

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

**Trustee's Report and consolidated
accounts**
31 March 2009

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

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Contents

Trustees' report	2
Sponsorship and fund raising	8
Statistics 2008/09	8
Statement of Trustees' responsibilities of English National Ballet in respect of the Trustees' report and the financial statements	8
Independent auditors' report to the members of English National Ballet	17-18
Consolidated statement of financial activities (incorporating an Income and Expenditure account)	19
Consolidated balance sheet	20
Charity balance sheet	21
Consolidated cash flow statement	22
Notes	23

Trustees' report

Report of the trustees for the year ended 31 March 2009

The trustees are pleased to present their report together with the consolidated financial statements of the charity for the year ending 31 March 2009.

Reference and administrative details

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

Directors and trustees

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

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

Board of Trustees

Chairman	John Talbot*	
	Elizabeth, Lady Arnold	resigned 1 October 2008
	James Baker	resigned 1 September 2008
	Justin Bickle*	appointed 10 June 2009
	Stephen Ball	appointed 14 January 2009
	Carol Brigstocke	appointed 18 June 2008
	Christopher Cowdray	
	Lachlan Edwards	resigned 1 September 2008
	Simon Freakley	resigned 1 September 2008
	The Baroness de Mandat-Grancey	
	Roula Konzotis	
	Cecilia McAnulty*	appointed 18 June 2008
	Carole McPhee *	
	Maurice Pinto *	
	John Roberts*	resigned 18 June 2008/reappointed 1 October 2009
	Paul Vickers	

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

Company Secretary

Robin Richman	resigned 16 March 2009
Brian Duck	appointed 16 March 2009/resigned 22 June 2009
Michael Dixon	appointed 22 June 2009

Principal Officers

Wayne Eagling	Artistic Director	
Craig Hassall	Managing Director	
Robin Richman	Finance Director and Company Secretary	resigned 16 March 2009
Michael Dixon	Finance Director and Company Secretary	appointed 22 June 2009
Alan Riches	Technical Director	
Sally Muckley	Development Director	
Gavin Sutherland	Music Director	appointed 4 June 2008
Fleur Derbyshire-Fox	Learning Director	appointed 1 April 2008
Andrew Morgan	Operations Director	appointed 1 April 2008
Philip Maddock	HR Director	appointed 1 April 2008
Louise Halliday	Marketing Director	appointed 1 April 2008

Structure, Governance and Management

Governing document

English National Ballet is a company limited by guarantee governed by its Memorandum and Articles of Association amended to allow for current governance arrangement on 21st July 2006. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a trustee of the Company and there are currently 12 members (11 in 2008).

Appointment of trustees

As set out in the Articles of Association the Chair of the trustees is nominated by his fellow Trustees. The Trustees may serve for a period of up to two, three year terms. Trustees are, for the period of their appointment, also Members of the Company, guaranteeing a maximum of £1 each in the event of the Company's insolvent liquidation. New trustees are elected by the Members of the Company, and serve for a maximum of six years, except that this period can be extended for those holding the posts of Chairman and Deputy Chairman.

Trustee induction and training

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

Organisation

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

Related parties

The charity has a close relationship with English National Ballet School, a charity which trains and develops young dancers whilst allowing them to continue in full time education. The Artistic Director of English National Ballet is also non-executive Artistic Director of English National Ballet School and there is a close collaboration which benefits the students of the school in performance experience, coaching and potential employment.

Risk Management

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

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

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

Objectives and activities

The primary objective of the charity is to present productions of classical ballet within the UK and around the world of the highest quality, with a particular emphasis on access for the widest possible public to enjoy these performances.

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

1. To present, alongside the mainstage performances, masterclasses, workshops, community outreach projects and similar activities.
2. To enter into agreements with choreographers, composers, artists, designers, makers of scenery, costumiers, or other persons for acquiring the dramatic, musical, artistic or others rights of ballets and musical compositions and to grant licences or privileges in respect of such rights to persons, companies or institutions for the performance or representation of these works.

Our purposes and activities

The purposes of the charity are to:

- Present classical ballet of the highest possible standards of artistic quality
- Tour throughout England, the United Kingdom and abroad
- Make the activities of the Company as accessible as possible both in terms of geographical reach as well as affordability
- Broaden the experience of ballet and increase access to ballet and performance activity through education and learning activities
- Be an industry leader in ballet for the UK and to set the benchmark for excellence in this artform

English National Ballet was established by its founders, Dame Alicia Markova and Sir Anton Dolin in 1950 as a touring company, with principles flowing directly from their experience within Diaghilev's Ballet Russes. Just as the Ballet Russes had toured extensively taking classical ballet to people around the world, English National Ballet (or London Festival Ballet as it was then called) sought to present ballet of the highest quality at affordable prices to people around the country and abroad. This vision has been carried on to the Company in its present form.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including guidance on public benefit and fee charging. The Charity relies on government grants, income from box office, individual donations and corporate sponsorship to cover operating costs. In setting the level of pricing, the trustees give careful consideration to the accessibility to our performances for those on low income. There is also consideration given to the geographic reach of the Company's touring schedule to allow people from across the country to access performances.

