership. We also offer staff an annual contribution towards personal training and development not connected to their job.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

a) ACHIEVEMENTS AND PERFORMANCE (continued)

Energy reductions and Environmental improvements

During 2013 we continued to ensure full compliance with our ISO 14001 Environment Management Standard Accreditation. Staff are continually made aware of the recycling policy and the importance of their efforts. An annual review of our Environmental Management System and an updated policy statement and actions for 2014 has been completed. These include creating environmental champions who can deliver achievements. A new area to progress is food sourcing and environmental credentials and food waste.

Once again the daily energy usage reduced, with ongoing energy saving projects having a continuing financial impact. Total energy usage for the year slightly increased on 2012/13 which was due to the building being used more; primarily due to Sunday performances of Lion King throughout the summer.

Our new Stark metering gives more information on the amount of energy used and identified the biggest energy use in June/July during the run of Lion King.

Other achievements in the year included changing all the front of house toilets to LED lighting and installing automatic lighting control systems, the replacement of 75% of our poster sites (which previously used fluorescent tubes as a light source) with digital screens further reducing energy consumption, printing and labour costs.

Energy reductions and Environmental improvements (continued)

Our waste statistics for the last 12 months show that we have:

- compacted and sent for incineration 116 ton of waste
- recycled 38 ton of glass and 2 ton of plastic bottles
- recycled 12 ton of cardboard and 3.5 tons of paper
- saved 176 tons of waste going to landfill

The Trust continues its commitment of reducing energy consumption throughout the organisation. In 2013/14 we continued to reduce our annual gas usage and continue to investigate alternative heating sources. During 2014/15 we intend to install further LED lighting systems around the building including in the main foyer areas this will also include light harvesting technology which will further reduce energy and maintenance costs.

We are looking into the possibility of working with local Guide HG, and looking to implement a system where they will take our left over programmes and posters for Rainbow/Brownies and Guides to work with.

b) FINANCIAL REVIEW

The results for the period are shown in the consolidated statement of financial activities on page 21. A surplus of £1,323,000 (2013: deficit of £236,000) has been achieved on unrestricted funds, and a surplus of £109,000 (2013: £329,000) has been achieved on restricted funds in the period before transfers. After transfers between funds a group surplus of £2,052,000 (2013: £393,000) has been achieved on unrestricted funds in the period resulting in group total unrestricted funds of £4,248,000 (2013: £2,196,000) at the balance sheet date. The charity's unrestricted funds at the balance sheet date were £4,270,000 (2013: £2,227,000).

As set out in Note 6 to the financial statements, the majority of the group's and charity's income is derived from the sale of theatre tickets.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

b) FINANCIAL REVIEW (continued)

Birmingham Hippodrome Theatre Trust Limited received £18,000 (2013: £9,000) funding from Birmingham Hippodrome Theatre Development Trust, whose objects are to raise money for the Theatre Trust.

The results of the two trading subsidiaries, Birmingham Hippodrome Limited and Creative Shift Limited are set out in Note 17 to the financial statements. The covenanted payment from Birmingham Hippodrome Limited increased to £531,000 (2013: £342,000). Creative Shift Limited made a profit of £8,000 (2013: loss of £14,000).

Group bank interest in the year was £162,000 (2013: £167,000).

c) PLANS FOR FUTURE PERIODS

2014/15 presents a number of opportunities to extend the theatre programme in an artistically ambitious programme throughout the year.

The return of the fourth International Dance Festival, co-produced with our partners DanceXchange, includes several new companies delivering high-quality work. The return of Cape Town Opera with *Show Boat* is an excellent opportunity to follow up the success of their *Porgy & Bess* in 2012, reinforcing our commitment to diverse work through international partnerships. Further, the visit in November of the Mariinsky Theatre led by Maestro Valery Gergiev for Wagner's Ring Cycle is a long-standing ambition.

Hippodrome Plus, the expanding education, access and community projects programme, will be in full stride with a range of exciting events including Summer in Southside programming; new autumn projects, both outdoor and in support of the Mariinsky season; and a new Christmas show in our Patrick Centre studio.

The team is planning a number of new initiatives, with the aim of reaching new audiences, through events such as the LGBT Pride event which takes place on the theatre's doorstep and by working with Birmingham City University and targeting its students to participate and attend activities. Both Youth and Library Ambassador Programmes will be extended and developed optimising their reach and impact. The programme is also extending the range of artforms with which it engages to create new experiences, including immersive theatre, films, installations, digital games and online arts activities.

The Hippodrome Plus programme encourages people to see the arts and the Hippodrome in a new way, experiencing new arts activities in the process. This work will be funded by the theatre's own resources supplemented by additional fundraising with Arts Council England, individual funders, trusts and foundation and local businesses.

d) 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 manage 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.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

STRATEGIC REPORT (continued)

d) REVIEW OF RISKS (continued)

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.

PUBLIC BENEFIT

General

Birmingham Hippodrome is committed to ensuring that people from all of Birmingham's communities can experience live theatre. In addition to the discounted tickets offered to a wide range of groups, the theatre creates an extensive programme of workshops, talks, residencies and performances which reflect the work on the main stage and the theatre's history, giving both young people and adults 'ways in' to the programme.

In pursuit of the aim to broaden the range of people who can experience the theatre's programme, Birmingham Hippodrome undertakes many different activities, including:

- Community Engagement: projects in specific areas of Birmingham, and performance projects with vulnerable young adults
- Access for people with disabilities, through providing interpreted performances, theatre projects for young people with learning disabilities and offering discounts
- Creative Learning: events for young people and adults, including workshops, talks, week-long summer schools, extended residencies in schools and colleges and hosting performances by young people as well as offering schools' and young people's discounts on tickets
- Creative Programme: performance and installation events outdoors, offered free of charge, primarily in the streets and squares of Southside, the area immediately adjacent to the theatre
- Free foyer events and installations with the aim of animating the spaces and adding value to the main stage programme.

Discounts and concessions

Birmingham Hippodrome continues to offer a range of ticket discounts and concessions wherever possible, by agreement with visiting companies. Typically these are targeted on a limited allocation basis to those aged 60+, 18 and under, benefits claimants, disabled patrons, school parties, groups and students. They average around £3 off a standard price ticket in the top three bands, on midweek performances and selected matinees. 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.

