

Company Registration No. 1657717
Charity Registration No. 285398

**THE CENTRAL SCHOOL OF BALLET
CHARITABLE TRUST LIMITED**
(A Charitable Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

Haysmacintyre LLP
Chartered Accountants
Registered Auditors
London

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

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THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
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LEGAL AND ADMINISTRATIVE INFORMATION

Registered Name:	The Central School of Ballet Charitable Trust Limited	
Registered Charity Number:	285398	
Registered Company Number:	1657717	
Patron	HRH The Countess of Wessex GCVO	
President	Lady Sieff	
Governors (trustees):	Ralph Bernard CBE	(Chairman)
	Pim Baxter OBE	Remuneration and Nominations Committee (Chair)
	Dr Virginia Brooke	
	Simon Cole	
	Carole Gable	
	David Gray	Finance Committee
	Christopher Hampson	
	Stephen Kane	
	Wendy Pallot	Finance Committee (Chair)
	Tim Parsonson	
	Charlotte Schonberg	Remuneration and Nominations Committee
	Susan Scott-Parker OBE	Audit Committee
	Simon Sporborg	Remuneration and Nominations Committee
	Andrew Tuckey	(Vice-Chairman), Finance Committee, Remuneration and Nominations Committee
	Jonathan Wood	Audit Committee
	Tamas Wood	Audit Committee (Chair)
Secretary:	Carolyn Braby	
Principal:	Heidi Hall	
Senior Management Team	Heidi Hall	(Director)
	Christopher Marney	(Artistic Director Ballet Central)
	Louise Ainley	(Director of Higher Education Programmes)
	Carolyn Braby	(Director of Finance & Operations)
	Iryna Pyzniuk	(Head of Studies)
	Elia Luyando-Lopez	(Head of Senior School)
	Debra Cougill	(Head of Widening Participation & Access)
	Anna Turgoose	(Head of Medical Department)
Registered Company Number:	1657717	
Registered Office and principal address	10 Herbal Hill Clerkenwell Road London EC1R 5EG	

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
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LEGAL AND ADMINISTRATIVE INFORMATION (continued)

Bankers:

HSBC
31 Euston Road
London
NW1 2ST

Auditors:

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED (the "Trust")
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REPORT OF THE BOARD OF GOVERNORS

FOR THE YEAR ENDED 31 JULY 2019

The Governors, who are the trustees of the charity for the purposes of charity law, present below their annual report, together with the audited financial statements of the Trust for the year ended 31 July 2019.

Principal activity and charitable objectives

The Trust's overall aim is to improve the education and training of dancers. As a means of achieving that aim, the Trust runs the Central School of Ballet and tours performances as Ballet Central.

Public Benefit

Along with all affiliates of The Conservatoire for Dance & Drama (CDD/the Conservatoire) the core elements of Central School of Ballet's public benefit were articulated in the CDD's submission to the HEFCE Review of Exceptional Funding for Institutions (a summary version is available on the Conservatoire's website). For Central these six core elements are:

- producing exceptional artists who shape the future of dance;
- fostering talent and creativity through world-class vocational training;
- finding and nurturing the finest UK talent;
- supporting the cultural infrastructure;
- fuelling development in the creative industries; and
- international leadership in dance.

Central School of Ballet continues to keep public benefit at the heart of its activities, in line with public benefit guidance provided by the Charity Commission. Its approach to recruitment is to select students on the basis of talent irrespective of other factors and it ensures this by auditioning every student who meets the recruitment criteria (more than 250 applications annually). Where financial assistance is required Central helps students raise the necessary funds. It is committed to sharing good practice within the Conservatoire and the wider educational and cultural sectors. Central supports not only the education of young artists, but their continuing development. It extends a helping hand to artists throughout their careers by commissioning new works. Central, with the Conservatoire, continues to enhance the educational and cultural life of the UK.

Information on how Central has achieved these objectives is set out in the financial review and review of activities below.

Corporate governance

The financial statements include a statement providing information about the School's governance and legal structure. This statement appears on page 9.

Review of activities

Board of Governors

Central School of Ballet's Board of Governors has remained strongly populated in terms of both numbers and breadth of skill sets continuing to ensure appropriate representation to effectively meet the school's immediate and longer term needs and objectives. At the end of the accounting period the Board membership totalled 16 (2017/18: 15) and this remains in-line with the Office for Students (OfS) stipulations and with the three requisite sub-committees: Audit, Finance and Remuneration and Nominations. Central's Student Liaison Governor remains in place, attending one Student Representatives' Meeting per academic term. The Board of Governors has taken the decision to extend beyond a term of 9 years the critical members of the Board for the duration of the new building project, to be reviewed after the project.

As part of Central's induction processes for new Governors, Governors are provided with information about the School's work and given copies of other important documents such as the Strategic Plan, Financial Statements, Management Accounts, the Governance Handbook (produced by the School in accordance with Charity Commission guidelines) alongside Charity Commission publications including 'The Essential Trustee'. Alongside the provision of documents new Governors also spend time in the School to meet key staff and also see more closely the work that Central does. The Company Secretary keeps the Board updated with any changes in the regulatory framework and School's auditors also provide details of any key changes or new requirements to the Board in their annual Audit Findings Report.

New Premises

The lease of the Paris Gardens site in Southwark gives a rent-free period (in cash terms) for the initial years of the lease while the fit-out costs are fundraised and the building fitted out. During this time Central continues to operate from the existing premises in Herbal Hill. The fit-out contract out was signed, and fundraising within 2018/19 raised £733,358. Additional funds have been pledged by trusts and individuals, and further fundraising is required to reach the campaign target.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Senior School Intake Academic Year 2018/19

From auditions held in London, Leeds, Glasgow (the latter two combined with Central Dance Days), and Japan, a total of 60 students were offered places for the start of the academic year 2018/19. This total breaks down to 36 students entering 1st Year (29 Ladies and 7 Men) and 4 Ladies entering 2nd Year. With the continuing students, this resulted in a total of 112 students, of which 79 were UK/EU and 33 overseas.

BA (Hons) and Foundation Degree Results

The Board of Examiners was held at Central in July 2019 with representatives from the University of Kent and external examiners attending. The results of the BA (Hons) Degree were very good with students achieving the following: 7 students with 1st Class Honours, 25 students with a 2:1 degree, 2 students with a 2:2 degree, and 0 students with a 3rd Class Honours. One student was granted an extension to complete. For the Foundation Degree, 32 were awarded the degree with a Pass. Of the remaining students, 8 were offered extensions to complete, with these being due to injury, surgery recovery or personal issues.