The Company employs a number of strategies to ensure that the original vision is maintained. These strategies are to:

- Present well known ballets in narrative form in London, the UK and abroad
- Schedule lesser known works from time to time to broaden the audiences' appreciation of the ballet repertoire as well as providing artistic challenges and variety to the dancers
- Work cooperatively with venues and other ballet/dance companies across the UK to ensure an even and varied presentation of dance for audiences
- Maintain a regular presence in London for profile, artistic benchmarking, family audiences and financial supporters, whether corporate, government or individual
- Maintain partnerships with venues and promoters across the world to ensure a comprehensive pattern of international touring
- Maintain a pricing strategy that allows access for all members of the community as well as an auxiliary strategy that enables people from low income backgrounds to access our performances to ensure that the company continues to serve the public benefit
- Involve the community in the Company's work beyond being members of the audience through workshops, master classes, collaborative projects and tutorials
- Collaborate with professional educational groups within society and other established community networks to increase partnerships and impact beyond the stage
- Work particularly with sections of the community to whom attendance of classical ballet may not be expected

To achieve these strategies, we work in three main areas. Our main stage performances enable the Company to present narrative works of scale and one act ballets in London, in a variety of venues, around England, Scotland and Wales. Secondly, we complement the main stage work with a comprehensive learning and outreach programme that works particularly with children and the elderly in a series of community engagement activities. These are generally part of a community partnership, whereby the expertise of English National Ballet's tutors combines with local providers to enhance the outcome for the participants. Thirdly, we work with a variety of international promoters to ensure that our artists are seen abroad, particularly in Europe and Asia.

For many people, attending a ballet in a theatre is a daunting experience. We work closely with education providers, community groups and our performing arts colleagues to ensure that access is truly equal and that there are as few barriers as possible to entry for an English National Ballet performance. We particularly target sections of the community for who would not normally be able to go to the ballet. For example we have links with a many educational and community organisations, both regionally and within London, to whom we offer tickets at a discount of 90%.

We are mindful of our objectives to ensure our performances remain affordable. Ticket prices are always set with consideration to the environment in which we perform. We have a wide range of ticket prices to encourage accessibility; our lowest ticket price in the year was £6. Prices outside London are considerably lower and even in London; we offer discounted family ticket packages, and £10 tickets are available for all performances, and have an access strategy for hard to reach groups and those on lower income. Such is the cost base of the presentation of classical ballet of the scale and quality of English National Ballet that we heavily subsidise the ticket prices outside London to ensure that the nation has greater access to ballet

Main stage Works

In 2008/9, the Company presented works in regional England, Wales, London and abroad. Two new ballets were introduced to the repertoire. *Manon*, with choreography by Kenneth Macmillan, was hired from the Royal Danish Ballet. *Strictly Gershwin*, a commission from Derek Deane, was created for a season at the Royal Albert Hall. The latter continued the tradition of presenting ballets in the round. This has been a very successful venture for the Company and particularly successful in bringing new audiences to ballet.

The motivation to present *Manon* was primarily to introduce our audiences to this important work in British ballet. In choosing the repertoire for the year, we are mindful of the variety of expectations of our audience. The perennial favourite, *The Nutcracker*, fulfils a longstanding expectation of Christmas audiences. *Manon* provided audiences outside London with their first ever opportunity to see this work by Kenneth Macmillan, one of Britain's most important choreographers.

Our regional touring saw the Company return to many regular venues in Oxford, Manchester, Liverpool, Southampton and Bristol. The repertoire for the tour included two Macmillan works, *Manon* and *The Sleeping Beauty*. In addition, we returned to Leeds for the first time in many years with *Swan Lake*. The audiences there were most enthusiastic and it is hoped that we might return in years to come. We also continued in our plan to visit Wales and Scotland in alternate years with a season of *Manon* in Cardiff. We are working with the Wales Millennium Centre to build a dance audience in this region.

The financial year also saw the continuation of our popular ballet for children, *Angelina Ballerina's Star Performance*. This popular work has been tremendously useful in reaching audiences in more varied parts of the UK, as well as providing many thousands of children with their first experience of classical ballet. Pricing for the show is kept as low as possible and we held a series of workshops alongside the performances to further enhance our young audience members' appreciation of the art form.

Learning Activities

The Learning Department draws its inspiration each year from the main stage repertory and then expands this into a comprehensive programme of workshops, master classes, longer term projects and courses of study. The key to the success of this area is the number of partnerships that have been set up around the country to further the work of the team.

Manon provided particularly rich inspiration for a number of activities, in which we were able to explore the tradition of British choreography. *Strictly Gershwin* was the cornerstone of a London wide choreographic project for students. *Summertime*, the name of the project, enabled students from less affluent areas of London to create a piece of dance in one of a variety of forms – capoeira, street, hip hop, Bollywood, salsa and so on – all to the music of Gershwin. The pieces were then performed at the Royal Albert Hall and culminated in a finale to orchestra in which all the students came together to perform *Rhapsody in Blue* in a single choreographed piece.