When possible we also offer a standby rate on the day, and make occasional special rates available for students, Friends, young people, staff of corporate partners and other local businesses, colleagues in the arts, or contacts in the emergency services and the health sector.

In 2013/14 overall, Birmingham Hippodrome sold 16.7% of tickets (91,352) (2013: 18.5% and 99,802) at a discounted rate for education, audience development and access categories including patrons aged 18 and under and those aged 60+; full-time students, benefits claimants and holders of the City Council's Passport to Leisure; disabled patron with accessibility needs (including, for example, reliance on a carer) and Hippodrome Friends. The discounted value of these sales equates to a contribution by the Hippodrome and producers of £971,924 or an average of £10.64 per ticket. (2013: £852,620, £8.54).

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Discounts and concessions (continued)

The popular First Night initiative for 16-23 year olds, sponsored by PwC, is growing and offers regular discounted rates for those registered. The young bloggers recruited through this scheme are a very active group, posting regularly.

Group bookings reveal a gradually reducing trend; however, we continue to offer excellent discounted rates for parties from as few as 8+ with one ticket free for 35+ group organisers. Feedback suggests that online booking makes it easier to see availability and make a purchase, and this, combined with ever increasing coach hire costs, seems to be reducing the larger group bookings we have seen in the past.

Even with the most commercially-minded producers, we have maintained our discounts for disabled patrons and carers, with allocations held specifically for assisted performances including sign-language interpreted, audio-described and captioned.

Access

The theatre places a high priority on ensuring that its performances are accessible to the widest range of people, regardless of their disability. To this end, the theatre has for several years run a successful Access Forum, ably chaired by Vidar Hjordeng MBE, who is visually impaired himself, and knowledgeable about the issues facing people with disabilities. Forum membership is now over 20 regular representatives of the regional stakeholders and of patrons with a differing range of access requirements. The Forum exists:

- to monitor and assess the current services for people with disabilities at the theatre
- to act as a 'critical friend' and advocate to recommend realistic improvements and new initiatives to increase the quality and take-up of the theatre's services.

In 2013/14 4.1% of the Hippodrome's tickets were sold with an access discount (22,536 tickets) (2013: 22,836) having a value of £514,675 (2013: £463,911) with a gross potential value of £863,374 (2013: £796,605), at an average cost of £22.84, compared to an average cost of a standard ticket of £39.62.

Assisted performances: audio-described, sign language interpreted and captioned performances were offered for the majority of shows at the theatre during the year. We attracted 437 people using the assisted performances offered during the year, with an additional 239 (2013: 197) patrons and companions attending 'touch tours' for the visually impaired in advance of performances.

"We even had some Deaf children waiting for us at stage door, which was lovely. Matt Slack came out at the same time and one of the Deaf children went straight up to him and said in Sign Language 'You were so funny!!!" So we interpreted for them there too - Matt said he felt quite choked up!"

BSL Signer for Snow White

"The front of house staff and volunteers' commitment contributed to the whole experience of the touch tour, which was superb from start to finish."

Chair, Access Forum

Hippodrome Plus

During 2013/14 a new Creative Programmes department was created, bringing together staff responsible for creative learning and for staging arts experiences beyond the main stage under the leadership of a newly appointed director, Paul Kaynes. The theatre has invested significant resources into the creation and running of this new team, and has dedicated much of its fundraising activity to this work - including raising funds from trusts and foundations, individuals and corporate sources. The work has also been given a new identity, 'Hippodrome Plus', which reflects the priority and commitment the theatre is placing on this revitalised strategy.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Hippodrome Plus (continued)

In 2013/14, this new team reached audiences and participants totalling around 70,000, of which around 19,000 were participants in the Creative Learning programmes and the remaining 51,000 attended free performances and other events. This is already a substantial uplift from previous years and is set to grow much more.

The work of Hippodrome Plus encompasses many different kinds of activities, including: Creative Learning enhancing young people's experience of theatre with schools, colleges and beyond; Community Engagement delivering workshops and extended projects to priority groups, and Creative Programmes creating outdoor and other performances and installations in the area around the theatre known as Southside, and across the City.

Creative Learning

The Creative Learning team experiences significant demand for its work offering a wide range of opportunities for people to engage with the performing arts. We work within many different settings and sectors, with numerous participant groups including children and young people with learning disabilities, vulnerable and looked-after children, universities, colleges, older people, primary and secondary schools and others. 2013/14 has been an exceptionally busy year for the team, with almost 18,800 participation sessions being delivered (2013: 5,000) in the form of workshops, sharing sessions, talks, performances, tours, special events and week-long summer schools.

The work is developed and delivered in partnership with a wide range of organisations through consultation with participants and specialist groups. The team engages a number of specialist, experienced theatre practitioners who supplement the skills and capacity of the core team, and in addition we work with members of the front of house team who act as specialist workshop assistants, greatly adding to our capacity and their development. Many such staff go on to become specialist workshop leaders, working in schools and with arts companies in addition to their work at the Hippodrome.

In 2013/14 we sold 14,089 (2013: 13,401) tickets to schools, with 1,464 (2013: 1,260) free tickets to teachers. The total income from school sales was £204,931 (2013: £153k) with a potential gross of £383,334 resulting in a 46.5% discount or an absorbed loss (shared with producers) of £178,403.

