

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 2020

Mazars
Chartered Accountants
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

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

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|------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------|
| 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) Remuneration and Nominations Committee (Chair) |
| | Pim Baxter OBE | |
| | Dr Virginia Brooke | |
| | Simon Cole | |
| | Carole Gable | |
| | David Gray | Finance Committee |
| | Heidi Hall | (from 10.03.2020) |
| | 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: | Mark Osterfield | |
| Senior Management Team | Mark Osterfield | (Executive Director from 16.03.2020) |
| | Heidi Hall | (Director to 06.03.2020) |
| | Christopher Marney | (Artistic Director) |
| | 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:

Mazars
Chartered Accountants
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

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 2020

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 2020.

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

The core elements of Central School of Ballet's public benefit 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 supports students with bursaries, scholarships and support. 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 also their wellbeing and their continuing professional development after graduation. It offers support to artists throughout their careers by commissioning new works and teaching. Central, with the Conservatoire for Dance and Drama, 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 10.

Review of activities

This report summarises the work and successes enjoyed by the Central School of Ballet in 19/20 during an academic year which started with final fundraising towards Paris Gardens by outgoing Director Heidi Hall including 2 major events at the new Paris Gardens site. Following recruitment of new Executive Director Mark Osterfield, Central saw a transformation of activities as it responded to the challenges of the Covid 19 lockdown and related impacts of the pandemic. In the third term the Centrally Connected programme delivered a unique online programme of dance and contextual studies to our Higher Education students, in 12 countries and across 3 time zones. In close liaison with the University of Kent and the Conservatoire of Dance and Drama, Central students were able to achieve the learning outcomes of their courses and progress towards the next stage of their studies or complete their Foundation and BA Honours degrees. In parallel participants in the Junior and Associate Schools received ongoing training online, and the school offered successful summer courses online for the first time.

With the guidance of a very engaged Board of Governors, and under a new leadership team, the staff at Central showed a flexibility and responsiveness, which delivered positive educational and financial results, as well as demonstrated new ways of working appropriate to the shifting contextual landscape of 20/21. Whilst there was disappointment at the Covid related delay to the delivery of The Countess of Wessex Studios, Central is in a good position to make this move in 20/21, and use it as an opportunity to re-shape the School in a way that will deliver for our students and the communities and audiences it engages with, as well as ensure its longer term sustainability and ability to contribute to wider societal and cultural debates.

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 17 (2018/19: 16) 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.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2020

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 Wessex Studios at 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 2019/20 raised £377,701. Additional funds have been pledged by trusts and individuals, and loans act as bridging finance.

Senior School Intake Academic Year 2019/2020

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 (60 2018/19). This total breaks down to 44 students (36 2018/19) entering 1st Year (33 Ladies and 11 Men) and 7 students entering 2nd Year (4 2018/19). With the continuing students, this resulted in a total of 117 students (112 students 2018/19), of which 82 were UK/EU (79 2018/19) and 35 overseas (33 2018/19).

BA (Hons) and Foundation Degree Results

The Board of Examiners was held at Central in July 2020, this year for the first time not in the building but on-line, with representatives from the University of Kent and external examiners attending. The students continued to work on their degrees during lockdown and the school delivered online classes to ensure the learning outcomes of the degree programmes were delivered. The results of the BA (Hons) Degree were very good with students achieving the following: 11 students with 1st Class Honours, 12 students with a 2:1 degree, no students with a 2:2 degree, and no students with a 3rd Class Honours. In line with the University of Kent's No Detriment Policy, 6 students were granted deferrals. For the Foundation Degree, 34 were awarded the degree with a Pass.

The External Examiners' reports were very positive, noting the successes of the programmes despite the adapted delivery methods. In particular, the reports noted the creativity and innovation of the teaching staff during the challenging months of the pandemic. It was reported: *'CSB are leaders in the fields in term of performance standards achieved. CSB has very high expectations of their students and this is reflected in the school's overall level of achievement'*.

MA Choreography

The registered MA choreographers continued to access learning on-line during lockdown and rehearsed pieces remotely, showing innovation and skill in making choreographic work for film as planned theatre projects had either been cancelled or postponed.

Ongoing work for the MA programme includes a range of artistic mentors and visiting professionals inputting into the communication strand, artistic mentoring and Practice as Research elements.

Graduate Employment

Due to the Covid-19 pandemic, most companies cancelled their auditions which in turn had a large effect on employment for the 2020 graduates. West-end theatre and touring production cancellations due to Covid-19 theatre closures meant that graduates who may have secured places in musical theatre productions are still waiting for auditions.

Some dancers were lucky enough to secure contracts pre-lockdown and those included employment as apprentices or *corps de ballet* members in companies such as Oleg Danovski in Constanta, Romania, Ballet de Barcelona, Ballet Biarritz Junior in France, Opera Ruse in Bulgaria, Kibbutz Contemporary dance company in Israel, Atlantic City Ballet USA and Noism Kanamori, Japan.