Artistic Philosophy

English National Ballet is committed to presenting well known works of scale and balances this with smaller one-act ballets and commissioned works. The variety of work is essential for retaining audiences and dancers, whilst the surety of the regular presentation of main stage works serves to ensure financial stability for the Company through solid box office attendances in London and throughout the UK. Works such as *Strictly Gershwin* also enable a degree of cross art form collaboration. This ballet involved singers, specialist jazz musicians, tap dancers and ballroom dancers. The high number of performances of a single ballet also provides performance opportunity for younger members of the Company in more senior roles, a very important factor in artistic development.

Dancers from the Company are also encouraged to develop their artistic sense through a number of choreographic projects.

Financial Review

There are three main elements that have driven the results for the year.

- During the year the company received the final the tranche of stabilisation funding from the Arts Council. This enabled the organisation to complete the stabilisation project and offset the "negative" reserve that had built up in the previous year as the charity had completed expenditure in advance of the committed funding
- The company enjoyed good year at the box office, however overall the income for the year in this fell short of that achieved in the year ended 2008. Donation income was also down versus the 2008 levels, although this was partly offset by higher sponsorship and events income (which is mainly recognised through trading subsidiary). Despite overall income being down year on year, unrestricted reserves showed a small surplus of £16,226.
- In the year the company commissioned a new production, Strictly Gershwin, which was performed for the first time at the Royal Albert Hall. The new production costs of £468,758, were funded from the future repertoire fund.

The table below shows the development of reserves over the last few years.

English National Ballet Financial Position

	Surplus/(Deficit)	Accumulated Reserves
2000/2001	£ 94,245	£ 499,390
2001/2002	£ 241,542	£ 740,932
2002/2003	£ (98,761)	£ 642,171
2003/2004	£ (548,441)	£ 93,730
2004/2005*	£ 1,519,634	£ 1,613,364
2005/2006*	£ 502,443	£ 2,115,807
2006/2007*	£ 589,002	£ 2,704,809
2007/2008	£ 308,489	£ 3,013,298
2008/2009*	£ 562,011	£ 3,575,309

* Includes Stabilisation Funds

Support from Arts Council England remained strong and the annual review with the Council praised the efforts of the Company from both an artistic and financial standpoint. The Company remains one of the most commercially sound of the arts organisations funded by government and our mix of London based, regional and international touring is a sound model into the future.

Reserves Policy

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

The Company shows a cumulative surplus on general reserves at 31 March 2009 of £1,239,353 (2008: £1,218,743) which represent amounts available to cover the short term working capital commitments of the charity. The trustees believe these amounts are appropriate for this purpose.

In the years ended 31 March 2007 and 2008 the Company also designated funds for future repertoire totalling £1,800,000. The purpose of this fund is to cover the development of classical works. £468,758 was drawn from this fund during this financial Year. The balance on this reserve at 31 March 2009 was £1,331,242

Free reserves being unrestricted general funds, excluding fixed assets not covered by the unrestricted building fund, are £1,007,719.

Investment Policy

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

Plans for Future Periods

The Company now regularly prepares a detailed budget for the three years following the current financial year. This enables senior management to test repertoire and touring models to ensure not just the best artistic model, but the most sensible financial model as well. Building on the reserves policy, it is our aspiration to build the general reserve over the coming years so as to ensure that we are able to cover future box office and development income fluctuations.

The premises of the Company remain an ongoing aspiration. Either extending our Kensington studios or finding a new home for the Company are two ideas that are being explored. Funding remains the biggest stumbling block, as one would expect, however we are testing the feasibility of two options with a view to mounting a capital works campaign in the future.

Sponsorship and fund raising

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

We extend our sincere thanks to our business partners, individual supporters and trusts and foundations whose generosity and involvement helps us to maintain our high performance standards and fulfil our performing ambitions worldwide.

Major Sponsors

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National Tour Sponsor

CMS Cameron McKenna
European Partner

Lindt & Sprüngli
Christmas Season sponsor

Corporate Partners

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Mr David Lloyd
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Magic 105.4
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Mr & Mrs Maurice Pinto
Sponsor of the Guest Teachers Programme
Swarovski
Costume Sponsor, The Snow Queen and Strictly Gershwin

Education Partner
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Trusts and Foundations

The Andor Charitable Trust
The D'Oyly Carte Charitable Trust
The Ernest Cook Trust
The Kallakis Family Trust
The Dolly Knowles Charitable Trust
The Rayne Foundation
The Diana, Princess of Wales Memorial Fund

Sponsors of Historic Productions

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

The Circle

Chairman

The Baroness de Mandat Grancey

Directors' Circle

Dr and Mrs John Buchanan

David Lloyd

Aideen Masterson

Jennifer and John Talbot

Creative Circle

Sarah Cooke

Alan Firmin Ltd

Lady Shauna Gosling

Bruno L. Schroder

Mrs Louis Urvois

Mme Gerard Wertheimer

Premiere Circle

Anonymous (4)