The External Examiners' reports were very positive, noting that the standard of student performance was exceptional. The high level of training was reported, including particular mention of the high level of skill in pas de deux demonstrated through the Ballet Central repertoire. The broad range of repertoire was described as *'testament to the high standards set across all genres studied at Central School of Ballet'*. Equally pleasing is the recognition of a *'symbiotic relationship between theory and practice across the course'*. It was observed that *'the level of care and compassion given to students is exemplary, and the leadership is inspirational.'*

MA Choreography

Two MA choreographers completed the programme in 2019 and both were awarded a Distinction. The External Examiner for the MA programme reported the exceptionally well-staged MA Showcase which had taken place in June, commenting on the sophisticated level of movement vocabulary, the crafting of work and the opportunity for students to perform alongside professional dancers.

Ongoing work to develop the MA programme includes introducing a range of new artistic mentors in 2019-20 and visiting professionals who will input into the communication strand, artistic mentoring and Practice as Research elements.

Graduate Employment

Many employment opportunities during the year were the result of students being noticed by guest choreographers who attended or worked with the school. These have included job possibilities and offers for dancers at Matthew Bourne's New Adventures, Ballet Black, Jasmin Vardimon Company (who made an offer of work) and Scottish Ballet.

The graduate destinations continue to diversify and this year dancers have secured contracts in companies including Canada's Ballet Jorgen, Comica Opera in Romania and Copenhagen's Tivoli Ballet.

The versatility of the training remains paramount and is testimony to the jobs secured. An added strand to this being dancers who have taken performing roles on Caribbean cruise liners and in musical theatre.

International Development

The annual courses and auditions were held in Japan (Tokyo and Osaka) in November 2018. A total of 20 participants from the course auditioned for Senior School. 9 students were offered places with 8 starting in September 2019. Workshops and auditions were also held at the Ailey Dance Studios in New York City in March 2019.

National Student Survey Results 2018/19

The National Student Survey (NSS) gathers students' opinions on the quality of their courses. The NSS helps to inform prospective students' choices, provide data that supports institutions in improving the student experience, and support public accountability. In 2019, the NSS results aggregated across the CDD schools had an overall satisfaction score of 91%, compared to 84% for the sector. The highest satisfaction rates were for Teaching (91%), Learning Opportunities (89%), Academic Support (89%), and Learning Community (92%).

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Ballet Central Tour 2019

In 2019 Ballet Central reached 20 venues, including an international date in Tokyo, Japan. New theatres visited included the New Theatre Royal in Lincoln and the Waterside Arts Centre in Sale. Box office income was at an all time high, with an 11-show run of the Nutcracker at Cambridge's ADC Theatre in December sold out.

The tour opened at Stratford Circus arts centre in March and was positively reviewed by Dance Europe and Dancing Times magazines. Continuing the relationship with the MacMillan estate, Ballet Central were honoured to be trusted with mounting an excerpt from 'House of Birds', a work by Kenneth MacMillan. For the first time Ballet Central performed the work of the iconic British choreographer Frederick Ashton and the ground-breaking and innovative modern dance-maker Jasmin Vardimon. The latter proving a major success with audiences on tour.

The full school performances took place at the newly renovated Bloomsbury Theatre in July 2019. For the first time guest choreographers worked with the first and second year students, including Royal Ballet star dancer Thiago Soares in his third-ever choreographic commission. Championing female dance makers, for this programme students had the opportunity of working with choreographers Sandrine Monin, Jenna Lee, Louise Bennett & Leanne King. For graduation the guest speaker was Jasmin Vardimon, who spoke about the current industry needs and praised the students for their versatility and commitment to the Ballet Central tour.

External Projects and Collaborations

For the first time Ballet Central's family production of the Nutcracker was invited to be performed for 6 shows in the grand foyer at the British Museum, as part of their annual Friends event which the British Museum holds each Christmas. Over 1800 people attended the performances. External, bespoke performances also took place, showcasing the dancers in different settings other than a theatre: the Mall Galleries in Pall Mall for a life drawing class, the Mayfair Hyatt hotel and the Southwark satellite Schools where Central takes dance to primary schools. For the fourth year running, a series of Nutcracker excerpts were performed at HTB church in Onslow Square, performing to over 400 pensioners.

The New Adventures Student Associate Scheme, a collaboration between Matthew Bourne's company and Central School of Ballet continued for the third year running. This year two dancers worked alongside the company and performed at Sadlers Wells in selected performances of Swan Lake. Later in the year one dancer was also selected to create a role in Matthew Bourne's new production of Romeo & Juliet, appearing on tour, at Sadlers Wells and in the live screening this autumn.

The Virtual Conservatoire performance Otis and Eunice took place simultaneously at The Britten Theatre Royal College of Music and Bristol Old Vic Theatre School on 29th and 30th March 2019. It was the culmination of a 2 year project titled The Virtual Conservatoire and a collaboration between students, creative and technical staff from six Conservatoire-level schools: Bristol Old Vic Theatre School, Central School of Ballet, LAMDA, RADA, Royal Academy of Music and Royal College of Music with the creative direction led by Raucous Theatre Company. This pioneering project concluded with two separate performances held simultaneously in two locations, Bristol and London, telling two different stories that became interlinked through the use of LOLA digital technology.

Second and third years students performed at The Contemporary Art Party hosted by Christie's and Vanity Fair and was one of the most exclusive events during London Frieze Week. The event was held to view Post-War and Contemporary Art auctions. The students performed a selection of their own choreography and work created on them and took place in five interlocking rooms during the VIP viewing of the art.

As part of an ongoing collaboration between Royal College of Music and Central School of Ballet, second year dancers performed at the Royal College of Music during a family concert performance, based around Berlioz's Symphonie Fantastique. The dancers' performance took place throughout the auditorium and to the young audience of families and children of primary school age.

During their 2019 20th Anniversary tour, Yorke Dance Project reconstructed Kenneth MacMillan's 1979 ballet Playground. Eight second year students were selected to be the corps dancers for this work alongside eight Rambert School students, with 6 performances in a national tour, including final shows at the Clore Studio Theatre at the Royal Opera House.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Design for Dance, the continuing collaboration between Central and Central St Martin’s, began in December 2018. Selected choreographers from second year were linked with student designers to realise their ideas, choreography and designs over a two month period. Performance of the works took place at The Platform Theatre in February and March 2019. Other participating schools were Rambert School and London Studio Centre.