Many other graduates secured places in further training organisations such as the postgraduate course of Northern Ballet, English National Ballet Professional Graduate programme, G.A.P in Hungary and Mannheim Academy, Germany.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2020

International Development

Annual auditions in Japan took place in February 2020 and were well-received with the usual large number of applicants. Offers were made to students joining both Year 1 and some direct entry into Year 2.

National Student Survey 2020

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 2020, the NSS results aggregated across the CDD schools had an overall satisfaction score of 92% (91% 2019, compared to 83% for the sector. The highest satisfaction rates were for Teaching (93%), Learning Opportunities (91%), Academic Support (89%), and Learning Community (94%).

Ballet Central Tour 2020

In 2020 Ballet Central was programmed to perform at 18 venues across the UK but due to theatre closures as a result of Covid-19, the tour was cancelled.

Due to open at Stratford Circus Arts Centre, the students had worked with leading industry choreographers who had staged works on them. These included international choreographer Annabelle Lopez Ochoa's *Requiem for a Rose*, originally choreographed for the Pennsylvania Ballet, and a new creation by Scottish Ballet artist in residence and Central MA student Sophie Laplane, who had worked in collaboration with Central's resident composer Philip Feeney on a new score. Other works in the programme included Jenna Lee's Rock 'n Roll and a series of excerpts from *La Bayadère* to give the students a classical challenge.

Eight sold out performances of the Nutcracker were performed at the ADC Theatre in Cambridge in December 2019, marking Central's third year of presenting the show. The whole year group of students performed in every show in two or more roles.

The full school performances took place via Zoom but included specially commissioned work by MA choreographers Anjali Mehra and Natasha Chu. These films were created in collaboration with the students who were dancing from home, worldwide. The outcome was a showing to over 300 participants online.

External Projects and Collaborations

This year's student associate scheme took place with English National Ballet for the first time in the school's history. ENB chose two female students from Year 3 who rehearsed with the company and performed as Snowflakes in the *corps de ballet* alongside the professional company members. The students performed for 5 weeks at London's Coliseum.

Earlier in the year four Year 2 students performed also with English National Ballet in Kenneth MacMillan's *Manon* for one week at the London Coliseum.

Two Central School of Ballet students were invited to perform at Northern Ballet's 50th anniversary gala in January, performing the Fireside Pas de Deux from Christopher Gable's *Cinderella*, originally choreographed for Northern Ballet during his time as Artistic Director. Central was the only school invited to perform alongside dance companies The Royal Ballet, Birmingham Royal Ballet, English National Ballet, Scottish Ballet, The Joffrey Ballet and Phoenix Dance Theatre.

Alina Cojocarui chose 6 male dancers to perform alongside her at Sadlers Wells for one week, performing in Frederick Ashton's masterpiece *Marguerite & Armand*.

The annual performance for the Chelsea Pensioners took place at the HTB Church, with excerpts from the Nutcracker performed for over 400 guests.

A bespoke performance for Killik investment house took place at the company's music room in Mayfair. The whole year group performed in a preview of works from this year's tour.

Twelve dancers performed at Mall Galleries as part of a live drawing event which was attended by over one hundred artists. The dancers performed classwork in the gallery in costumes from Kenneth MacMillan's *House of Birds*, to match the theme of the current exhibition on wildlife.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2020

Dance Europe magazine included Central as one of the international ballet schools guide to lockdown life. Two students were interviewed alongside students from the Vaganova Academy and Dutch National Ballet School. The dancers spoke about life adjustments they have made to work productively from home.

Student Support

During the year Central provided students with £255,358 of financial support (£196,807 2019) in the form of cash bursaries and fee scholarships. This enables talented students to join Central and/or continue their studies. £119,356 of the support funding that Central distributed was generated through generous donations received from trusts, foundations and individuals by the Development department; £56,250 was distributed from higher rate fee income (HFI) as part of our Access and Participation Plan (APP) commitment within the CDD and Higher Education framework. Further spends under the APP to ensure access, progression, success and to prevent hardship met additional need. Central was able to deliver support to students in excess of the requirements of the Access and Participation Plan. The identified targets of the Access and Participation Plan (APP) are those groups underrepresented within Central's student populations: those from low income backgrounds, black and minority ethnic (BAME) families, those from low participation neighbourhoods and those with disabilities.

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

The number of young people auditioning for the Saturday Associate programme grew substantially in 2019/20 with an increasing number of boys applying. 17 boys enrolled onto the prep and pre-senior programme. Junior School figures remained consistent with the last academic year.

The academic year began with the annual Induction Day for Preps and Pre-Seniors with the focus of the day being about a positive mindset in dance and included talks by One Dance UK and Altum Health. Senior School students also took part in a panel discussion speaking about how to get the most out of associate programmes in readiness for life at a full-time vocational school.