The range of Creative Learning activities offered is funded by a mix of the theatre's own resources, by trusts and foundations, with support from local businesses, and with grants from external bodies such as Birmingham City Council, specialist educations and arts agencies such as Arts Connect West Midlands, and donations made by individuals. Many of the projects are bespoke, created for specific schools and colleges depending on the make-up of the school, its location and the particular learning needs of the students. Examples of projects delivered in 2013/14 include:

- **Dance Curtain Raiser:** in conjunction with Matthew Bourne's company, New Adventures and their education wing Re:Bourne, the theatre's fifth Curtain Raiser saw 19 boys from Walsall and Stratford on Avon Colleges and from Birmingham Ormiston Academy, perform a short piece of dance on the main stage ahead of two performances of the company's Swan Lake in February 2014 to a rapturous reception. This is the first time that a dance Curtain Raiser has been created exclusively for boys, who are less likely to take part in dance than girls of a similar age. The boys were coached and supported by two of the New Adventures dancers and by local choreographers who helped to create the piece.
- **OperaQuest:** 160 year 5 students from four primary schools performed in the Patrick Centre as part of the final sharing event for OperaQuest project in May 2013. Funded by the Prince's Foundation for Children and the Arts, the schools worked with artists from Welsh National Opera (WNO) and Birmingham Hippodrome for three months. The children created their own response to Puccini's Madam Butterfly, working with a professional opera singer, a dramaturg and pianist.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Creative Learning (continued)

- **War Horse activities:** around 1600 children and young people took part in activities linked to the visit of the National Theatre's 'War Horse' in Autumn 2013. The activities included a 'page to stage' event exploring how a company such as the National realises such ambitious theatrical projects, one off puppetry workshops, work with the National Army Museum, and six week long projects involving song, movement and drama. The Creative Learning team also created the theatre's first ever 'Sleepover' – a whole night of arts activities and performances - which was attended by 50 family groups, as part of the national Family Arts Festival.

"We really enjoyed the Page to Stage opportunity at the Hippodrome. It was great for my students to see how the process works and fantastic to see them engage through questioning the cast on creativity, the characters of Joey, to them being in awe of the professionalism and seeing an actual scene (that they previously had a hand in directing in the session) being performed."

Head of Drama - Four Dwellings School, Quinton, Birmingham

- **Service Birmingham Citizenship Project:** 10 primary schools in Birmingham took part in the Service Birmingham funded Citizenship project. In each school, the Creative Learning team delivered an introductory workshop at Birmingham Hippodrome, spent three days in school using drama and musical theatre techniques to explore issues around citizenship, with a final sharing of their work for the school, family, governors and local councillors. In total around 400 children have been included in the programme, each engaged in several sessions of work. Projects have included:

- Creating a school anthem, which was then adopted by the whole school
- Creating a film about citizenship used throughout the school
- Learning songs and stories from across the world.

- **The Firs Primary School Literacy Project** (Hodge Hill, Birmingham): the theatre creates a one-week long literacy project for each year group from year 1 to year 6, with around 60 children in each year group, as it has done for the past four years. The children use drama and musical theatre as the vehicle to create a project which explores literacy. Because the school has pursued this programme for a number of years, there is a special bond between children, parents, teachers and the Hippodrome.

"I would like to say a really big thank you because you helped me beat my fear. Now I don't have stage fright. I can just go on stage and give it all I've got."

Year 5 Firs student after attending workshop

- **Welcome to our World Project**, Sacred Heart School, Handsworth, Birmingham: funded by Centresoft, this project celebrated the diversity of the school's population using stories, songs and dance from many different countries represented by the children and staff's heritage. Every year group was involved from reception to year 6 and the result was the creation of a film shown at a whole school assembly, with 210 participants in the programme overall. The work continues, with regular 'Welcome to Our World' half day sessions, and the start of a new programme planned for 2014.
- **Young Carers Workshop Week:** a week-long workshop was held in the summer of 2013 specifically for young people who spend much of their childhood caring for family members. Local young carers' organisations in Birmingham and Dudley identify 30 young people likely to benefit from an intensive theatre week, which includes a series of drama and musical theatre workshops and a visit to the musical playing at the theatre that week – in 2013 this was 'The Lion King'. At the end of the week, the 30 young carers performed for their mentors and family members, showing off their new found confidence in performance. The sharing was attended by Alexander Patrick of the Patrick Trust, the primary funder of the Young Carers programme.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Community Engagement

- **Edgbaston Arts Champions:** During 2013/14, Birmingham Hippodrome shared responsibility for acting as Arts Champion with Sampad for the Edgbaston district of Birmingham. The two organisations collaborated to deliver a number of arts programmes which celebrated the cultural heritage of Edgbaston, collecting songs and stories from the area, and engaging local people in participatory arts activities. Some of this work was funded by Birmingham City Council, with the remainder being funded from the theatre's own resources.
- **Pantomime Relaxed Performance:** in January 2014 the theatre held its first 'relaxed performance' for people on the autistic spectrum and with learning disabilities. An audience of approximately 800 attended from a variety of special schools, care homes, community centres and families attending independently. All theatre staff involved in the performance undertook special access training in advance of the day. A main feature of preparation for the schools involved the production of a special film starring the One Of A Kind theatre company, who are resident at the theatre. This pre-show information proved to be invaluable as the audience were able to familiarise themselves with the theatre in advance of their visit. The Relaxed Performance was funded by corporate bodies and individuals through 'The Big Give' and by trusts and foundations.

"Thank you for thinking so much about being an inclusive venue - it really matters!! Probably more than you will ever realise."

Parent attending Relaxed Performance

"We were particularly impressed by the DVD that was sent to use as we were able to show this to our service users before their visit and it gave them an insight as to what to expect on the day."

Director of Adult Social Care, Solihull

- **Sense Dance Programme:** the Creative Learning team worked with the deaf/blind charity Sense to offer a series of weekly dance workshops for 35 deaf/blind adults over the Autumn term period of 2013. Normally participants will only engage in activity for a short amount of time. However, the workshops saw people taking part for up to an hour and carers felt that the impact is significant. The workshops were held in DanceXchange's dance studios with a final performance piece with an invited audience. Hippodrome and DanceXchange staff received training run by Sense.
- **Lion King Beads Project:** 15 (female) looked after children (aged 13 – 18 years old) were involved in five weekly sessions. Inspired by the character Nala, the female lead and lioness in Lion King, the girls told their stories through poetry and prose and illustrated them by creating a bracelet or necklace, with specially created beads to symbolise events in the individual's own personal story.
- **Open Art Surgery Showcase:** Working with the Breakin' Convention team to create a showcase of work, the theatre created an evening of dance, with the artists mentored by choreographer and director Jonzi D and musician and composer Soweto Kinch. The project involved young people working in all forms of Hip Hop dance throughout the week, creating and devising new pieces of work, to be shared with the general public in the Patrick Centre. The final event attracted an audience of 150. This event acted as an early promotion for the return of Breakin' Convention as part of Spring 2014s International Dance Festival Birmingham.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

PUBLIC BENEFIT (continued)

Community Engagement (continued)

- **Chocolate Soldiers WWI Drama Project:** in Spring 2014, the theatre created a joint project with Women & Theatre, with participants drawn from Queensbridge, Moseley and Elmhurst schools, who studied the lives of young men, similar to their age, who would have been enlisted in World War One. Their research into the Royal Warwickshire regiment based at the Drill Hall on Thorp Street, culminated in a theatre piece based on letters and stories. The project attracted a large amount of media attention, including BBC Midlands Today and Birmingham Post. A total of 111 people attended two performances of the final piece.