In April 2019 all first year students were involved in a single performance at the Britten Theatre, Royal College of Music. The Great Exhibitionists was a chance for innovative ideas to be put forward by RCM students and become realized within a professional performance space. Two MA composers created a 45 minute joint composition ‘Non-Place’ and combined live ensemble, dancers and digital projection. Working on this co-produced piece gave first years their first performance experience as a Central Dancer.

As part of the ongoing collaboration between Royal Academy of Music and Central, all first year students attended an orchestra rehearsal at Duke’s Hall, Royal Academy of Music of Prokofiev’s Symphony No 6 and Ligeti Lontano. This was to allow them to witness how a musical score comes together for performance, and linked with their Music Appreciation classes. The Royal Academy of Music also assisted in Central’s Musical Director Phillip Feeney’s re-imagining of Monteverdi’s Beatus Vir, being created for the first year students’ contemporary work for the Summer Performances. Two violinists, a recording studio and equipment and technical staff were supplied.

Student Support

During the year Central provided students with £196,807 of financial support in the form of cash bursaries and fee scholarships. This helped to ensure that the most talented students were able to join Central, and in some cases able to continue their studies with the School, including those from challenging circumstances and less well-off backgrounds. 49% (-6.0% from 2017/18) of UK/EU students at Central received financial support, with 22% (-1.0% from 2017/18) of UK/EU students coming from families with household income of under £25,000 per year and 15% (-4.0% 2017/18) from families with income of between £25,000 and £42,875 (Student Finance-defined support thresholds).

£112,396 of the support funding that Central distributed was generated through generous donations received from trusts, foundations and individuals by the Development department; £53,683 was distributed from core funds as part of our Access Agreement commitments within the CDD framework and a further £2,298 allocated from Central’s core budget, which helped to meet additional need. Taken together this means that Central was able to deliver support to students well in excess of the basic requirements of our Access Agreement.

Associate School (Junior, Prep and Pre-Senior Programmes)

Central’s weekly Junior School and Prep and Pre-Seniors course continued to flourish with increased numbers and interest particularly for the Saturday programme. The school continues to develop a strong holistic programme to support the syllabus with talks led by external professionals to build a student’s resilience and support the development of good mental health and self-esteem. Parents are encouraged to accompany their children for such talks. Likewise, the school continues to develop its programme to support teachers of our junior programmes scheduling opportunities for staff from all aspects of the school work to come together and share best practice.

Students on the degree programme have once again assisted Junior School classes in a paid capacity. Central has continued to increase the number of opportunities throughout the year where Senior School students work alongside younger pupils as they are popular and aspirational role models who can truly prepare youngsters for training at a vocational school. The department continues to also strengthen links between Widening Participation and the repertoire for Ballet Central. In 2018-2019, Jasmin Vardimon led a series of creative choreography workshops for Preps and Pre-Seniors linked to the Ballet Central tour. Open Days are now a fixed feature in the Widening Participation calendar and as a result, the school saw increased interest in the annual auditions to attend the Saturday programme for high ability students.

Dance Days and Courses

Four Dance Days were scheduled for 2018-2019: Glasgow, Ipswich, Leeds and London. The London Dance Day was scheduled to coincide with the Senior School auditions just like Glasgow and Leeds and this proved very popular with a 50% increase in numbers attending. Leeds Dance day also saw twice the number of participants than in 2017-2018. Courses, particularly more affordable one day courses, have continued to increase in the number of students applying to attend. Wherever possible, the opportunity to observe a Ballet Central rehearsal is scheduled for such programmes and this has proved to be a much-appreciated addition. The 4-7 years ballet and arts and crafts and the one-day musical theatre courses have all increased in popularity.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

The International Summer Course in 2019 ran at maximum capacity and the introduction of a minimum ability criteria ensured that students attending were of a high standard. In 2019, alongside senior school staff, guest teachers included Central alumni, Sarah Kundi and Joseph Poulton and Ballet Black Senior Artists Cira Robinson and Sayaka Ichikawa.

Boys Move, a day of dance classes for boys led by all-male tutors, is now a fixed feature in the Widening Participation calendar and this year was more popular than ever with over 40 boys enrolled onto the programme, many of whom, had never visited Central before. For the first time, fellow CDD school, National Centre for Circus Arts, delivered workshops as part of the day. The day ended with performances by Central's alumni.

Widening Participation and Ballet Central Joint Projects

To accompany Ballet Central's performance of the Nutcracker in Cambridge, the Widening Participation department wrote and designed a family activity resource pack to accompany. Central returned to Walsall Academy in 2019 to deliver a two-day programme of workshops for primary and secondary schools in the area and an opportunity to watch Ballet Central perform selected pieces of rep from their current tour.

New initiatives in 2018/2019

For the first time, the Widening Participation team were joined by a MA student from Kings College, London as part of a three-month internship. The student enrolled on the MA Education in Arts and Cultural Settings programme had previously studied for a BA in Dance Education at Canterbury Christchurch, Kent. The additional member to the team allowed us to further develop Central's programme of engagement in the Southwark community, offering two pilot schemes to two Southwark primary schools: an after-school ballet club and a pilot programme of dance to support a history unit of the curriculum for Key Stage 2. Both programmes were very successful, and Central continues to work with schools to develop work with them in addition to the free weekly ballet classes already offered by Central at the satellite school in Southwark.

The day of personal professional development for ballet teachers across the UK continues to be popular with requests for such opportunities to increase.

The partnership with a dance school in New Zealand that began in 2017-2018 has developed further and in 2019, the school brought 13 of their students over to the UK to attend Central's international summer course.

Central Nights and Central Sundays

The programme of classes on Central Nights and Central Sundays continues to prove popular, providing hundreds of participants with the opportunity to be taught ballet at a beginner, intermediate or advanced level, and other types of dance.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

President's Circle

Central's President Circle continue to play important role in supporting the school's regular operations and activities as well as the Capital Campaign for new premises.

Patrons

Central's Patrons continue to support and advise on all areas within the organisation, and have also been facilitating introductions for our Capital Campaign.

Governors

The Governors who served during the year are shown on page 1. Governors are appointed according to the Memorandum and Articles of Association and may be nominated by existing Governors.

Subsidiary undertaking

The Charity has a wholly owned trading subsidiary, Ballet Central Limited, which did not trade during the year as its activities were incorporated within Central.

Financial review

Heidi Hall's focus as Director has been securing the fundraising for the new premises at Paris Gardens, and the delivery of the 2017-2020 Strategic Plan. The year saw sustained trust and major donor giving towards the campaign, in both funds and pledges.