Mr and Mrs L. Al Swaidi

David M Bain

Stephen and Anette Ball

Mr M T and Dr S L Bamber

Ian and Judy Barlow

Mr William Barnard and Mrs Maureen Everson-Barnard

Mr Justin Bickle

Vanessa and Peter Blackmore

Mrs Carol Brigstocke

Dominic Collier and Karen Hood

The Gilbert & Eileen Edgar Foundation

Diana, Lady Farnham, CVO

Michael and Margaret Garner

Richard Gildea

Mark Handford

Michael Harrison

Craig Hassall

Hines Associates Limited

Michael and Micheline Kingston

The Simon Marks Charitable Trust

Elizabeth Morison

Mrs Olaf Rogge

Ann-Marie Scanlon

Mr and Mrs James Smillie

Steve Springford

Mr and Mrs Julian Stanford

Mr and Mrs Brian Steer

The Hon. Mrs Simon Weinstock

Mrs Jennifer Wills

Dance Circle

Anonymous (4)
Margaret and Georges Andraos
Mrs Susan Carter
Charlotte Clarke
Henry and Maria Cobbe
Daniel Fox-Davies
Charles Glanville
Mrs Norman Grundon
Pamela, Lady Harlech
John B. Jones
Mary Jordan
Mr and Mrs Ted Kalborg
George and Elizabeth Lewis
Heather McCubbin
Mr and Mrs Dean Merritt
Sally Muckley
Jane Nelthorpe
Eric Peel and Jacky Cowdrey
The Amanda Restell Academy of Dance
Yvonne Sherrington
David Stone and Andrew Hewish
Gerry and Ruth Weiss

Triple Bill Syndicate

Lady Shauna Gosling
Simon Freakley
Elizabeth and Maurice Pinto
Jennifer and John Talbot

Ballets Russes Syndicate

Anonymous (2)
Gabriella Bassante
Vanessa and Peter Blackmore
Malcolm Bluemel
Charley and Olivia Boorman
Nick and Carol Brigstocke
CMS Cameron McKenna
Sir William Castell
John Carbone
Peter Davison
John Dawson
Andre and Natalia De Cort
Robert Elliot
Steve and Ritva Ferriss
Michael and Margaret Garner
Julian and Nicky Gething
Charles Goodyear
Lady Shauna Gosling
Bryan and Jill Grainger
Kalmon Hener
Mark Hyde
Irving Igra
John and Dorothy Ind
Mr and Mrs F R Jackson
Henna Kavanagh
Tom and Nicholle Kingsley
Derek Lovelock

Ballets Russes Syndicate (continued)

David Lovett
Meg Lustman
Annemarie Mathias
Cecilia McAnulty
John and Phebe Olcay
Stewart Parvin
David Pilling
Giris Rabinovitch
Annabel Redmayne
Martin Reed
Joanna Reesby
Janine Roxborough Bunce
Ann-Marie Scanlon
Robert Stirling
Jennifer and John Talbot
Sandi Ulrich
Kersti Urvois
Christopher Van Niekerk
Kate Varah
Phil Wallace
Adrienne Waterfield
Gerry and Ruth Weiss
Nigel Wilkinson

2009 Gala Committee

Keglim Belloso-Laufer
Carole Brigstocke
Emma Clarke
Micheline Decker
Rosario De Mandat Grancey
Katerina Ershova
Charlotte Holt
Dorothy Ind
Gudrun Jensen
Wendy Lee-Graham
Jayne Lewis
Deborah Lovelock
Sheela Mackintosh
Tomomi McMaster
Emma Rickett
Kristina Rogge
Chloe Smillie
Suzie Steer
Kersti Urvois

Statistics 2008/09

Box office income and attendances

	2008/09				2007/08	
	Ticket	Number	Attend-	Ticket	Number	Attend-
	sales and	of	ances	sales and	of	ances
	fee income	perfs.		fee income	perfs.	
	£			£		
Angelina	1,016,767	180	85,179	1,153,468	166	107,427
London	2,879,372	66	135,470	3,106,172	67	197,238
Regions	895,104	48	43,114	1,626,480	62	77,144
Cross borders	0	0	0	98,725	7	6,497
Foreign	108,714	13	13,734	174,210	8	8,764
	<u>4,899,957</u>	<u>307</u>	<u>277,497</u>	<u>6,159,055</u>	<u>310</u>	<u>397,070</u>

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

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

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

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

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

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

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


Disclosure of information to auditors

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

Auditors

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

By order of the Board



John Talbot
Governor

Markova House
39 Jay Mews
London SW7 2ES

20 January 2010

Independent auditors' report to the members of English National Ballet

We have audited the group and charity financial statements (the 'financial statements') of English National Ballet for the year ended 31 March 2009 which comprise the group Statement of Financial Activities, the group and charitable company Balance Sheets, the group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 15.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company's group is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

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

Independent auditors' report to the members of English National Ballet (Continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