'A very poignant reminder of the terrible loss of young men and boys in the first world war. It made me think of my own teenage sons. Brilliant work. Thank you!'

Audience Member

Creative Programmes

Summer in Southside Outdoor Performance: in August 2013, the theatre ran two weekends of free outdoor performances in and around the theatre's environs. Both were highly successful with fine weather and large audiences. Audiences of approximately 12,100 attended 58 different events and performances over the two weekends. The programme included both UK and overseas companies and artists, covering dance, circus, music, comedy and theatre. There was particular praise from companies for the staff and volunteers at the event, and particularly from Graeae Theatre Company about the theatre staff's welcome for disabled performers.

A significant number of the audience was aged under 16, with around a quarter from a Black or Minority Ethnic background. Over a third had never been to an outdoor arts event before. For the first year Birmingham Hippodrome developed a team of volunteers to work on the event and also piloted two new audience engagement programmes. Our Youth Ambassador scheme engaged five young people directly in future outdoor arts programming and marketing decisions. We also built new relationships with Telford, Tamworth and Worcester Library Services which enabled us to reach a range of new audiences.

Illuminate Light Weekend: a weekend of lighting based installations took place in October 2013 around Southside. The key elements of this lighting themed event included 'The Lanterns of the Terracotta Warriors' Exhibition, around 100 larger than life size figures which represent the famous terracotta soldiers, new dance and light work created by Birmingham-based choreographer Sonia Sabri and a Body in Motion 360 degree panoramic cinema experience in an 'Igloo' dome. There were audiences of around 11,000 for the weekend of free activities, many of them families.

Four Squares Weekender: Birmingham Hippodrome was the lead producer for this event which marked the opening of the new Library of Birmingham, and was delivered on behalf of Birmingham Arts Partnership (BAP) in September 2013. The Hippodrome's own contribution included: 'As the World Tipped' by Wired Aerial Theatre in Victoria Square, a spectacular, aerial dance projection event attracting audiences of around 6,500; NoFit State Circus's participatory show Open House attracting around 20,000, and the full programme of roaming acts which connected the site and reached further audiences. In addition to the programme, the Hippodrome recruited and managed a cohort of volunteers consisting of 70 people. This cohort of people will also form a new bank of volunteers for other BAP members and their events.

In drafting the above statements, the trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission.

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

RESERVES POLICY

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

Unrestricted funds have increased in the year to a surplus of £4,248,000 for the Group (2013: £2,196,000) and £4,270,000 for the Company (2013: £2,227,000).

Unrestricted undesignated funds were £1,307,000 at 31 March 2013 which was increased by the 2013/14 unrestricted surplus of £2,052,000, £640,000 was transferred to designated funds (repairs reserve) and £300,000 was transferred to designated funds (programming reserve), leaving a balance of £2,419,000 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. Following an Audit Committee review in November 2012, Trustees approved an ongoing annual allocation of £140,000 per annum as sufficient in current circumstances, which also takes into account non-reclaimable VAT on repairs reserve expenditure.

The Audit Committee meeting in February 2014 reviewed the five year capital and repairs reserve programme and confirmed the need to keep up the maintenance of the building, our biggest asset. The Board subsequently agreed that an additional one-off sum of £500,000 should be designated as repairs reserve from the 2013/14 surplus in order to maintain a balance sufficient to carry out maintenance projects as they fall due.

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.

Given the number of international companies programmed in 2014/15 which require investment the Board approved a £300,000 designation as a programming reserve from the 2013/14 surplus. There are eight weeks of international programming in the year (ten shows).

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 Theatre Trust Limited

REPORT OF THE TRUSTEES

BIRMINGHAM HIPPODROME LIMITED

The profit in the trading subsidiary for the period was £531,000 (2013: £342,000) and the full amount of £531,000 (2013: £342,000) was paid under deed of covenant to the parent undertaking.

Record levels of turnover were achieved; Catering turnover topped the £2m mark for the first time and the combined Catering, Conference & Events, Customer Services Ancillary Sales turnover exceeded £3m for the first time. These 'above target' results were in the main down to the strong programme of long running shows and in particular *Phantom of the Opera*, *War Horse* and Matthew Bourne's *Swan Lake*, all of which attracted high spending dining audiences to both our Circle Restaurant and our StageSide Restaurant & Bar. The high attendance at *Lion King* also contributed greatly although more in the areas of ice creams, confectionary and soft drinks rather than dining.

Hospitality was particularly successful this year, attracting a number of large Conference & Hospitality events as well as show related Gala Dinners. An annual Awards 'Enchanted Woodland' themed dinner for 220 guests was this year held in a local indoor car park; a fully themed space was created complete with real trees and a restaurant standard, three course meal with accompanying drinks was served. The meal was interspersed with video skits, entertainment was provided by a comedian and the awards ceremony rounded off the evening. A further large scale themed event was held in our main event room for 160 guests, the client requested a theme based on 'flights to exotic destinations', we provided airport style check in and security, wrap-around video walls depicting the view from the aeroplane during take-off, flight and landing and a themed menu served between 'flights' accompanied by entertainment at each destination.

Ancillary sales of ices, confectionery, programmes & merchandise in all the shows mentioned above contributed greatly to the very positive surplus, *The Lion King* and *War Horse* were both making their first visits to the theatre and whilst high targets were anticipated, these were surpassed.