Central ended the 2018/19 financial year with a small deficit on the usual operating activities of the school of £-7,065 (2017/18 £128,080), although after allowing for two exceptional (non-cash) items the deficit on unrestricted funds is £-190,351. This is after including the accounting impact of £133,286 in notional rent related to the new building lease (due to the agreed rent-free period having to be spread over the life of the lease in accordance with FRS 102). This non-cash accounting rent charge during the rent free period will result in lower rent accounting charges in future accounting years, relative to the actual rent paid in those years.

The cost of the project work during the year was £673,280 (expensed and drawn from specific restricted funds brought forward from prior years plus the years fundraised income), of which £493,726 was capitalised and £179,554 expensed. With a net decrease of £(-495) within other restricted Bursary Support Funds, the overall position was a surplus of £553,310 (2017/18 £747,589). In addition to the £733,358 capital income generated during the year, further support to the project has been given by Southwark Council and the Arts Impact Fund, and £1,649,250 has been pledged. These pledged funds are not recognised in the financial statements as they did not meet the registration criteria within FRS 102. Fundraising continues apace.

After reviewing reserves requirements under the Reserves Policy it was agreed to transfer £200,000 from the Designated Capital Fund (unrestricted) to the General Fund (unrestricted), resulting in a final General Fund balance of £637,963 and total unrestricted reserves of £882,955.

The Board has continued to model a number of financial scenarios within the context of the School's longer-term sustainability strategy, within CDD's long-term sustainability planning. These models are regularly scrutinised as part of the Board's financial planning and risk management processes so that Central is adequately prepared to respond effectively to changes, including reductions in government grant funding and increases to student fees, developing new programmes and initiatives, and other business and community engagement opportunities.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Value for Money Review

The Audit Committee continues to undertake an annual Value for Money Review in order to provide further assurance to the Board that Central is delivering value to our key stakeholders and other wider audiences, including OfS (value for money is one of the four priorities in the regulatory framework and a statutory duty under new Higher Education and Research Act 2017), to the CDD, other funders and students and programme participants across all areas of Central's work. The Audit Committee was satisfied that the School is delivering on the three priorities of benefit to students, benefit to country, and benefit to economy. Feedback from students on the quality of teaching, teaching resources, and employment prospects via the Student Liaison Group, student questionnaires and the National Student Survey is monitored and responded to, and continues to show high levels of satisfaction against course provision, delivery and support.

Future Prospects of Central

The School operates within an agreed planning framework, incorporating annual budgets and operating plans, to meet the aims and objectives of Central's 2017-20 Strategic Plan and Long-Term Financial Forecast. Strategies are in place to further develop existing and new income streams as part of our sustainability planning and in response to likely further reductions in HE grant income over the next few years and changes to student fees following the Augar Review of post-18 Education and Funding. As with all Higher Education institutions, Central (as part of the CDD) will need to respond to any impact and developments that ensue should the UK leave the EU, as and when that becomes clearer. The Paris Gardens new building is a vital part of Central's future planning, giving facilities and space to expand activity, to secure the organisation's future.

Investment policy

The Governors' investment powers are governed by the Memorandum and Articles of Association which permit the Trust's surplus funds to be invested as appropriate. The Board's investment policy is to produce the best financial return within an acceptable level of risk, aiming to balance financial return against immediate and planned spending requirements, within a risk averse framework. Accordingly funds are held as cash (or near cash) balances and are not invested in stocks and shares or other financial instruments. The Governors will continue to manage investments in conformity with this policy.

Reserves policy

It is the policy of the School that unrestricted funds should, if possible, be maintained at a level equivalent to between three and six months expenditure, and at least £635,000 in actual value. The Governors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised. Unrestricted reserves at the end of the period amounted to £882,955 (£637,963 excluding unrestricted designated reserves towards the new building project expected to be expended by 31 July 2020) which should provide for approximately five months' usual operating expenditure cover (three months' cover excluding unrestricted designated reserves). Key risks that the School has identified that may impact on future reserves levels include reductions in public grant funding and/or not achieving income targets. Consequently the School has budgeted prudently for the forthcoming year and has strategies in place to diversify and grow non-government grant income streams alongside keeping costs under close review to help ensure that the minimum reserves targets continue to be met.

Remuneration of Key Management Personnel

The Remuneration and Nominations Committee reviews the Director's salary annually and other Senior Management Team salaries periodically. In addition, non-contractual salary increases linked to inflation are considered annually by the Committee for all staff, including the Senior Management Team. Benchmarking forms part of the process, particularly against other CDD schools.

Asset cover

The School has sufficient assets to cover the commitments of its funds.

Connected charities and related parties

The School is a school of the Conservatoire for Dance and Drama, a Higher Education Institute of six schools dedicated to education in the fields of dance, drama and circus.

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED (the “Trust”)
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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2019

The Governors of the Central School of Ballet Charitable Trust Limited are committed to exhibiting best practice in all aspects of Corporate Governance.

The School endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to institutions of higher education from the Committee of University Chairmen in its Guide for Members of HE Governing Bodies in the UK.

Status and administration

The School is established as a charitable company limited by guarantee and is registered as a charity with the Charity Commission. It has no issued share capital and the liability of its members in the event of the company being wound up is limited to a sum not exceeding £1. The School's affairs are governed by its Memorandum and Articles of Association which allow for any activities covered by the charity's objectives with no specific restrictions.

Taxation status

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. As a charity, it is exempt from tax on its charitable activities. There has been no change in this respect since the end of the financial year.

Governance

The School is administered through its governing body, the Board of Governors. The Board meets regularly to discuss and formulate policy which is then implemented by the Principal and professional team. Members of the Board of Governors are appointed in accordance with the company's Articles of Association, serving for one period of three years renewable for a further two terms of three years each.

The Board has three requisite sub-committees; a finance committee, an audit committee, and a remuneration and nominations committee. From time to time the Board establishes other ad hoc committees or working groups to address specific strategic matters. A project steering committee drawn entirely from the Board membership was again in operation during the year and will continue into 2019-20. The remit of the project steering committee is to provide additional expertise and guidance in supporting both the Executive and the full Board of Governors in taking forward the School's new building project and sustainability strategy.

Principal

The Principal of the School is appointed by the Board of Governors and has a general responsibility for ensuring that all public funds are properly applied to the School's activities.