At the start of the autumn term, ballet teachers for both junior school and preps and pre-seniors were recruited. Senior School Contemporary tutor, Emily Powell, took over the role of Contemporary Tutor for Preps and Pre-Seniors which has further strengthened the ties between Associate School and Senior School training. Once again, Widening Participation recruited a number of senior school first year students to work as teaching assistants with the younger years who attend Junior School. These roles are paid and develop students teaching skills, confidence, and public speaking skills.

Due to the pandemic, the summer term classes moved online through the Centrally Connected programme. As with the senior school, juniors and preps and pre-seniors were all offered a range of online classes led by their usual weekly teachers. Preps and pre-seniors were also offered the opportunity of an early morning HIIT (High Intensity Interval Training) class led by senior school staff as has been offered to all Central undergraduates. The online training programmes have all been very well received with almost two thirds of juniors and over 95% of the preps and pre-seniors enrolling onto the programmes.

The planned prep and pre-senior auditions scheduled for May were also transferred online and applicants were asked to submit a 10-minute video for their audition rather than take part in a class in school.

Dance Days and Courses

All Dance Days scheduled for 2019-2020 took place as planned in Glasgow, London and Leeds. This year jazz was offered as part of the programme in Glasgow which was very well received. One of Central's alumni led the class and also spoke about the training he received at Central. Numbers have remained consistently high throughout the year for the Dance Day programme led by the Senior School teaching faculty.

Half term courses ran until February 2020 but due to the pandemic, courses were cancelled during May half-term and during August. The 4-7 years ballet and arts and craft day continues to rise in popularity as does the Musical Theatre programme. The Audition Preparation Day for 14-16 years focuses on helping students understand what an audition panel look for in potential higher education candidates and how they can overcome their anxieties. The day includes the opportunity to work with both ballet and contemporary staff at Central and also included an opportunity to take part in a creative workshop as they usually would in the final audition.

The annual Boys Move, a day of dance classes for boys led by all-male tutors, took place in March and once again was hugely successful.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2020

The Spring Course was cancelled during to the ongoing situation regarding Covid-19 but the annual International Summer Course transferred to an online programme and was very well received. The success of the online programmes demonstrated the potential of offering a blended programme of learning which allows people from across the world to participate without incurring additional costs of travel and accommodation.

Widening Participation and Ballet Central Joint Projects

Wherever possible, opportunities for the Ballet Central team to assist and perform on Widening Participation programmes and courses continue to be sought out as the students are tremendously inspirational to our youngest dancers which also helps develops the confidence of the degree students.

New initiatives in 2019/2020

As part of the Boys Move day, and in a move to encourage more adults to exercise, this year we offered two free classes to male parents and carers. One was led by a member of the Ballet teaching faculty to help male adults understand how they could best support their child's training in ballet. The second class was an introduction to capoeira. The men that attended were incredibly positive and animated about the two classes and the school will continue to develop this aspect of the programme next year but include all parents/carers regardless of gender.

Central Nights and Central Sundays

The programme of classes on Central Nights and Central Sundays enjoyed good attendance until lockdown closed the school premises, 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 2020

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.

Patrons

Central's Patrons continue to support and advise on all areas within the organisation, and have also supported events for the 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

Covid 19 and lockdown had a significant impact on Central's activity for year ended 31 July 2020, reducing both income and costs well below budgeted levels. The financial year ended with a small surplus of £13,240 on the usual operating activities of the school (2018/19 £-7,065).

The cost of the project work during the year was £4,808,237 (expensed and drawn from specific restricted funds brought forward from prior years plus the year's fundraised income), of which £4,593,460 was capitalised and £214,777 expensed. There was an additional 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.

With a net increase of £5,754 within other restricted Bursary Support Funds plus confirmation of a generous legacy from Gillian Fleet, the overall position was a surplus of £1,249,751 (2018/19 £362,959). In addition to the £377,701 capital income generated during the year, further support to the project was given by Southwark Council and a private donor in the form of loans. Fundraising for the project continues.

After reviewing reserves requirements under the Reserves Policy and in a period of increased financial uncertainty, it was agreed to transfer £244,992 from the Designated Capital Fund (unrestricted) back to the General Fund (unrestricted), resulting in a General Fund balance and unrestricted reserve of £896,375.

Given the challenges of Covid 19 in the coming year, the move to new premises and the repayments on the loans and the ongoing dialogue with CDD around financial sustainability, the Board has continued to model a number of financial scenarios within the context of the School's longer-term sustainability strategy, and within CDD's long-term sustainability planning and OfS 5 year forecasts. 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 change, including reductions in government grant funding and changes to student fees and EU recruitment, developing new programmes and initiatives, and other business and community engagement opportunities.

With the impact of Covid 19 on generated income with 2019/20, all staff contracted and freelance staff agreed to a salary reduction for period April to July 2020, and 18 members of staff were furloughed, with claims made to the Coronavirus Job Retention Scheme (CJRS). Loan repayments were waived by the Arts Council England, and support was sought from the school's current landlords. An application has been made for the Coronavirus Business Interruption Loan Scheme (CBILS).