KPMG LLP

27 January 2010

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

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

Year ended 31 March 2009

	Notes	Unrestricted general Funds	Unrestricted future repertoire fund -designated fund	Unrestricted building fund - designated fund	Total unrestricted funds	Restricted funds	Total 2009	Total 2008
		£	£	£		£	£	£
Incoming resources								
Incoming resources from generated funds:								
Voluntary income:								
Donations, legacies and similar incoming resources		160,580	-	-	160,580	-	160,580	511,246
Grants	2	6,563,699	-	-	6,563,699	1,145,118	7,708,817	6,540,722
Activities for generating funds:								
Income of trading subsidiary	10	670,228	-	-	670,228	-	670,228	581,479
Income from in-kind sponsorships		116,710	-	-	116,710	-	116,710	111,444
Income from hiring productions		56,651	-	-	56,651	-	56,651	25,841
Income from programmes & merchandise		95,516	-	-	95,516	-	95,516	116,092
Investment income		41,452	-	-	41,452	-	41,452	112,429
Incoming resources from charitable activities:								
Ticket sales		4,899,957	-	-	4,899,957	-	4,899,957	6,159,055
Total incoming resources		12,604,793	-	-	12,604,793	1,145,118	13,749,911	14,158,308
Resources expended								
Costs of generating funds:	3	(510,607)	-	-	(510,607)	-	(510,607)	(491,628)
Charitable activities:								
Cost of production and sales	5a	(11,887,039)	(468,758)	-	(12,355,797)	(130,575)	(12,486,372)	(13,136,302)
Educational costs	5a	(162,816)	-	-	(162,816)	-	(162,816)	(183,305)
Governance costs	6	(28,105)	-	-	(28,105)	-	(28,105)	(38,584)
Total resources expended		(12,588,567)	(468,758)	-	(13,057,325)	(130,575)	(13,187,900)	(13,849,819)
Net income/(expenditure) for the year before transfers	17	16,226	(468,758)	-	(452,532)	1,014,543	562,011	308,489
Transfers between funds	17	4,384	-	(4,384)	-	-	-	-
Net movement in funds		20,610	(468,758)	(4,384)	(452,532)	1,014,543	562,011	308,489
Fund balances brought forward	17	1,218,743	1,800,000	412,146	3,430,889	(417,591)	3,013,298	2,704,809
Fund balances carried forward	17	1,239,353	1,331,242	407,762	2,978,357	596,952	3,575,309	3,013,298

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

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

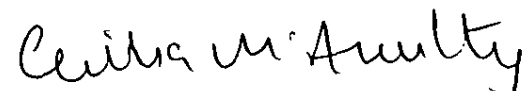
There is no difference between the result for the year stated above and its historical cost equivalent.

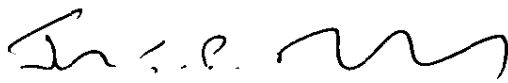
Consolidated balance sheet

at 31 March 2009

	Notes	2009 £	2008 £
Tangible fixed assets	9	1, 236, 348	986,935
Current assets			
Stocks		72, 510	56,339
Debtors	11	860,354	994,455
Cash at bank and in hand		2, 403, 232	2,168,672
		<u>3,336,096</u>	<u>3,219,466</u>
Creditors: amounts falling due within one year	12	(997,135)	(1,193,103)
		<u>2,338,961</u>	<u>2,026,363</u>
Net current assets			
		<u>2,338,961</u>	<u>2,026,363</u>
Net assets		<u>3,575,309</u>	<u>3,013,298</u>
Reserves			
General unrestricted funds	17	1,239,353	1,218,743
Unrestricted future repertoire fund (designated fund)	17	1,331,242	1,800,000
Unrestricted building fund (designated fund)	17	407,762	412,146
		<u>2,978,357</u>	<u>3,430,889</u>
Total unrestricted funds			
		<u>2,978,357</u>	<u>3,430,889</u>
Restricted funds	17	596, 952	(417,591)
		<u>3,575,309</u>	<u>3,013,298</u>

These accounts were approved by the Board of Trustees on 20 January 2010 and were signed on its behalf by:


Cecilia McNulty

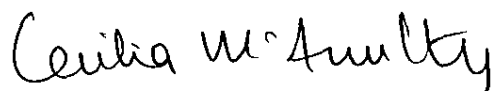

John Roberts
Trustees

Charity balance sheet

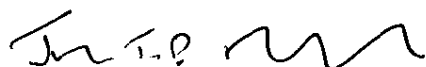
at 31 March 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Tangible fixed assets	9		1,236,348		986,935
Investments	10		<u>2</u>		<u>2</u>
			1,236,350		986,937
Current assets					
Stocks		72,510		56,339	
Debtors	11	793,728		964,150	
Cash at bank and in hand		2,387,449		2,151,646	
			<u>3,253,687</u>	<u>3,172,135</u>	
Creditors: amounts falling due within one year	12	(914,728)		(1,145,774)	
			<u>2,338,959</u>	<u>2,026,361</u>	
Net current assets					
			<u>3,575,309</u>	<u>3,013,298</u>	
Reserves					
General unrestricted funds	17		1,239,353		1,218,743
Unrestricted future repertoire fund (designated fund)	17		1,331,242		1,800,000
Unrestricted building fund (designated fund)	17		407,762		412,146
Total unrestricted funds			<u>2,978,357</u>	<u>3,430,889</u>	
Restricted funds	17		596,952		(417,591)
			<u>3,575,309</u>	<u>3,013,298</u>	