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

CREATIVE SHIFT LIMITED

Creative Shift Limited made a profit in the year of £8,000 (2013: loss of £13,000).

In the financial year 2013/14, the principal activities were the provision of a second year of business support services for a large scale ERDF funded project led by Coventry University, consultancy services for Birmingham Cathedral and training and staff development for creative companies such as Core Marketing and Talbots Group.

The company continued to work with cultural and creative companies on a number of strategic initiatives including a second research project on outdoor arts for Arts Council England, West Midlands which was funded by a small Grants for the Arts application and a contract to develop the arts strand of Birmingham Cathedral's 300th anniversary.

On the basis of current levels of activity, confirmed workload and the business plan the Directors of Creative Shift Limited and of the parent company are confident that Creative Shift Limited is a going concern.

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 (2013: £2,475).

Birmingham Hippodrome Theatre Trust Limited

REPORT OF THE TRUSTEES

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.

AUDITORS

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

The Trustees Report and Strategic Report is approved by and signed on behalf of the Board



J R A Crabtree
Trustee

14 August 2014

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 29 March 2014 on pages 21 to 43. 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 19 the trustees (who are also the directors of the charitable 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. 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

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 29 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial period 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 requires us to report to you if, in our opinion:

- the parent charitable company 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 charitable company 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

29 August 2014

Birmingham Hippodrome Theatre Trust Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the period ended 29 March 2014

		52 weeks ended 29 March			52 weeks ended 30 March
	Notes	Unrestricted funds 2014 £'000	Restricted funds 2014 £'000	Total funds 2014 £'000	Total funds 2013 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
- voluntary income	3	18	10	28	575
- activities for generating funds	4	3,989	-	3,989	3,618
- investment income	5	162	-	162	167
Income from charitable activities	6	26,985	399	27,384	19,433
TOTAL INCOMING RESOURCES		31,154	409	31,563	23,793
RESOURCES EXPENDED					
Cost of generating funds	7	3,354	-	3,354	3,340
Charitable activities	7	26,318	300	26,618	20,879
Governance costs	7	159	-	159	139
TOTAL RESOURCES EXPENDED		29,831	300	30,131	24,358
NET INCOMING/(OUTGOING) RESOURCES					
		1,323	109	1,432	(565)
Transfers between funds	15a	729	(729)	-	-
NET MOVEMENT IN RESOURCES		2,052	(620)	1,432	(565)
Fund balances brought forward at 30 March 2013					
		2,196	31,337	33,533	34,098
Fund balances carried forward at 29 March 2014					
	15, 16	4,248	30,717	34,965	33,533

Birmingham Hippodrome Theatre Trust Limited

INCOME AND EXPENDITURE ACCOUNT

for the period ended 29 March 2014

	52 weeks ended 29 March 2014 £'000	52 weeks ended 30 March 2013 £'000
Gross income of continuing operations	31,563	23,793
Total expenditure of continuing operations	(30,131)	(24,358)
NET SURPLUS/(DEFICIT) FOR THE PERIOD BEFORE TRANSFERS	1,432	(565)
Transfer from restricted funds – amortisation of capital grants	729	629
Net income for the period	2,161	64

- Net income of £2,161,000 in the period (2013: £64,000) comprises £2,052,000 surplus from unrestricted funds (2013: £393,000) and £109,000 surplus from restricted funds (2013: deficit £329,000).
- The £2,052,000 unrestricted surplus is net of planned repairs and maintenance value £Nil (2013: £419,000) and the cost of creative programming of £Nil (2013: £87,000) both funded from reserves set aside for this purpose.
- Total income comprises £31,154,000 (2013: £23,183,000) from unrestricted funds and £409,000 (2013: £610,000) 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 £3,828,000 (2013: £3,552,000). A detailed analysis of the trading results is shown in notes 17a and 17b.
- 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 21 which, together with the notes to the accounts on pages 28 to 43 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

29 March 2014

Company Registration No. 1446309

		Group		Company	
	Note	2014 £'000	2013 £'000	2014 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	9	31,222	32,041	31,100	31,906
Investments	10	-	-	7	7
		<u>31,222</u>	<u>32,041</u>	<u>31,107</u>	<u>31,913</u>
CURRENT ASSETS					
Stock		64	51	-	-
Debtors	11	581	1,242	678	1,429
Cash at bank and in hand	12	10,568	14,423	10,387	14,119
		<u>11,213</u>	<u>15,716</u>	<u>11,065</u>	<u>15,548</u>
CREDITORS:					
Amounts falling due within one year	13a	(7,470)	(14,224)	(7,185)	(13,897)
		<u>3,743</u>	<u>1,492</u>	<u>3,880</u>	<u>1,651</u>
NET CURRENT ASSETS					
		<u>34,965</u>	<u>33,533</u>	<u>34,987</u>	<u>33,564</u>
NET ASSETS					
		<u>34,965</u>	<u>33,533</u>	<u>34,987</u>	<u>33,564</u>
RESTRICTED FUNDS	15a	30,717	31,337	30,717	31,337
UNRESTRICTED FUNDS					
Share capital	14	-	-	-	-
Non designated	16a	2,419	1,307	2,441	1,338
Designated	16b	1,829	889	1,829	889
		<u>4,248</u>	<u>2,196</u>	<u>4,270</u>	<u>2,227</u>
		<u>34,965</u>	<u>33,533</u>	<u>34,987</u>	<u>33,564</u>

The financial statements on pages 21 to 43 were approved by the board on 14 August 2014, and authorised for issue on its behalf by:



J R A Crabtree – Trustee



B Blow – Trustee

Birmingham Hippodrome Theatre Trust Limited

CASH FLOW STATEMENT

for the period ended 29 March 2014

	<i>Note</i>	52 weeks ended 29 March 2014 £'000	52 weeks ended 30 March 2013 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	20a	(3,822)	6,894
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Net interest received		162	167
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of fixed assets		(195)	(798)
		(3,855)	6,263
Management of liquid resources	20b	(500)	(2,000)
MOVEMENT IN CASH	20b	(4,355)	4,263
RECONCILIATION OF CASHFLOW TO MOVEMENT IN NET FUNDS			
Movement in cash in the period		(4,355)	4,263
Movement in short term deposits		500	2,000
CHANGE IN NET FUNDS		(3,855)	6,263
Net funds at the beginning of the period		14,423	8,160
NET FUNDS AT PERIOD END	20b	10,568	14,423

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 29 March 2014, 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.