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2020

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 its students and other participants, 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), other funders and the 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 business plans, to meet the aims and objectives of Central's 5 year Strategic Plan and 15 year Long-Term Financial Forecast. Strategies are in place to develop existing and new income streams as both part of sustainability planning and in response to likely further reductions in HE grant income over the next few years and possible changes to student fees following the Augar Review of post-18 Education and Funding. As with all Higher Education institutions, Central will need to respond to the ongoing impact of Covid 19 and the impact of the UK leaving the EU. The new Wessex Studios at Paris Gardens are a vital part of Central's future planning, giving facilities and space to expand activity and secure the organisation's long-term financial sustainability.

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 £896,375 which should provide for approximately 4.5 months' usual operating expenditure cover. Key risks that the School has identified which may impact on future reserves levels include the ongoing impact of Covid 19, 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 Executive Director and the Senior Management Team salaries annually. In addition, non-contractual salary increases linked to inflation are considered annually by the Committee for all staff. Benchmarking forms part of the process, against other CDD schools and peer HEIs.

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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CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 JULY 2020

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 executive 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. During the period of the project, the Board of Governors has taken the decision to extend beyond a term of 9 years the critical members of the Board, to be reviewed after completion of the project.

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 2020/21. 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 progressing the Wessex Studios 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 2020

Key risks facing the School include the ongoing impact of Covid 19, further cuts in Higher Education funding, the high cost of student fees, EU students losing home fee status as the UK leaves the EU, the costs of the Conservatoire for Dance and Drama with a membership reduced from 8 schools to 6 schools and managing the organisation's workload with a small staff. To address the risk of reduced funds, the School has been focusing efforts on new premises, on growing existing programmes and exploring and piloting new ones, and developing new income streams. Any reduction in student numbers from the UK, the EU or from overseas remains a risk, and broadening student recruitment and ensuring retention of students has been part of the sustainability strategy. 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 the ability to accept a larger number of students and participants on the higher education programmes and other dance programmes, and will give staff better working conditions.

The additional challenge and key risk in 2020/21 is generating the remaining capital funding to complete the fit out of the Wessex Studios before the move in late 2020. The support of Southwark Council and the Arts Impact Fund brought both financial support and wider partnership benefits, with Southwark Council having named Central in its Cultural Strategy for the borough. Both associations have assisted with further fundraising, and Central is grateful to the individuals trusts who have also supported the capital campaign and enabled the move.

Another challenge is to attract and maintain trust and individual funding and support to deliver on the revenue income target which forms part of the core operating budget alongside the Capital Campaign. 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 2020

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 and Research England are used only for the purposes for which they have been given and any other conditions which the Funding Councils 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 began in August 2019, and Mazars were appointed in January 2020.

Signed for and on behalf of the Board of Governors on 21 October 2020



.....
Ralph Bernard
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 JULY 2020
OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED

Opinion

We have audited the financial statements of Central School of Ballet Charitable Trust Limited ('the School') for the year ended 31 July 2020 which comprise the Income and Expenditure account, Balance Sheet, Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 School's affairs as at 31 July 2020 and of the School's income and expenditure, gains and losses, changes in reserves and cash flows 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 Statement of Recommended Practice – Accounting for Further and Higher Education.

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 School 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.

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 Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the School'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 Board of Governors are responsible for the other information. The other information comprises the information included in the Report of the Board of Governors, other than the financial statements and our auditor's report thereon. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 JULY 2020
OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED**

Responsibilities of Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 12, the Board of Governors 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 they 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 Board of Governors are responsible for assessing the School'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 Board of Governors either intend to liquidate the School 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.

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated.

Use of the audit report

This report is made solely to the Board of Governors as a body in accordance with paragraph 4(2) of the School's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors 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 School and the Board of Governors as a body for our audit work, for this report, or for the opinions we have formed.

N J Wakefield
Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date 30 October 2020

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

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

| Income | Notes | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total 2020 £ | Total 2019 £ |
|---------------------------------------------------|--------------|-------------------------------------|-----------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Funding Council grants | 4 | | | | | |
| Teaching grant | | 289,891 | - | - | 289,891 | 320,593 |
| Other grants | | 91,112 | - | - | 91,112 | 186,258 |
| Government grants | | 64,994 | - | - | 64,994 | - |
| Tuition fees & education contracts | 5 | 1,635,399 | - | - | 1,635,399 | 1,634,816 |
| Other income | 6 | 120,801 | 621,954 | 1,134,879 | 1,877,634 | 1,172,878 |
| Investment income | 7 | 9,188 | 6,988 | - | 16,176 | 26,268 |
| Total income | | 2,211,385 | 628,942 | 1,134,879 | 3,975,206 | 3,340,813 |
| Expenditure | | | | | | |
| Staff costs | 8 | 1,488,570 | - | - | 1,488,570 | 1,585,273 |
| Operating expenses | 9 | 697,055 | 394,204 | - | 1,091,259 | 1,248,225 |
| Depreciation | 11 | 12,340 | 133,286 | - | 145,626 | 144,356 |
| Total Expenditure | | 2,197,965 | 527,490 | - | 2,725,455 | 2,977,854 |
| Surplus/(Deficit) on continuing operations | | 13,420 | 101,452 | 1,134,879 | 1,249,751 | 362,959 |
| Retained reserves brought forward | | 882,955 | 1,709,661 | - | 2,592,616 | 2,229,657 |
| Retained reserves carried forward | | £896,375 | £1,811,113 | £1,134,879 | £3,842,367 | £2,592,616 |

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 £2,436,658 and from restricted funds was £904,155. Total expenditure in the previous year from unrestricted funds was £2,627,009 and from restricted funds was £350,845.