These accounts were approved by the Board of Trustees on 20 January 2010 and were signed on its behalf by:



Cecilia McAnulty



John Roberts

Trustees

Consolidated cash flow statement

Year ended 31 March 2009

	Notes	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	18	548,616	(411,503)
Return on investments and servicing of finance			
Interest received		41,452	112,429
Capital expenditure			
Payments to acquire tangible fixed assets		(355,508)	(527,386)
Increase/(decrease) in cash in the year	19	<u>234,560</u>	<u>(826,460)</u>

Reconciliation of net cash flow to movement in net funds

		2009 £	2008 £
Increase/(decrease) in cash in the year	19	234,560	(826,460)
Opening net funds		2,168,672	2,995,132
Closing net funds		<u>2,403,232</u>	<u>2,168,672</u>

Notes

(forming part of the accounts)

1 Accounting policies

Basis of preparation of accounts

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

Basis of preparation

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

The financial statements are drawn up on the going concern basis which assumes the English National Ballet will continue in operational existence for the foreseeable future. The charity substantially relies on funding by grants from Arts Council England for its current and future commitments, and operates on the basis that, taking one year with another, revenue will at least match expenditure.

Arts Council England has confirmed funding for the charity to March 2011. The going concern basis used in the preparation of these financial statements is based upon the expectation that the group will continue to receive sufficient support from Arts Council England to match its expenditure net of the total revenue that it raises.

Basis of consolidation

The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertakings on a line by line basis. The trading results of the subsidiary undertakings are disclosed in note 10. A separate Statement of Financial Activities for the charity is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

Incoming resources

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

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

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

Notes (continued)

1 Accounting policies (continued)

Resources expended and basis of allocation of costs

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

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

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

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

Fixed assets and depreciation

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

Leaseholds and leasehold improvements are depreciated over the remainder of the term of the lease. Plant, fixture and fittings are depreciated over their useful economic life, ranging between 5 to 25 years. Equipment is depreciated in equal annual instalments over five years. Musical instruments are depreciated in equal annual instalments over 15 years.

Stocks

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

Pensions

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

Fund accounting

Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are further segregated between general funds, a designated building fund and a designated future repertoire fund. Restricted funds are funds which have been given for particular purposes and projects. The restricted funds are funds that were used to implement the Recovery Plan as agreed by Arts Council England in 2003/4, this process is now complete. The balance in the fund represents the undepreciated balance of the assets that were bought using these funds and will reduce as the assets are depreciated in future years.

A transfer is made between general unrestricted funds and the building fund representing the depreciation of the building.

Notes (continued)

Related party transactions

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

2 Grant income

	Unrestricted General Funds	Restricted Funds	Total 2009	Total 2008
	£	£	£	£
Arts Council of England - Revenue Grant	6,537,949	-	6,537,949	6,515,722
Arts Council of England - Stabilisation Grant	-	1,145,118	1,145,118	-
City of Westminster	25,750	-	25,750	25,000
	<u>6,563,699</u>	<u>1,145,118</u>	<u>7,708,817</u>	<u>6,540,722</u>

3 Cost of generating funds

	Unrestricted General Funds	Restricted Funds	Total 2009	Total 2008
	£	£	£	£
Management and administration Note 5b	42,493	-	42,493	56,638
Events	226,642	-	226,642	200,312
Fundraising	38,739	-	38,739	49,743
Salaries	202,733	-	202,733	184,935
	<u>510,607</u>	<u>-</u>	<u>510,607</u>	<u>491,628</u>

Cost of generating funds include £81,082 (2008: £91,600) of costs associated with benefit in-kind income.

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

	2009	2008
	£	£
<i>Operating lease rentals:</i>		
Land and buildings	142,188	210,653
Depreciation on tangible fixed assets	106,095	98,451
Loss on disposal of tangible fixed assets	-	(1,814)
<i>Auditors' remuneration</i>		
Group and company - audit	22,500	21,700

Notes (continued)