The group financial statements consolidate the financial statements of the parent company and its subsidiary undertakings, Birmingham Hippodrome Limited and Creative Shift Limited, on a line by line basis. Intra group transactions and balances are eliminated on consolidation. All financial statements have been drawn up to 29 March 2014.

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.

Capital grants in respect of leasehold improvements are amortised in line with the related assets.

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.

FUND ACCOUNTING

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds

The trustees may, at their discretion, set aside unrestricted funds for specific purposes. If no longer required, designated funds are reclassified as undesignated, unrestricted funds.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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.

Birmingham Hippodrome Theatre Trust Limited

ACCOUNTING POLICIES (continued)

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.

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 29 March 2014

1	NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	Period ended 29 March 2014 £'000	Period ended 30 March 2013 £'000
	Net incoming/(outgoing) resources are stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	1,014	1,026
	Operating lease rentals - equipment and vehicles	70	59
	Staff costs (note 2)	3,543	3,294
	Auditor's remuneration - audit parent undertaking	12	12
	- audit subsidiary undertakings	6	6
	Charity trustees liability insurance	2	2
		<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 £1,229,000 (2013: £1,050,000) and for Creative Shift Limited are £65,000 (2013: £62,000).

	Period ended 29 March 2014 £'000	Period ended 30 March 2013 £'000
Wages and salaries	4,004	3,424
Social security costs	320	282
Other pension costs	213	177
	<u> </u>	<u> </u>
	4,537	3,883
Staff costs recharged to visiting companies	(994)	(589)
	<u> </u>	<u> </u>
	3,543	3,294
	<u> </u>	<u> </u>

None of the directors received any remuneration from the company during the period (2013: nil) and were not reimbursed any expenses (2013: nil).

AVERAGE NUMBER EMPLOYED	Number 2014	Number 2013
Average number of staff/ (full time equivalents):		
Administration	44 (44)	42 (42)
Production and selling		
- permanent	67 (67)	62 (62)
- temporary	122 (43)	97 (46)
	<u> </u>	<u> </u>
	233 (154)	201 (150)
	<u> </u>	<u> </u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

2 STAFF COSTS (continued)

NUMBER OF EMPLOYEES WHOSE EMOLUMENTS EXCEEDED £60,000	Number 2014	Number 2013
£60,000 - £70,000	-	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£160,001-£170,000	-	1
£170,001 - £180,000	1	-

Pension costs for the period for higher paid staff totalled £51,000 (2013: £49,000).

3 VOLUNTARY INCOME

	Period ended 29 March 2014			Period ended 30 March 2013
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Birmingham Hippodrome Theatre Development Trust grant	18	-	18	9
Stage Appeal Fundraising	-	10	10	566
	<u>18</u>	<u>10</u>	<u>28</u>	<u>575</u>

4 ACTIVITIES FOR GENERATING FUNDS

	Period ended 29 March 2014	Period ended 30 March 2013
	Unrestricted funds £'000	Unrestricted funds £'000
Catering, customer services, and conference and events income – subsidiary	3,642	3,397
Creative Shift Limited	186	155
Technical services income	76	44
Sundry income	18	13
ACE Catalyst Grant	67	9
	<u>3,989</u>	<u>3,618</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

5	INVESTMENT INCOME	Period ended 29 March 2014 Unrestricted funds £'000	Period ended 30 March 2013 Unrestricted funds £'000
	Birmingham Hippodrome Theatre Trust bank interest	162	167

6	INCOME FROM CHARITABLE ACTIVITIES	Period ended 29 March 2014			Period ended 30 March 2013
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
	Theatre tickets	25,762	-	25,762	17,671
	Booking fee and box office handling charges	950	-	950	1,108
	Friends memberships	83	-	83	88
	Creative programming	140	399	539	169
	Sponsorship	50	-	50	-
	VAT refund	-	-	-	397
		26,985	399	27,384	19,433

7	RESOURCES EXPENDED	Period ended 29 March 2014 £'000	Period ended 30 March 2013 £'000
(a)	<i>Direct charitable expenditure</i>		
	Fees of visiting companies and artistes	20,340	13,858

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

7 RESOURCES EXPENDED (continued)

	Period ended 29 March 2014			Period ended 30 March 2013	
	Charitable activities £'000	Cost of generating funds £'000	Governance £'000	Total 2014 £'000	Total 2013 £'000
(b) <i>Other expenditure – management and administration of the company</i>					
Wages and salaries	2,088	33	128	2,249	2,182
Marketing, friends, sponsorship & creative programming	836	-	-	836	714
Customer services & security	99	-	-	99	77
Technical services	1,193	250	-	1,443	1,611
Box office and ticketing	313	-	-	313	320
Financial and administration	356	-	-	356	350
Depreciation of tangible fixed assets	967	-	-	967	991
Catering and conference and events	-	2,825	-	2,825	2,795
Creative Shift Limited	-	178	-	178	169
Stage Appeal	10	-	-	10	910
Support costs (See note 7 (c))	416	68	31	515	381
	<u>6,278</u>	<u>3,354</u>	<u>159</u>	<u>9,791</u>	<u>10,500</u>
TOTAL RESOURCES EXPENDED	26,618	3,354	159	30,131	24,358
(c) <i>Support costs</i>					
General office costs	192	31	-	223	179
General financial costs	143	23	-	166	100
Computer support	81	14	-	95	78
Audit and accountancy	-	-	12	12	4
Legal fees	-	-	19	19	20
	<u>416</u>	<u>68</u>	<u>31</u>	<u>515</u>	<u>381</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 29 March 2014