Internal control and risk management

The Board has responsibility for maintaining a sound system of internal control that supports the achievement of the School's policies, aims and objectives, while safeguarding public and other funds and assets for which it is responsible. The system of internal control incorporates risk management and this encompasses a number of strands designed to identify and evaluate the risks faced by the School and to put in place an action plan to address and mitigate the impact of those risks.

The School has robust policies and procedures in place, as required by the Board of Governors, and these are developed by the senior management team and communicated to staff. A risk management policy and risk register are in place and both the policy and register continue to be kept under frequent review. In addition, a separate and specific project risk register is also in place, developed to underpin the risks associated with the new building and relocation project. Risks that have been identified by staff members are reported up through to the senior management team, which in turn reviews risks, develops mitigating strategies and timely action plans. The risk registers and associated monitoring plans are then regularly reviewed by the School's committees, which in turn report to the Board for further risk management reviews. Those risks deemed to be the most significant being kept under review by the Board of Governors directly.

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CORPORATE GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 31 JULY 2019

Key risks facing the School include further likely cuts in Higher Education funding and the high cost of student fees (in line with current policy to move universities to being funded by increased student fees and reduced direct grants, but a government review of Higher Education delivery and funding in the UK is currently underway), the increased costs of the Conservatoire for Dance and Drama with a membership reduced from 8 schools to 6 schools from 2019. To address the risk of reduced funds, the School has been focusing efforts on growing other existing programmes and activities in tandem with exploring and piloting new programmes and income streams - with good results in 2018-19 in overseas student numbers and through the growth of Ballet Central performances and audiences, and increased revenue fundraising. Any reduction in student numbers from the UK, the EU (particularly given the uncertainty caused by leaving the EU) and from overseas remains a risk, and broadening student recruitment and ensuring retention of student has been the subject of work in 2018-19. The planned move to new, larger and purpose-built premises within the next 12 months will support the development of new income generating activities as well as our ability to accept higher numbers of students and participants on our dance HE programmes.

The additional challenge and key risk in 2019-20 is generating the final proportion of capital funding required to fit out the new building in time for the planned move in early 2020. The support of Southwark Council and the Arts Impact Fund brought both financial support and wider partnership benefits, with Southwark Council naming Central in its Cultural Strategy. Both associations have assisted with further fundraising.

Another challenge is to attract and maintain trust and individual funding and support to deliver on our Development income target which forms part of the core operating budget alongside the Capital Campaign as noted above. The School and Board of Governors will continue to invest resources to ensure that Central can take full advantage of opportunities while managing attendant risks.

The Board of Governors is responsible for reviewing the effectiveness of internal control of the School, based on information provided by the senior management team, and internal and external auditors.

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF GOVERNORS

FOR THE YEAR ENDED 31 JULY 2019

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and to enable them to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards.

In addition, within the terms and conditions of the funding agreement with the Office for Students, the Governors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- select the most appropriate accounting policies and appoint an audit committee to monitor their implementation, apply them consistently and disclose them adequately;
- make judgements and estimates that are reasonable and prudent;
- state whether appropriate 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 company will continue in business.

The Governors have taken reasonable steps to:

- ensure that funds from the Office for Students are used only for the purposes for which they have been given and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the School and to prevent and detect fraud;
- secure the economical, efficient and effective management of the School's resources and expenditure.

The Governors also confirm that they have made all necessary enquires and taken such steps that they ought to, to ensure that they become aware of any relevant audit information and that they confirm that the company's auditors have been made aware of such information.

Auditors

The tender process for the appointment or re-appointment of auditors started in August 2019, and auditors will be appointed in January 2020.

Signed for and on behalf of the Board of Governors on *16 October 2019*



.....
Ralph Bernard
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED

Opinion

We have audited the financial statements of The Central School of Ballet Charitable Trust Limited for the year ended 31 July 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006
- funds from the Office for Students (OfS) have been applied only for the purposes for which they have been received and in accordance with the Financial Memorandum with the Conservatoire for Dance and Drama'
- funds administered by the School for specific purposes during the year ended 31 July 2019 have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Research England have been applied in accordance with the terms and conditions of the Accounts Direction and any other terms and conditions attached to them during the year ended 31 July 2019; and
- the requirements of the OfS's accounts direction have been met.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report (which incorporates the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (which incorporates the Directors' Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the Directors' Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the 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; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Governors' Report and Strategic Report.

Use of our report

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.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
[date] 21 October 2019

10 Queen Street Place
London
EC4R 1AG

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2019

Income	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Funding Council grants	4				
Teaching grant		320,593	-	320,593	395,130
Other grants		186,258	-	186,258	197,779
Tuition fees and education contracts	5	1,634,816	-	1,634,816	1,555,239
Other income	6	279,165	893,713	1,172,878	1,763,248
Investment income	7	15,826	10,442	26,268	16,297
Total income		2,436,658	904,155	3,340,813	3,927,693
Expenditure					
Staff costs	8	1,585,273	-	1,585,273	1,532,217
Operating expenses	9	897,380	350,845	1,248,225	1,510,317
Depreciation	11	144,356	-	144,356	137,570
Total Expenditure		2,627,009	350,845	2,977,854	3,180,104
Surplus/(Deficit) on continuing operations		(190,351)	553,310	362,959	747,589
Retained reserves brought forward		1,073,306	1,156,351	2,229,657	1,482,068
Retained reserves carried forward		882,955	1,709,661	2,592,616	2,229,657

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

In the previous year, the total income from unrestricted funds was £2,444,775 and from restricted funds was £1,482,918. Total expenditure in the previous year from unrestricted funds was £2,499,981 and from restricted funds was £680,123.

Exceptional costs in this year and the previous financial year are explained in the financial review notes on page 8.

The notes on pages 18 to 27 form part of these financial statements.

BALANCE SHEET

AS AT 31 JULY 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible assets	11	9,373,235	8,994,315
Investments	12	100	100
		<u>9,373,335</u>	<u>8,994,415</u>
Current Assets			
Stock	13	3,977	7,239
Debtors	14	116,251	178,491
Cash at bank and in hand		4,431,350	3,390,067
		<u>4,551,578</u>	<u>3,575,797</u>
Creditors: amounts falling due within one year	15	<u>(1,291,755)</u>	<u>(770,386)</u>
Net Current Assets		<u>3,259,823</u>	<u>2,805,411</u>
Total Assets less Current Liabilities		12,633,158	11,799,826
Creditors: amounts falling due greater Than one year	16	<u>(£10,040,542)</u>	<u>(9,570,169)</u>
Net Assets		<u>2,592,616</u>	<u>2,229,657</u>
Represented by:			
Unrestricted funds			
General funds	17	637,963	628,314
Designated fund	17	244,992	444,992
		<u>882,955</u>	<u>1,073,306</u>
Restricted funds	17	1,709,661	1,156,351
TOTAL		<u>2,592,616</u>	<u>2,229,657</u>

The financial statements were approved and authorised for issue by the Board of Governors on *18 October* 2019 and were signed below on its behalf by:


.....
Ralph Bernard
Chairman of the Board of Trustees


.....
Heidi Hall
Principal

The notes on pages 18 to 27 form part of these financial statements.