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 2020

| | Notes | 2020 £ | 2019 £ |
|-------------------------------------------------------------|-------|-------------------|-------------------|
| Fixed Assets | | | |
| Tangible assets | 11 | 13,826,148 | 9,373,235 |
| Investments | 12 | 100 | 100 |
| | | <u>13,826,248</u> | <u>9,373,335</u> |
| Current Assets | | | |
| Stock | 13 | 4,486 | 3,977 |
| Debtors | 14 | 1,235,780 | 116,251 |
| Cash at bank and in hand | | 4,359,731 | 4,431,350 |
| | | <u>5,599,997</u> | <u>4,551,578</u> |
| Creditors: amounts falling due within one year | 15 | (1,276,955) | (1,291,755) |
| Net Current Assets | | <u>4,323,042</u> | <u>3,259,823</u> |
| Total Assets less Current Liabilities | | 18,149,290 | 12,633,158 |
| Creditors: amounts falling due greater than one year | 16 | (14,306,923) | (10,040,542) |
| Net Assets | | <u>£3,842,367</u> | <u>£2,592,616</u> |
| Represented by: | | | |
| Unrestricted funds | | | |
| General funds | 17 | 896,375 | 637,963 |
| Designated fund | 17 | - | 244,992 |
| | | <u>896,375</u> | <u>882,955</u> |
| Restricted funds | 17 | 1,811,113 | 1,709,661 |
| Endowment funds | 18 | 1,134,879 | - |
| TOTAL | | <u>£3,842,367</u> | <u>£2,592,616</u> |

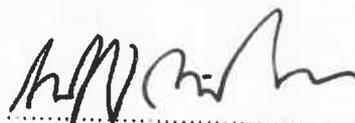
The financial statements were approved and authorised for issue by the Board of Governors on
were signed below on its behalf by:

2020 and

21 OCTOBER 20.



Ralph Bernard
Chairman of the Board of Trustees



Mark Osterfield
Principal

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

STATEMENT OF CASH FLOWS

AS AT 31 JULY 2020

| | Note | 2020 £ | 2019 £ |
|---------------------------------------------------------------------|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | 23 | <u>4,510,744</u> | <u>1,538,293</u> |
| Cash flows from investing activities | | | |
| Interest income | | 16,176 | 26,268 |
| Purchase of tangible fixed assets | | <u>(4,598,539)</u> | <u>(523,278)</u> |
| Cash (used in) investing activities | | <u>(4,582,363)</u> | <u>(497,010)</u> |
| (Decrease)/increase in cash and cash equivalents in the year | | (71,619) | 1,041,283 |
| Cash and cash equivalents at the beginning of the year | | <u>4,431,350</u> | <u>3,390,067</u> |
| TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | <u>£4,359,731</u> | <u>£4,431,350</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 2020

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) and Research England via the Conservatoire for Dance and Drama (CDD) 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 rent-free period over the lease term | Discounted value of lease payments over the lease term, capitalised and amortised with the discount factor of 3% (as determined by the Trustees) |

Build and professional costs for the Paris Gardens site have been capitalised as an asset in the course of construction but not depreciated to date. Depreciation will 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 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.

Endowment funds are those funds where the donor has specified that the capital is retained in perpetuity.

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 2020

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 cost 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

| | 2020 | 2019 |
|-----------------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Office For Students (via the Conservatoire for Dance and Drama) | | |
| Teaching grants | 289,891 | 320,593 |
| Other grants | 18,867 | 17,577 |
| Research England (via the Conservatoire for Dance and Drama) | | |
| Higher Education Innovation Fund | 72,245 | 168,681 |
| | <u>381,003</u> | <u>506,851</u> |

All amounts relate to unrestricted funds in 2019 and 2020.