9 TANGIBLE FIXED ASSETS

GROUP	<i>Short lease premium £'000</i>	<i>Long lease premium £'000</i>	<i>Hippodrome Theatre leasehold improvements £'000</i>	<i>Birmingham Royal Ballet long leasehold improvements £'000</i>	<i>Fixtures, Fittings and equipment £'000</i>	<i>IT infrastructure £'000</i>	<i>Total £'000</i>
COST							
31 March 2013	65	5,001	32,181	4,211	1,877	671	44,006
Additions	-	-	-	-	175	20	195
Disposals	-	-	-	-	(52)	(410)	(462)
29 March 2014	65	5,001	32,181	4,211	2,000	281	43,739
DEPRECIATION							
31 March 2013	45	458	7,586	2,640	695	541	11,965
Charge for period	7	40	637	41	213	76	1,014
Disposals	-	-	-	-	(52)	(410)	(462)
29 March 2014	52	498	8,223	2,681	856	207	12,517
NET BOOK VALUE							
29 March 2014	13	4,503	23,958	1,530	1,144	74	31,222
30 March 2013	20	4,543	24,595	1,571	1,182	130	32,041

Birmingham Hippodrome Theatre Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 29 March 2014

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 and a £1.35m grant received in 1998, both 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							
31 March 2013	65	5,001	32,181	4,211	1,626	671	43,755
Additions	-	-	-	-	141	20	161
Disposals	-	-	-	-	(52)	(410)	(462)
29 March 2014	65	5,001	32,181	4,211	1,715	281	43,454
DEPRECIATION							
31 March 2013	45	458	7,586	2,640	579	541	11,849
Charge for period	7	40	637	41	166	76	967
Disposals	-	-	-	-	(52)	(410)	(462)
29 March 2014	52	498	8,223	2,681	693	207	12,354
NET BOOK VALUE							
29 March 2014	13	4,503	23,958	1,530	1,022	74	31,100
30 March 2013	20	4,543	24,595	1,571	1,047	130	31,906

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

10 FIXED ASSET INVESTMENTS

Subsidiary undertakings

The company holds two £1 ordinary shares of Birmingham Hippodrome Limited 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 17a. Directors have valued the investment at 29 March 2014 at £7,156 (2013: £7,156), an amount equivalent to the subsidiary's net assets.

In October 2011 the company purchased two £1 ordinary shares of Creative Shift Limited (formerly Fierce Earth Limited), which represents the entire allotted share capital of Creative Shift Limited, a company which provides events, consultancy and training services for the creative and cultural sector. Creative Shift Limited is incorporated in England. The total purchase consideration was £18,000 but in view of the net liability position of the company, the cost of investment has been fully provided against. Details of the subsidiary's trading results for the period are set out in note 17b. Directors have valued the investment at 29 March 2014 at £Nil (2013: £Nil) as the company has net liabilities.

	£'000
Birmingham Hippodrome Limited	
Market value at 29 March 2014 and 30 March 2013	7
Creative Shift Limited	-

11 DEBTORS

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts owed within one year:				
Trade debtors	148	432	66	291
Amounts due from Birmingham Hippodrome Limited (see note 17 (a))	-	-	194	293
Other debtors	18	199	18	198
Prepayments and accrued income	392	590	356	562
Amounts due from Birmingham Hippodrome Theatre Development Trust (see note 17(c))	23	21	22	9
Amounts due from Creative Shift Limited	-	-	22	76
	<u>581</u>	<u>1,242</u>	<u>678</u>	<u>1,429</u>

12 CASH AT BANK AND IN HAND

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Cash at bank and in hand	3,568	7,923	3,387	7,619
Short term deposits	7,000	6,500	7,000	6,500
	<u>10,568</u>	<u>14,423</u>	<u>10,387</u>	<u>14,119</u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

13	CREDITORS	<i>Group</i>		<i>Company</i>	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
(a)	AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Trade creditors	719	925	587	760
	Other taxation and social security	199	234	199	231
	Other creditors	248	224	248	224
	Accruals	810	2,090	657	1,931
	Deferred income	5,494	10,751	5,494	10,751
		<u>7,470</u>	<u>14,224</u>	<u>7,185</u>	<u>13,897</u>
(b)	DEFERRED INCOME				
				Group and Company £'000	
	Balance at 31 March 2013			10,751	
	Amount released to incoming resources			(10,751)	
	Amount deferred in period			5,494	
				<u>5,494</u>	
	Balance as at 29 March 2014			<u>5,494</u>	

Deferred income comprises advance box office receipts.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

14	SHARE CAPITAL	<i>Group</i>		<i>Company</i>	
		2014 £	2013 £	2014 £	2013 £
	<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	11	10	11

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 31 March 2013</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers between funds</i>	<i>Balance at 29 March 2014</i>
	£'000	£'000	£'000	£'000	£'000
Lease premium	4,543	-	-	(40)	4,503
Hippodrome Theatre leasehold improvements	25,192	-	-	(648)	24,544
Birmingham Royal Ballet leasehold improvements	1,581	-	-	(41)	1,540
Creative Programme grants	18	396	(289)	-	125
Stage Appeal	-	10	(10)	-	-
First Night	3	3	(1)	-	5
	<u>31,337</u>	<u>409</u>	<u>(300)</u>	<u>(729)</u>	<u>30,717</u>

The lease premium, Hippodrome Theatre and Birmingham Royal Ballet leasehold improvements funds relate to assets acquired by way of restricted capital grants.

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

The Creative Programme fund is for creative learning and staging arts experiences beyond the main stage.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

15 RESTRICTED FUNDS (continued)

The Stage Appeal fund relates to the refurbishment of the stage which was mainly carried out during 2012.

The First Night fund provides discounted tickets for students between the ages of 16 and 23.