STATEMENT OF CASH FLOW

AS AT 31 JULY 2019

	Note	2019 £	2018 £
Cash flows from operating activities	22	<u>1,538,293</u>	<u>814,762</u>
Cash flows from investing activities			
Interest income		26,268	16,297
Purchase of tangible fixed assets		<u>(523,278)</u>	<u>(3,543)</u>
Cash provided by (used in) investing activities		<u>(497,010)</u>	<u>12,754</u>
Increase (decrease) in cash and cash equivalents in the year		1,041,283	827,516
Cash and cash equivalents at the beginning of the year		<u>3,390,067</u>	<u>2,562,551</u>
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>£4,431,350</u>	<u>£3,390,067</u>

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 JULY 2019

1. General Information

Central School of Ballet Charitable Trust Ltd is incorporated in England and Wales as a private company limited by guarantee (No. 1657717) and is a registered charity (No. 285398).

The charitable company's registered office is: 10 Herbal Hill, London, EC1R 5EG

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the revised Statement of Recommended Practice: Accounting for Further and Higher Education, issued in March 2014 and Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

2.2 Income

Income from tuition fees is recognised on a receivable basis. Fees receivable are stated before deducting allowances, scholarships and other remissions granted by the School from its unrestricted funds but include contributions received from restricted funds and other grants.

Income receivable from the Office for Students (OfS) via the Conservatoire for Dance and Drama is recognised in line with the latest estimate of grant receivable for an academic year.

Other income is also recognised on a receivable basis. Donations are recognised when the amount receivable is committed during the accounting year and received before the accounts are signed.

2.3 Expenditure

Expenditure is included on an accruals basis, inclusive of any irrecoverable VAT.

2.4 Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised and included in the financial statements at cost. Depreciation is provided at rates calculated to write off excess of costs over estimated residual amounts evenly over the estimated economic lives of each class of asset. These rates are as follows:

Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Premises lease with	Discounted value of lease payments over the lease term, capitalised and amortised
rent-free period over the lease term with the discount factor of 3% (as determined by the Trustees)	

Development costs for the Paris Gardens site have been capitalised as an asset in the course of construction but not depreciated to date as depreciation will only commence when the new building is completed and brought into operation.

2.5 Operating and Finance leases

Rentals payable are charged on a time basis over the lease term. There are no assets held under finance leases.

2.6 School uniforms

The School's stock of some uniform items is carried at the lower of cost and net realisable value.

2.7 Fund Accounting

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

Designated funds are those funds which have been designated by the Governors for use on specific projects within the objectives of the School.

Restricted funds are subject to specific conditions by donors as to how they may be used.

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

2.8 Pensions

The charitable company operated a defined contribution pension plan for its employees in accordance with UK government workplace pension obligations. A defined contribution plan is a pension plan under which the charitable company pays fixed contributions to a separate entity. Once contributions have been paid the charitable company has no further payment obligations.

The contributions are recognised as an expense in the Income & Expenditure account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The amounts paid into the plan are held separately from the charitable company in independently administered funds.

2.9 Basic Financial Instruments

The Charity only holds basic financial instruments. These financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of any investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

2.10 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

3. Judgements in applying accounting policies and key sources of estimation uncertainty:

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The directors consider the following items to be areas subject to estimation and judgement.

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes has been required.

4. FUNDING COUNCIL GRANTS

	2019	2018
	£	£
Office For Students (via the Conservatoire for Dance and Drama)		
Teaching grants	320,593	395,130
Higher Education Innovation Fund	186,258	197,779
	<u>506,851</u>	<u>592,909</u>

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

5. TUITION FEES AND EDUCATION CONTRACTS	2019	2018
	£	£
Overseas student fees (net of scholarships awarded of £28,950)	607,950	561,250
UK and EU student fees (net of scholarships awarded of £2,250)	731,769	722,324
General Studio hire	12,315	11,282
Audition fees	15,598	16,926
Other Senior School fees	23,759	22,302
WP programmes and events (including Spring and Summer courses)	87,573	66,331
Pre-Senior fees	68,714	64,057
Junior fees	77,393	79,444
Access to learning funds and WP funding	9,745	11,323
	<u>1,634,816</u>	<u>1,555,239</u>
6. OTHER INCOME	2019	2018
	£	£
<i>Restricted donations</i>		
Building Development Fund	722,916	1,287,023
Ballet Central	36,360	80,099
Student support	111,901	95,888
Student and course delivery	7,536	9,720
Outreach	15,000	7,000
	<u>893,713</u>	<u>1,479,730</u>
<i>General</i>		
Donations	32,845	14,726
Evening Studio Hire	114,072	116,473
Other	27,461	65,229
Uniform sales	8,363	7,090
Ballet Central box office	96,424	80,000
	<u>279,165</u>	<u>283,518</u>
	<u>1,172,878</u>	<u>1,763,248</u>

A sustained interest in adult community dance classes (Central Nights and Central Sundays) has resulted in Evening Studio Hire income of £111,710 (2018: £116,474). Ballet Central box office and merchandise income increased to £96,424 (2018: £80,000) due to increased audience numbers and some larger venues.

7. INVESTMENT INCOME	2019	2018
	£	£
<i>Restricted</i>		
Interest receivable	10,442	3,188
<i>General</i>		
Interest receivable	15,826	13,109
	<u>26,268</u>	<u>16,297</u>

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

8. EMPLOYEE & FREELANCE STAFF INFORMATION	2019	2018
	£	£
Salaries (including freelance staff)	1,451,660	1,405,692
Social security costs (employed staff)	107,048	111,260
Pension contributions (employed staff)	26,565	15,265
	<u>1,585,273</u>	<u>1,532,217</u>

The average monthly number of employees and self-employed staff during the year was made up as follows:

	Number	Number
Full time	23	23
Regular part time	49	47
	<u>72</u>	<u>70</u>

There was 1 employee whose remuneration amounted to more than £60,000 (2018: 1 employee)

The increase in part-time roles were an additional Contemporary Tutor and an evening/weekend Receptionist.