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 2020

| 5. TUITION FEES AND EDUCATION CONTRACTS | 2020 | 2019 |
|----------------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Overseas student fees (net of scholarships awarded of £78,800) | 630,400 | 607,950 |
| UK and EU student fees | 786,307 | 731,769 |
| General Studio hire | 6,877 | 12,315 |
| Audition fees | 15,448 | 15,598 |
| Other Senior School fees | 24,129 | 23,759 |
| WP programmes and events (including Spring and Summer courses) | 43,848 | 87,573 |
| Pre-Senior fees | 60,932 | 68,714 |
| Junior fees | 57,713 | 77,393 |
| Access to learning funds and WP funding | 9,745 | 9,745 |
| | <u>1,635,399</u> | <u>1,634,816</u> |

All amounts relate to unrestricted funds in 2019 and 2020.

| 6. OTHER INCOME | 2020 | 2019 |
|-------------------------------------------|------------------|------------------|
| | £ | £ |
| <i>Restricted and endowment donations</i> | | |
| Building Development Fund | 370,713 | 722,916 |
| Ballet Central | 10,162 | 36,360 |
| Student support | 1,259,208 | 111,901 |
| Student and course delivery | 6,750 | 7,536 |
| Outreach | 110,000 | 15,000 |
| | <u>1,756,833</u> | <u>893,713</u> |
| <i>General</i> | | |
| Donations | 20,646 | 32,845 |
| Evening Studio Hire | 65,403 | 114,072 |
| Other | 7,751 | 27,461 |
| Uniform sales | 8,120 | 8,363 |
| Ballet Central box office | 18,881 | 96,424 |
| | <u>120,801</u> | <u>279,165</u> |
| | <u>1,877,634</u> | <u>1,172,878</u> |

Closure of Herbal Hill since mid-March due to Covid 19 has resulted in reduced income for Pre-Senior and Junior School income, Widening Participation courses and programmes, Ballet Central box office income and Studio Hire.

| 7. INVESTMENT INCOME | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| <i>Restricted</i> | | |
| Interest receivable | 6,988 | 10,442 |
| <i>General</i> | | |
| Interest receivable | 9,188 | 15,826 |
| | <u>16,176</u> | <u>26,268</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 2020

| 8. EMPLOYEE & FREELANCE STAFF INFORMATION | 2020 | 2019 |
|------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Salaries (including freelance staff) | 1,349,694 | 1,451,660 |
| Social security costs (employed staff) | 106,747 | 107,048 |
| Pension contributions (employed staff) | 32,129 | 26,565 |
| | <u>1,488,570</u> | <u>1,585,273</u> |

All amounts relate to unrestricted funds in 2019 and 2020.

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 | 45 | 49 |
| | <u>68</u> | <u>72</u> |

The decrease in staffing was due to fewer self-employed teaching staff and musicians as a result of Covid 19.

The Key Management Salaries comprise the Senior Management Team that number 8 in total (full-time equivalent), and their total salary, benefits and employer national insurance contributions were £421,478 (2019: £418,902). Total emoluments payable to the principals in the year amounted to £84,099 (2019: £87,400) plus pension contributions of £4,734 (2019: £3,539). No employee received annual emoluments greater than £100,000. There was 1 employee whose level of remuneration amounted to more than £60,000 (2019: 1).

The total amounts paid in settlements was £0 (2019: £0).

None of the Governors received any remuneration in respect of their roles as trustees. Under the charity's memorandum and articles, remuneration for work undertaken in a capacity other than trustee is permitted. During the year, Carole Gable was remunerated for her role as Ballet Central Rehearsal Coach £37,580 (2019: £38,257). Heidi Hall was remunerated in her role as Director until 6 March 2020 when she left the role, becoming a Governor on 10 March 2020 and receiving no further remuneration nor expenses. Expenses to Governors reimbursed during the year totalled £554 (2019: £0).

| 9. OTHER OPERATING EXPENSES | 2020 | 2019 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| University registration fees | 32,917 | 25,619 |
| Students and course delivery | 57,865 | 62,252 |
| Student support expenditure | 175,431 | 163,829 |
| Ballet Central expenditure | 66,015 | 220,783 |
| Outreach, learning and participation | 5,004 | 16,850 |
| Communications and marketing | 64,209 | 50,422 |
| Premises | 405,815 | 426,738 |
| Office equipment and insurance | 60,081 | 65,402 |
| Other office costs | 49,007 | 39,670 |
| Audit and accountancy | 13,982 | 15,540 |
| Other legal & professional | 118,067 | 120,960 |
| Bank and merchant charges | 42,866 | 40,160 |
| | <u>1,091,259</u> | <u>1,248,225</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 2020

9. OTHER OPERATING EXPENSES (continued)

Other operating expenses includes £394,204 in relation to restricted funds (2019: £350,845)

Additional resources were allocated to student support in the form of cash bursaries (£176,558 in 2020 compared with £166,127 in 2019) to help students in need with living costs to enable their studying at Central. Taken together with £78,800 fee discounts and scholarships deducted from tuition fee income in note 5 total student support amounted to £255,358 (2019: £197,327).