5 Charitable activities

	Unrestricted General & Designated Funds £	Restricted Funds £	Total 2009 £	2008 £
5a) Cost of production and sales				
Management and administration (note 5b)	1,022,373	130,575	1,152,948	1,761,999
New productions and refurbishment	768,983	-	768,983	1,035,413
Performances	3,940,568	-	3,940,568	3,968,476
Theatre charges	1,100,459	-	1,100,459	1,260,689
Copyrights and royalties	174,821	-	174,821	110,898
Artists	2,858,458	-	2,858,458	2,686,432
Technical	599,198	-	599,198	550,160
Music and orchestra	206,583	-	206,583	104,419
Wardrobe	312,708	-	312,708	297,321
Depreciation	27,486	-	27,486	9,605
Health & safety	18,831	-	18,831	14,669
Medical & welfare	249,552	-	249,552	204,679
Marketing and publicity	1,005,130	-	1,005,130	1,103,614
Hiring productions	6,373	-	6,373	8,582
Programmes & Merchandise	64,274	-	64,274	19,344
	<u>12,355,797</u>	<u>130,575</u>	<u>12,486,372</u>	<u>13,136,300</u>
Educational costs				
Management and administration (note 5b)	13,550	-	13,550	21,118
Education Department	149,266	-	149,266	162,187
	<u>162,816</u>	<u>-</u>	<u>162,816</u>	<u>183,305</u>
	Unrestricted General Funds £	Restricted Funds £	Total 2009 £	2008 £
5b) Management and administration				
Salaries	635,319	24,046	659,365	658,233
Premises	358,804	-	433,569	647,385
Depreciation	3,085	74,765	3,085	88,086
Other	81,208	31,764	112,972	446,051
	<u>1,078,416</u>	<u>130,575</u>	<u>1,208,991</u>	<u>1,839,755</u>

6 Governance Costs

	Total 2009	2008
	£	£
Legal and professional	3,873	15,036
Audit fee	22,500	21,700
Committee costs	1,732	1,848
	<u>28,105</u>	<u>38,584</u>

7 Remuneration of trustees

The board are all non-executive trustees and none received remuneration in the year (2008: £nil). The trustees and officers of the Company are covered by Directors Liability Insurance, with maximum cover of £1 million. The premium paid was £1,732 (2008:£1,848). No Trustees received expenses for travel (2008: nil). Trustees expenses reimbursed were Nil (2008: nil).

8 Staff numbers and costs

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

	Number of employees	
	2009	2008
Management & Administration	63	59
Technical	5	5
Dancers	60	59
Orchestra	39	45
	<u>167</u>	<u>168</u>

Notes (continued)

8 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	Unrestricted General Funds £	Restricted Funds £	Total 2009 £	2008 £
Wages and salaries	5,971,628	-	5,971,628	5,888,389
Social security costs	585,327	-	585,327	582,789
Other pension costs	198,858	-	198,858	149,566
	<u>6,755,813</u>	<u>-</u>	<u>6,755,813</u>	<u>6,620,744</u>

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

	2009	2008
£60,000 - £69,000	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£110,000 - £119,999	1	1
	<u>3</u>	<u>3</u>

Of staff earning in excess of £60,000 in the year, 3 are members of a defined contribution pension scheme (2008: three) company contributed £17,727 to the defined contribution pension scheme in respect of these employees (2008: 16,725).

Notes (continued)

9 Tangible fixed assets

Company and Group Cost	Long leaseholds £	Leasehold improvements £	Plant, Fixtures, fittings, equipment and musical instruments £	Vehicles £	Total £
At 1 April 2008	976,515	163,903	422,881	27,800	1,591,099
Additions	215,797	-	132,711	7,000	355,508
At 31 March 2009	<u>1,192,312</u>	<u>163,903</u>	<u>555,592</u>	<u>34,800</u>	<u>1,946,607</u>
Depreciation					
At 1 April 2008	133,521	163,903	303,034	3,706	604,164
Charge for the year	33,133	-	70,409	2,553	106,095
At 31 March 2009	<u>166,654</u>	<u>163,903</u>	<u>373,443</u>	<u>6,259</u>	<u>710,259</u>
Net book value					
At 31 March 2008	842,994	-	119,847	24,094	986,935
At 31 March 2009	<u>1,025,658</u>	<u>-</u>	<u>182,149</u>	<u>28,541</u>	<u>1,236,348</u>

Included within fixed assets are fixed assets acquired out of restricted funds with a cost of £853,937 (2008: £750,080) and a net book value of £596,952 (2008: £567,861). All fixed assets are held for charitable purposes.

Notes (continued)

10 Investments

Company	2009 £	2008 £
Shares in subsidiary undertaking	<u>2</u>	<u>2</u>

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

	2009 £	2008 £
Turnover	670,228	581,479
Expenditure	(429,525)	(491,628)
Net profit	<u>240,703</u>	<u>89,851</u>
Amount donated to the charity under deed of covenant	(240,703)	(89,851)
Retained in the subsidiary	<u>-</u>	<u>-</u>

The assets held in the trading subsidiary were:

	2009 £	2008 £
Current assets	264,369	150,154
Current liabilities	<u>(264,367)</u>	<u>(150,152)</u>
Net assets	<u>2</u>	<u>2</u>
Aggregate share capital and reserves	<u>2</u>	<u>2</u>

Notes *(continued)*

11 Debtors

Group	2009 £	2008 £
Trade debtors	340,052	490,601
Other debtors	16,363	17,212
VAT	73,544	-
Prepayments and accrued income	430,395	486,642
	<u>860,354</u>	<u>994,455</u>

Company

Trade debtors	195,330	374,423
Amounts owed by subsidiary undertaking	159,156	102,823
Other debtors	112,711	17,212
Prepayments and accrued income	326,531	469,692
	<u>793,728</u>	<u>964,150</u>

Notes (continued)