The Key Management Salaries comprise the full Senior Management Team that number 8 in total (full-time equivalent), and their total salary, benefits and employer national insurance contributions were £418,902 (2018: £416,088). Total emoluments payable to the principal in the year amounted to £87,400 (2018: £88,775) plus pension contributions of £3,539 (2018: £3,001). No employee received annual emoluments greater than £100,000.

The total amounts paid in settlements was £0 (2018: £0).

None of the Governors (or any persons connected with them) received any remuneration during the current or previous year. Expenses to Governors reimbursed during the year totalled £0 (2018: £458).

9. OTHER OPERATING EXPENSES	2019	2018
	£	£
University registration fees	25,619	24,849
Students and course delivery	62,252	96,895
Student support expenditure	163,829	155,631
Ballet Central expenditure	220,783	247,174
Outreach, learning and participation	16,850	11,063
Communications and marketing	50,422	62,398
Premises	426,738	402,291
Office equipment and insurance	65,402	80,853
Other office costs	39,670	30,800
Audit and accountancy	15,540	14,940
Other legal & professional	214,590	368,300
Bank and merchant charges	40,160	15,123
	<u>1,248,225</u>	<u>1,510,317</u>

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

9. OTHER OPERATING EXPENSES (continued)

Additional resources were allocated to student support in the form of cash bursaries (£166,127 in 2019 compared with £164,631 in 2018) to help students from less well-off backgrounds with their living costs to facilitate their studying at Central. Taken together with £31,200 fee discounts and scholarships deducted from tuition fee income in note 5 total student support amounted to £197,327 (2018: £196,681).

Included in Premises Costs are £83,277 of running costs during construction at Paris Gardens.

Included in Other Legal and Professional costs are £129,228 for fundraising, PR and other consultancy costs associated with the capital campaign for the project (£369,804 in 2018). Included in audit and accountancy costs are £15,540 in respect of audit fees (2018: £14,940).

10. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

11. TANGIBLE FIXED ASSETS	Premises	Plant & Machinery	Fixtures & Fittings	Total
	£	£	£	£
<i>Cost</i>				
At 1 August 2018	9,330,003	36,231	37,563	9,403,797
Additions	493,726	29,552	-	523,278
Disposals	-	(15,984)	(1,794)	(17,778)
At 31 July 2019	9,823,729	49,799	35,769	9,909,297
<i>Depreciation</i>				
At 1 August 2018	344,322	28,925	36,237	409,484
Charge for the year	133,286	10,517	553	144,356
Disposals	-	(15,984)	(1,794)	(17,778)
At 31 July 2019	477,608	23,458	34,996	536,062
Net book value at 31 July 2019	9,346,121	26,341	773	£9,373,235
Net book value at 31 July 2018	8,985,681	7,306	1,326	£8,994,315

On 17th December 2015 a new premises lease was signed for the Paris Garden site, effective 1st January 2016. Owing to the fact that the first 7 years of the 70 year lease are rent free, the discounted value of the lease payments over the life of the lease have been discounted, capitalised and amortised over the life of the lease in accordance with note 2.4. This has resulted in a depreciation charge of £133,286 notional rent for the new building during the period. Development costs for the Paris Gardens site have been capitalised as an asset in the course of construction and included within Premises assets. Depreciation will only commence when the new building is completed and brought into operation; costs within Premises fixed assets are likely to be reclassified as Fixtures and Fittings.

12. FIXED ASSET INVESTMENTS

£

Investment in subsidiary company

Historical cost at 1 August 2018 and 31 July 2019

£100

The company holds 100% of the 100 issued £1 ordinary shares of Ballet Central Limited a company incorporated in England and Wales. The company did not trade during the year and has net assets of £Nil.

THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

13. STOCK	2019	2018
	£	£
School uniforms	<u>£3,977</u>	<u>£7,239</u>
£6,677 of stock was recognised as an expense during the year in accordance with uniform sales over the same period. (2018: £3,711)		
14. DEBTORS	2019	2018
	£	£
Trade debtors	46,929	24,223
Prepayments and accrued income	69,322	154,268
	<u>116,251</u>	<u>£178,491</u>
15. CREDITORS: amounts falling due within one year	2019	2018
	£	£
Trade creditors	222,950	84,248
Accruals	291,250	122,517
Taxes and social security costs	32,621	31,198
Loans payable – due in < 1 year	141,761	-
Other creditors	219,884	208,934
Deferred income	383,289	323,490
	<u>1,291,755</u>	<u>£770,386</u>
Included within trade creditors are £124,092 of build costs and professional fees, and within accruals £121,276 of build costs and professional fees.		
16. CREDITORS: amounts falling due greater than one year	2019	2018
	£	£
Provisions for liabilities and charges	260,000	210,000
New Building Operating Lease Creditor	9,390,332	9,360,169
Loans payable – due in > 1 year	390,210	-
	<u>£10,040,542</u>	<u>£9,570,169</u>

Provisions for liabilities and charges consist of an accrual for potential building dilapidation costs.

The new building operating lease creditor relates to the initial discounted capitalised value of lease payments over the 70 year lease, as included in Tangible Fixed Assets in note 11.

Two loan facilities have been offered to Central to act as bridging finance for the Paris Gardens project. The Arts Impact Fund (supported by Arts Council England, Esmée Fairbairn Foundation, Nesta, Bank of America Merrill Lynch and Calouste Gulbenkian Foundation) loaned £600,000 in October 2018, and Southwark Council have made available £3 million, to be drawn down in early 2020. As at 31 July 2019, further fundraising is required to meet the project target.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

17. ANALYSIS OF FUNDS	At 1 August 2018 £	Income £	Expenditure £	Transfers £	At 31 July 2019 £
Restricted Funds					
Building Development Fund	1,148,990	733,358	179,554	-	1,702,794
Leverhulme Trust, Support	-	-	-	-	-
Valerie Heath Memorial Fund	3,276	-	-	-	3,276
Emily Hargreaves Scholarship Fund	404	-	-	-	404
Christopher Gable Estate	2,581	-	-	-	2,581
Central Friends	-	7,537	7,537	-	-
General Student Support Fund	1,100	111,901	112,395	-	606
Other Restricted Funds	-	51,359	51,359	-	-
	<u>1,156,351</u>	<u>904,155</u>	<u>350,845</u>	<u>-</u>	<u>1,709,661</u>
Unrestricted Funds					
General School fund	628,314	2,436,658	2,627,009	200,000	637,963
Designated Capital fund	444,992	-	-	(200,000)	244,992
	<u>1,073,306</u>	<u>2,436,658</u>	<u>2,627,009</u>	<u>-</u>	<u>882,955</u>
TOTAL FUNDS	<u>£2,229,657</u>	<u>£3,340,813</u>	<u>£2,977,854</u>	<u>-</u>	<u>2,592,616</u>