Included in Premises Costs are £83,699 of running costs during construction at Paris Gardens. Included in Other Legal and Professional costs are £91,009 for fundraising, PR and other consultancy associated with the project (£369,804 in 2019). Included in audit and accountancy costs are £14,364 in respect of audit fees (2019: £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 2019 | 9,823,729 | 49,799 | 35,769 | 9,909,297 |
| Additions | 4,593,460 | 5,079 | 0 | 4,598,539 |
| Disposals | - | (818) | 0 | (818) |
| At 31 July 2020 | <u>14,417,189</u> | <u>54,060</u> | <u>35,769</u> | <u>14,507,018</u> |
| <i>Depreciation</i> | | | | |
| At 1 August 2019 | 477,608 | 23,458 | 34,996 | 536,062 |
| Charge for the year | 133,286 | 11,787 | 553 | 145,626 |
| Disposals | | (818) | 0 | (818) |
| At 31 July 2020 | <u>610,894</u> | <u>34,427</u> | <u>35,549</u> | <u>680,870</u> |
| Net book value at 31 July 2020 | <u>13,806,295</u> | <u>19,633</u> | <u>220</u> | <u>£13,826,148</u> |
| Net book value at 31 July 2019 | <u>9,346,121</u> | <u>26,341</u> | <u>773</u> | <u>£9,373,235</u> |

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.

Building costs and professional fees for the new 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 then likely to be reclassified as Fixtures and Fittings.

12. FIXED ASSET INVESTMENTS

Investment in subsidiary company

Historical cost at 1 August 2019 and 31 July 2020

£

£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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2020

| 13. STOCK | 2020 | 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| School uniforms | 4,486 | £3,977 |
| <p>£6,433 of stock was recognised as an expense during the year in accordance with uniform sales over the same period. (2019: £6,677)</p> | | |
| 14. DEBTORS | 2020 | 2019 |
| | £ | £ |
| Trade debtors | 34,724 | 46,929 |
| Prepayments and accrued income | 1,201,056 | 69,322 |
| | <u>1,235,780</u> | <u>116,251</u> |
| 15. CREDITORS: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Trade creditors | 114,844 | 222,950 |
| Accruals | 445,796 | 291,250 |
| Taxes and social security costs | 30,392 | 32,621 |
| Loans payable – due in < 1 year | 110,007 | 141,761 |
| Other creditors | 19,498 | 219,884 |
| Deferred income | 556,418 | 383,289 |
| | <u>1,276,955</u> | <u>1,291,755</u> |
| <p>Included within trade creditors are £4,800 of professional fees, and within accruals £229,045 of build costs.</p> | | |
| 16. CREDITORS: amounts falling due greater than one year | 2020 | 2019 |
| | £ | £ |
| Provisions for liabilities and charges | 260,000 | 260,000 |
| New Building Operating Lease Creditor | 9,430,551 | 9,390,332 |
| Loans payable – due in > 1 year | 4,616,372 | 390,210 |
| | <u>14,306,923</u> | <u>10,040,542</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.

Three loan facilities are acting as bridging finance for the Paris Gardens project: £600,000 was loaned by the Arts Impact Fund (supported by Nesta, Arts Council England, Esmée Fairbairn Foundation, Bank of America Merrill Lynch and Calouste Gulbenkian Foundation) in 2018/19 and within 2019/20 Southwark Council have made available £3 million, and David and Jane Gosman have generously supported with a loan of £1.3 million.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2020

| 17. ANALYSIS OF FUNDS | At 1 August 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2020 £ |
|-----------------------------------|--------------------------|------------------|------------------|----------------|-------------------------|
| Restricted Funds | | | | | |
| Building Development Fund | 1,702,793 | 377,701 | 348,063 | 2,000 | 1,734,431 |
| Garfield Weston | - | 100,000 | 33,333 | - | 66,667 |
| Leverhulme Trust, Support | - | 48,000 | 48,000 | - | - |
| Valerie Heath Memorial Fund | 3,276 | - | - | - | 3,276 |
| Emily Hargreaves Scholarship Fund | 404 | - | - | - | 404 |
| Christopher Gable Estate | 2,581 | - | - | (2,000) | 581 |
| Central Friends | - | 5,761 | 5,761 | - | - |
| General Student Support Fund | 607 | 76,329 | 71,182 | - | 5,754 |
| Other Restricted Funds | - | 21,151 | 21,151 | - | - |
| | <u>1,709,661</u> | <u>628,942</u> | <u>527,490</u> | <u>-</u> | <u>1,811,113</u> |
| Endowment Funds | | | | | |
| Gillian Fleet Legacy | - | 1,134,879 | - | - | 1,134,879 |
| Unrestricted Funds | | | | | |
| General School fund | 637,963 | 2,211,385 | 2,197,965 | 244,992 | 896,375 |
| Designated Capital fund | 244,992 | - | - | (244,992) | - |
| | <u>882,955</u> | <u>2,211,385</u> | <u>2,197,965</u> | <u>-</u> | <u>896,375</u> |
| TOTAL FUNDS | <u>2,592,616</u> | <u>3,975,206</u> | <u>2,725,455</u> | <u>-</u> | <u>3,842,367</u> |

The Building Development Fund comprises donations and grants made to the School from Trusts, Foundations and individuals to support the Paris Gardens project and the school's long-term sustainability strategy. The Garfield Weston Foundation have supported Central with a 3 year grant towards a community programme in Southwark. The Leverhulme Trust provided funding to 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 2019/2020. 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, with a transfer this year towards the school's first performance space at Paris Gardens. 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 school has also been notified of a very kind bequest from the late Gillian Fleet.