12 Creditors: amounts falling due within one year

Group	2009	2008
	£	£
Trade creditors	60,780	47,253
Other creditors including taxation and social security:		
Social security & PAYE	143,164	280,038
VAT	-	28,139
Other	<u>128,908</u>	<u>66,503</u>
	272,072	374,680
Accruals	410,102	689,133
Deferred income	254,181	82,037
	<u>997,135</u>	<u>1,193,103</u>
Company		
Trade creditors	60,780	47,253
Other creditors including taxation and social security:		
Social security & PAYE	143,164	280,038
VAT	-	28,139
Other	<u>128,908</u>	<u>63,591</u>
	272,072	371,768
Accruals	377,070	689,134
Deferred income	204,806	37,620
	<u>914,728</u>	<u>1,145,775</u>

The Company has an overdraft facility with Coutts & Co. which is secured by a legal charge on the lease of Markova House. This charge ranks prior to the legal charge referred to in note 14 below.

The movement on deferred income is as follows:

	Group £	Company £
Balance brought forward at 1 April 2008	82,037	37,620
Amounts deferred in the year	222,556	173,181
Amounts released to the Statement of Financial Activities in the year	(50,412)	(5,995)
Balance carried forward at 31 March 2009	<u>254,181</u>	<u>204,806</u>

Notes (continued)

13 Fund accounting

Funds held by the charity are either:

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

Further explanation of the nature and purpose of the designated fund is included in note 14 to the financial statements.

14a) Unrestricted building fund (designated fund)

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

- (a) Arts Council of Great Britain £125,000 - Capital Grant offered 30 July 1976.
- (b) Greater London Council £75,000. Grant offered 26 July 1976, subject to the following conditions. This grant is repayable in the event of the Company disposing of the property without GLC consent. It is secured by a legal charge on the lease of Markova House, subject to a prior charge in favour of Coutts & Co. The charge is now held by Westminster City Council.

14b) Unrestricted Future Repertoire Fund (designated Fund)

In the years ended 31 March 2007 and 2008 the Company also designated funds for future repertoire of £1,800,000. The purpose of this fund is to cover the development of full length classical works. £468,758 was drawn from this fund during the year to fund the creation of Strictly Gershwin. The balance on this reserve at 31 March 2009 was £1,331,242.

15 Pensions

The Company operates two defined contribution schemes. The assets of all schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £198,858 (2008 £165,744).

16 Capital

The liability of the members is limited to £1 per member. There are 12 members.

Notes (continued)

17 Reserves

Group	Unrestricted general fund accumulated surplus £	Unrestricted future repertoire fund (designated fund) £	Unrestricted building fund (designated fund) £	Restricted Funds £	Total £
Balance brought forward at 1 April 2008	1,218,743	1,800,000	412,146	(417,591)	3,013,298
Surplus./(Deficit) for the year	16,226	(468,758)	-	1,014,543	562,011
Transfer for depreciation of long leasehold	4,384	-	(4,384)	-	-
Balance carried forward at 31 March 2009	<u>1,239,353</u>	<u>1,331,242</u>	<u>407,762</u>	<u>596,952</u>	<u>3,575,309</u>
Company					
Balance brought forward at 1 April 2008	1,218,743	1,800,000	412,146	(417,591)	3,013,298
Surplus./(Deficit) for the year	16,226	(468,758)	-	1,014,543	562,011
Transfer for depreciation of long leasehold	4,384	-	(4,384)	-	-
Balance carried forward at 31 March 2009	<u>1,239,353</u>	<u>1,331,242</u>	<u>407,762</u>	<u>596,952</u>	<u>3,575,309</u>

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

The balance on the Building fund reserve is being amortised in equal annual instalments over the remainder of the lease term, being 93 years.

Notes (continued)

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

	2009 £	2008 £
Net income for the year	562,011	308,489
Interest receivable	(41,452)	(112,429)
Operating surplus	520,559	196,060
Depreciation charge	106,095	98,451
Loss on disposal of tangible fixed assets	-	1,814
(Increase)/decrease in stocks	(16,171)	10,482
Decrease/(increase) in debtors	134,101	(407,994)
Increase/(decrease) in creditors	(195,968)	(310,316)
Net cash inflow/(outflow) from operating activities	<u>548,616</u>	<u>(411,503)</u>

19 Analysis of net funds

	Opening balance £	Net cash flow £	Closing Balance £
Cash at bank and in hand	<u>2,168,672</u>	<u>234,560</u>	<u>2,403,232</u>

20 Analysis of net assets between funds

	Fixed Assets £	Cash & Bank £	Other net assets £	Total Net Assets £
Unrestricted	639,396	2,403,232	(64,271)	2,978,357
Restricted	596,952	-	-	596,952
Total	<u>1,236,348</u>	<u>2,403,232</u>	<u>(64,271)</u>	<u>3,575,309</u>

21 Operating leases

At 31 March 2009, the Company had annual commitments under operating leases as follows:

	2009 £	2008 £
<i>Land and buildings</i>		
Operating leases which expire: within one year	-	-
Between two and five years	-	-
After more than five years	142,188	139,000
	<u>142,188</u>	<u>139,000</u>