The Building Development Fund comprises donations and grants made to the School from trusts, foundations and individuals to support the new building project and sustainability strategy. The Leverhulme Trust generously provided funding to help support students in financial need at undergraduate and postgraduate level. The Valerie Heath & Emily Hargreaves Funds were created to help students in need in specific circumstances, and the balances have been carried forward to 2018/2019. The Christopher Gable Fund is a legacy fund of the late co-founder of the School, Christopher Gable, and was created to fund aspects of work delivering artistic excellence. The Central Friends fund comprises membership fees which are expended on Ballet Central and course delivery. The General Student Support fund is made up of generous grants and donations from a wide pool of donors to provide financial assistance to students in need of support. Other restricted funds comprise donations and grants generated to support specific programmes of work across the School, including support for the Satellite School, Ballet Central tour and productions, and course delivery.

The Board has decided to transfer £200,000 from the Designated Capital Fund to the General Fund in order to meet the requirements of the Reserves policy. Although both funds are unrestricted in nature, the Designated Capital Funds are intended to be used to help fund the New Building Project. Due to the impact of the non-cash accounting entries in the Income and Expenditure Account on the General Fund for notional rent for the new building and the increase in the building dilapidations provision for the existing building, the transfer is deemed appropriate.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	8,879,609	-	9,373,335
Stock	3,977	-	3,977
Debtors	116,251	-	116,251
Cash and bank	3,215,416	1,215,934	4,431,350
Liabilities	(11,332,297)	-	(11,332,297)
	<u>£882,956</u>	<u>£1,215,934</u>	<u>£2,592,616</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

19. CAPITAL COMMITMENTS

At 31 July 2019 the School had £5.04m of outstanding commitments in relation to capital expenditure (2018: nil), for a design and build contract with Kier Services Ltd for the fit-out of the new premises at Paris Gardens.

20. OPERATING LEASE COMMITMENTS

At 31 July 2019, the School had total commitments in respect of operating leases which expire in the period shown as follows:

	Land and buildings 2019 £	Land and buildings 2018 £	Other 2019 £	Other 2018 £
Within one year	195,000	195,000	10,224	10,224
Two to five years	28,749	223,749	12,558	22,782
	<u>223,749</u>	<u>£418,749</u>	<u>22,782</u>	<u>33,006</u>

During the year £211,286 (2018 £223,920) was expended relating to rental costs in respect of assets held under operating leases.

21. PENSION COMMITMENTS

The charitable company operates a defined contribution pension scheme. The amounts paid into the scheme are held in an independently administered fund (B&CE - The People's Pension). The pension cost charges to this workplace pension scheme represent contributions payable by the company to the fund and amounted to £23,727 (2018 £14,237). There were no amounts outstanding at the balance sheet date. In addition the company is liable to pay contractual pension contributions for the Director which amounted to £3,539 (2018 £3,001).

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year	362,959	747,589
Add back depreciation charge	144,356	137,570
Deduct interest income shown in investing activities	(26,268)	(16,297)
Decrease (increase) in stock	3,263	(3,035)
Decrease (increase) in debtors	62,139	(34,167)
Decrease (increase) in capitalised building lease assets	-	-
Increase (decrease) in capitalised building lease creditors	30,164	20,110
Increase (decrease) in other creditors	961,680	(37,009)
Generated cash used in operating activities	<u>£1,538,293</u>	<u>£814,762</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2019

23. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	4,464,320	3,414,290
	<u>£4,464,320</u>	<u>£3,414,290</u>
Financial liabilities		
Financial liabilities measured at amortised cost	222,950	84,248
	<u>£222,950</u>	<u>£84,248</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and trade debtors.

Other financial liabilities measured at fair value through profit or loss comprise trade creditors.

24. MOVEMENT IN FUNDS- 2018

Income	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Funding Council grants	4			
Teaching grant		395,130	-	395,130
Other grants		197,779	-	197,779
Tuition fees and education contracts	5	1,555,239	-	1,555,239
Other income	6	283,518	1,479,730	1,763,248
Investment income	7	13,109	3,188	16,297
Total income		<u>2,444,775</u>	<u>1,482,918</u>	<u>3,927,693</u>
Expenditure				
Staff costs	8	1,470,449	61,768	1,532,217
Operating expenses	9	891,962	618,355	1,510,317
Depreciation	11	137,570	-	137,570
Total Expenditure		<u>2,499,981</u>	<u>680,123</u>	<u>3,180,104</u>
Surplus/(Deficit) on continuing operations		(55,206)	802,795	747,589
Retained reserves brought forward		1,128,512	353,556	1,482,068
Retained reserves carried forward		<u>1,073,306</u>	<u>1,156,351</u>	<u>2,229,657</u>

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FOR THE YEAR TO 31 JULY 2019

25. ANALYSIS OF FUNDS 2018	At 1 August 2017 £	Income £	Expenditure £	Transfers £	At 31 July 2018 £
Restricted Funds					
Building Development Fund	345,449	1,290,211	486,670	-	1,148,990
Leverhulme Trust, Support	-	46,634	46,634	-	-
Valerie Heath Memorial Fund	3,276	-	-	-	3,276
Emily Hargreaves Scholarship	-	-	-	-	-
Fund	404	-	-	-	404
Christopher Gable Estate	2,581	-	-	-	2,581
Central Friends	-	4,722	4,722	-	-
General Student Support Fund	1,846	49,252	49,998	-	1,100
Other Restricted Funds	-	92,099	92,099	-	-
	<u>353,556</u>	<u>1,482,918</u>	<u>680,123</u>	<u>-</u>	<u>1,156,351</u>
Unrestricted Funds					
General School fund	623,520	2,444,775	2,499,981	60,000	628,314
Designated Capital fund	504,992	-	-	(60,000)	444,992
	<u>1,128,512</u>	<u>2,444,775</u>	<u>2,499,981</u>	<u>-</u>	<u>1,073,306</u>
TOTAL FUNDS	<u><u>£1,482,068</u></u>	<u><u>£3,927,693</u></u>	<u><u>£3,180,104</u></u>	<u><u>-</u></u>	<u><u>£2,229,657</u></u>