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

(b) ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	<i>Tangible fixed assets £'000</i>	<i>Net current assets/ (liabilities) £'000</i>	<i>Total £'000</i>
RESTRICTED FUNDS			
Lease premium	4,503	-	4,503
Hippodrome Theatre leasehold improvements	24,544	-	24,544
Birmingham Royal Ballet leasehold improvements	1,540	-	1,540
Creative Programme grants	-	125	125
First Night	-	5	5
	<hr/>	<hr/>	<hr/>
	30,587	130	30,717
UNRESTRICTED FUNDS			
Share capital	-	-	-
Non designated	635	1,784	2,419
Designated	-	1,829	1,829
	<hr/>	<hr/>	<hr/>
	635	3,613	4,248
	<hr/>	<hr/>	<hr/>
	31,222	3,743	34,965
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

16a	UNRESTRICTED NON-DESIGNATED FUNDS	<i>Group</i> £'000	<i>Company</i> £'000
	31 March 2013	1,307	1,338
	Net incoming resources	2,052	2,043
	Transfer to designated funds	(940)	(940)
	29 March 2014	2,419	2,441
16b	UNRESTRICTED DESIGNATED FUNDS	<i>Group</i> £'000	<i>Company</i> £'000
	Repairs reserve:		
	31 March 2013	829	829
	Transfer from non-designated fund	640	640
	29 March 2014	1,469	1,469
	Programming reserve:		
	31 March 2013	60	60
	Transfer from non-designated fund	300	300
	29 March 2014	360	360
	TOTAL UNRESTRICTED DESIGNATED FUNDS	1,829	1,829
	TOTAL UNRESTRICTED FUNDS	4,248	4,270

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.

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

17 RELATED PARTY ACTIVITIES

The charity has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the group.

(a) NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY UNDERTAKINGS – BIRMINGHAM HIPPODROME LIMITED

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

	Period ended 29 March 2014 £'000	Period ended 30 March 2013 £'000
PROFIT AND LOSS ACCOUNT		
Turnover	Total 3,642	Total 3,397
Cost of sales	(1,279)	(1,463)
Administrative expenses	(1,832)	(1,592)
	<hr/>	<hr/>
Profit on ordinary activities	531	342
Amount covenanted to Birmingham Hippodrome Theatre Trust	(531)	(342)
	<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 29 March 2014

17 RELATED PARTY ACTIVITIES (continued)

(b) NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY UNDERTAKINGS – CREATIVE SHIFT LIMITED

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

	Period ended 29 March 2014 £'000	Period ended 30 March 2013 £'000
PROFIT AND LOSS ACCOUNT		
Turnover	Total 186	Total 153
Cost of sales	(75)	(68)
Administrative expenses	(103)	(101)
	<hr/>	<hr/>
Profit/(Loss) on ordinary activities	8	(16)
	<hr/>	<hr/>
Taxation	-	2
	<hr/>	<hr/>
RETAINED IN SUBSIDIARY	8	(14)
	<hr/>	<hr/>
TOTAL SHAREHOLDER'S DEFICIT	(23)	(31)
	<hr/>	<hr/>

- (c) During the year Glenn Howells Architects Limited, of which Glenn Howells (a trustee) is a director and principal shareholder and John Crabtree (a trustee) is non-executive Chair, invoiced Birmingham Hippodrome Theatre Trust Limited £48,150 (2013: £750) for strategic design work and £Nil (2013: £20,000) on the foyer refurbishment project. The fees were charged at cost and include no profit element. Glenn Howells Architects also invoiced Birmingham Hippodrome Limited £5,858 for the Green Room refurbishment (2013: £Nil) The amount outstanding at 29 March 2014 was £19,989 (2013: £750).

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

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 28 March 2015:

	<i>Group Short lease £'000</i>	<i>Company Short lease £'000</i>	<i>Group Equipment £'000</i>	<i>Company Equipment £'000</i>
EXPIRING				
Between two and five years	31	31	38	24
	<u>31</u>	<u>31</u>	<u>38</u>	<u>24</u>
	<u><u>31</u></u>	<u><u>31</u></u>	<u><u>38</u></u>	<u><u>24</u></u>

- (b) Capital commitments, in respect of both the Group and the Company, at 29 March 2014, for which contracts had been placed, amounted to £Nil (2013: £Nil).

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 £213,000 (2013: £177,000). Contributions totalling £22,000 (2013: £16,000) were payable to the fund at the period end and are included in other creditors.

20 NOTES TO THE CASH FLOW STATEMENT

	<i>Period ended 29 March 2014 £'000</i>	<i>Period ended 30 March 2013 £'000</i>
(a) NET CASH FLOW FROM OPERATING ACTIVITIES		
Net incoming/(outgoing) resources	1,432	(565)
Depreciation	1,014	1,026
Net interest receivable	(162)	(167)
Movement in stock	(13)	2
Movement in debtors	661	(492)
Movement in creditors	(6,754)	7,090
	<u>(3,822)</u>	<u>6,894</u>
	<u><u>(3,822)</u></u>	<u><u>6,894</u></u>

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

20 NOTES TO THE CASH FLOW STATEMENT (continued)

(b) ANALYSIS OF CHANGES IN NET FUNDS

	<i>At</i> <i>31 March</i> <i>2013</i> <i>£'000</i>	<i>Cash flows</i> <i>£'000</i>	<i>At</i> <i>29 March</i> <i>2014</i> <i>£'000</i>
Total cash at bank and in hand	7,923	(4,355)	3,568
Short term deposits	6,500	500	7,000
	<hr/>	<hr/>	<hr/>
Net funds	14,423	(3,855)	10,568
	<hr/>	<hr/>	<hr/>

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 £83,000 (2013: £98,000). This was paid on 12 May 2014.

22 RESULTS OF PARENT CHARITY

The total incoming resources of the parent charity were £27,735,000 (2013: £20,501,000).

The net movement in funds of the charity were £607,000 net incoming resources (2013: £863,000 net outgoing resources).

Birmingham Hippodrome Theatre Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 29 March 2014

23 BIRMINGHAM HIPPODROME THEATRE DEVELOPMENT TRUST

The Company works closely with and 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 £58,800 for salary recharges (2013: £34,127) and £Nil (2013: £Nil) 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 £17,868 (2013: £8,720).

In addition, Birmingham Hippodrome Theatre Trust Limited charged the Trust £16,551 (2013: £19,921) for tickets for Corporate Partners and £6,263 (2013: £5,310) for tickets for guest evenings. Overall £4,133 was outstanding at 29 March 2014 (2013: £3,396).

During the year, Birmingham Hippodrome Limited invoiced Birmingham Hippodrome Development Trust for £21,838 (2013: £25,430) for the provision of catering of which £1,063 was outstanding at 29 March 2014 (2013: £12,851).