The Board has decided to transfer £244,992 from the Designated Capital Fund to the General Fund in order to meet the requirements of the Reserves policy. Both funds are unrestricted. 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, the transfer is deemed appropriate.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total £ |
|---------------|----------------------------|--------------------------|------------------|
| Fixed assets | 13,826,148 | - | 13,826,148 |
| Stock | 4,486 | - | 4,486 |
| Debtors | 100,901 | 1,134,879 | 1,235,780 |
| Cash and bank | 2,548,618 | 1,811,113 | 4,359,731 |
| Liabilities | (15,583,778) | - | (15,583,778) |
| | <u>896,375</u> | <u>2,945,992</u> | <u>3,842,367</u> |

19. CAPITAL COMMITMENTS

At 31 July 2020 the School had £1.92m of outstanding commitments in relation to capital expenditure (2019: £5.04m), for a design and build contract with Kier Services Ltd for the fit-out of the new Wessex Studios premises at Paris Gardens.

20. OPERATING LEASE COMMITMENTS

At 31 July 2020, the School had total commitments in respect of operating leases which expire in the period shown as follows:

| | Land and buildings 2020 £ | Land and buildings 2019 £ | Other 2020 £ | Other 2019 £ |
|-------------------|------------------------------------|------------------------------------|--------------------|--------------------|
| Within one year | 28,749 | 195,000 | 8,071 | 10,224 |
| Two to five years | - | 28,749 | 4,487 | 12,558 |
| | <u>28,749</u> | <u>223,749</u> | <u>12,558</u> | <u>22,782</u> |

During the year £213,909 (2019 £211,286) was expended relating to rental costs in respect of assets held under operating leases.

22. 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 £32,129 (2019 £23,727). There were no amounts outstanding at the balance sheet date. In addition, the company was liable to pay contractual pension contributions for the Director who left in March 2020 which amounted to £1,663 (2019 £3,539).

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

| | 2020 £ | 2019 £ |
|------------------------------------------------------|-------------------|-------------------|
| Net income for the year | 1,249,751 | 362,959 |
| Add back depreciation charge | 145,626 | 144,356 |
| Deduct interest income shown in investing activities | (16,176) | (26,268) |
| (Increase)/decrease in stock | (509) | 3,263 |
| (Increase)/decrease in debtors | (1,119,529) | 62,139 |
| Increase in capitalised building lease creditors | 40,219 | 30,164 |
| Increase in other creditors | 4,211,362 | 961,680 |
| Generated cash used in operating activities | <u>£4,510,744</u> | <u>£1,538,293</u> |

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2020

24. FINANCIAL INSTRUMENTS

| | 2020 £ | 2019 £ |
|----------------------------------------------------------------|-------------------|-------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 4,474,574 | 4,464,320 |
| | <u>£4,474,574</u> | <u>£4,464,320</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 114,844 | 222,950 |
| | <u>£114,844</u> | <u>£222,950</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.

25. MOVEMENT IN FUNDS- 2019

| Income | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ |
|---------------------------------------------------|-------|----------------------------|--------------------------|--------------------|
| Funding Council grants | 4 | | | |
| Teaching grant | | 320,593 | - | 320,593 |
| Other grants | | 186,258 | - | 186,258 |
| Tuition fees and education contracts | 5 | 1,634,816 | - | 1,634,816 |
| Other income | 6 | 279,165 | 893,713 | 1,172,878 |
| Investment income | 7 | 15,826 | 10,442 | 26,268 |
| Total income | | <u>2,436,658</u> | <u>904,155</u> | <u>3,340,813</u> |
| Expenditure | | | | |
| Staff costs | 8 | 1,585,273 | - | 1,585,273 |
| Operating expenses | 9 | 897,380 | 350,845 | 1,248,225 |
| Depreciation | 11 | 144,356 | - | 144,356 |
| Total Expenditure | | <u>2,627,009</u> | <u>350,845</u> | <u>2,977,854</u> |
| Surplus/(Deficit) on continuing operations | | (190,351) | 553,310 | 362,959 |
| Retained reserves brought forward | | 1,073,306 | 1,156,351 | 2,229,657 |
| Retained reserves carried forward | | <u>882,955</u> | <u>1,709,661</u> | <u>2,592,616</u> |

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2020

| 26. ANALYSIS OF FUNDS 2019 | At 1 August 2018 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2019 £ |
|--------------------------------------|-----------------------------------|---------------------|--------------------------|------------------------|----------------------------------|
| Restricted Funds | | | | | |
| Building Development Fund | 1,148,990 | 733,358 | 179,555 | - | 1,702,793 |
| 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 | 112,394 | - | 607 |
| 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> |