

**Company Registration No. 1657717**  
**Charity Registration No. 285398**

**The Central School of Ballet Charitable Trust Ltd**  
**(A Charitable Company Limited by Guarantee)**

**Report and Financial Statements**

**Year ended 31 July 2021**

Mazars  
Chartered Accountants  
2<sup>nd</sup> 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**  
(A company limited by guarantee)

**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Registered Name:</b>	The Central School of Ballet Charitable Trust Limited	
<b>Registered Charity Number:</b>	285398	
<b>Registered Company Number:</b>	1657717	
<b>Patron</b>	HRH The Countess of Wessex GCVO	
<b>President</b>	Lady Sieff	
<b>Governors (trustees):</b>	Ralph Bernard CBE	(Chairman) Remuneration and Nominations Committee (Chair)
	Pim Baxter OBE	
	Dr Virginia Brooke	
	Simon Cole	
	Carole Gable	(resigned 19.07.2021)
	David Gray CBE	Finance Committee
	Heidi Hall	
	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)
<b>Secretary:</b>	Carolyn Braby	
<b>Principal:</b>	Mark Osterfield	
<b>Senior Management Team</b>	Mark Osterfield	(Executive Director)
	Christopher Marney	(Artistic Director. Resigned 25.07.21)
	Dr Jamieson Dryburgh	(Director of Higher Education from 01.01.2021)
	Louise Ainley	(Director of Higher Education Programmes, resigned 31.12.2020)
	Carolyn Braby	(Director of Finance & Operations)
	Iryna Pyzniuk	(Head of Studies)
	Elia Luyando Lopez	(Head of Senior School. Resigned 31.05.21)
	Debra Cougill	(Head of Widening Participation & Access)
	Anna Brodrick	(Head of Medical Department)
<b>Registered Office and principal address</b>	The Countess of Wessex Studios 21/22 Hatfields Paris Garden London SE1 8DJ	

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

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**Bankers:**

HSBC  
31 Euston Road  
London  
NW1 2ST

**Auditors:**

Mazars  
Chartered Accountants  
2<sup>nd</sup> 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 2021**

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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 2021.

**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 has been committed to sharing good practice with the six schools within the Conservatoire for Dance and Drama (CDD) 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, has continued 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**

The academic year 20/21 proved notable on two main counts: the success of our students in completing their studies in the face of the Covid 19 pandemic, and the successful delivery of The Countess of Wessex Studios capital project, which provided a new home for the school in the summer of 2021.

Working to a flexible plan of onsite/online learning HE students returned to Herbal Hill in September 2020 working to a revised timetable which mitigated against the risks of Covid infection through staggered timings, social distancing, mask wearing, and enhanced hygiene measures. In the course of the year, the timetable flexed to allow for a complete online programme in January/February during lockdown, and a phased return to more intensive onsite practice after the move to The Countess of Wessex Studios. Demonstrating an entrepreneurial flair, Ballet Central produced a film of The Nutcracker which was screened to a socially distanced audience at the ADC Theatre in Cambridge, as well as made available on a pay per view basis, on the school's new website which was launched in December 2021. The following summer the Ballet Central tour went ahead at 11 venues, through the creation of 2 casts in Covid 'bubbles', allowing our third-year students the performance training and experience they needed to complete their studies, and giving audiences the pleasure of a return to live dance. Whilst adult classes were suspended for the year, Junior and Associate classes and short courses continued online, with the Associates returning to onsite sessions at the end of the second term.

During the year the capital works on The Countess of Wessex Studios progressed with the school moving activity to the new premises on Saturday 5 June, and vacating the Herbal Hill site on Wednesday 23 June 2021. The move coupled with the staged relaxation of government Covid restrictions, allowed Central's HE students to return to a fuller onsite teaching programme, with the Year 3 students rehearsing for the Ballet Central tour and the Year 1 and 2 students participating in end of year performances in the new Gable Studio Theatre. The year ended with Summer Schools delivered onsite as well as online, and the beginning of a hire programme of studio space, providing state of the art facilities to the industry and income for the school.

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**REPORT OF THE BOARD OF GOVERNORS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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In October 2020 the Board of Governors made the decision to withdraw Central School of Ballet from membership of the Conservatoire of Dance and Drama (CDD) by 2023, and to seek self-registration as an independent higher education provider with the Office for Students (OfS). On 31 March 21 an application was submitted seeking self-registration by summer 2022, currently being processed. In parallel, and due to the fact that the other member schools have decided to seek alternative governance paths, plans have now been agreed and confirmed through a new Members Agreement and Revised Articles of Association, for the dissolution of CDD after the departure of the members in 2022, or a year later, if any member needs more time to confirm self-registration or alternative sub-contract arrangements. Central School of Ballet is actively working with CDD and the other Member Schools on progressing these arrangements and facilitating the smooth transition of all CDD enrolled students to their alternative school registration.

There have been two key Executive Team appointments this year, with Dr Jamieson Dryburgh becoming Director of Higher Education in January 2021, after the resignation of Louise Ainley at the end of 2020, and Kate Coyne due to take up the role of Artistic Director and Professional Training Lead from October 2021, after the resignation of Artistic Director Christopher Marney at the end of July 2021.

Anna Brodrick, Head of Medical, and Christopher Marney were both nominated for the One Dance awards in August 2021.

Both the Board of Governors and the staff team have shown exceptional commitment and demonstrated the breadth and value of their skills, in helping Central manage this year of transition. Our students have also shown remarkable patience and resilience, as have our supporters who have maintained faith in our ability to flexibly deliver on our commitments, in spite of the challenges.

**Board of Governors**

Central School of Ballet's Board of Governors, led by Chair Ralph Bernard CBE, have provided invaluable advice and support in this exceptional year, as well as maintained a strong line of continuity in a time of Executive, organisational, and premises change, in the context of the social and economic impacts of Covid 19. At the end of the accounting period the Board membership totalled 16 (2019/20: 17) 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 most of the Student Voice Forums each academic term. The Board expressed its gratitude to Carole Gable who retired from the Board in July 2021.

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. Whilst the Board of Governors took the decision to extend beyond a term of 9 years the critical members of the Board for the duration of the capital project, the Executive Director and the Remunerations and Nominations Committee are due to begin a retirement and recruitment plan of Board Members, acknowledging the success and contributions of longer serving members of the Board as they step down, and bringing in new Trustees with appropriate knowledge and skills to support Central in its next steps.

**New Premises**

The lease of The Countess of 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 were fundraised and the building fitted out.

**Higher Education courses:**

**Intake Academic Year 2020/2021**

From online auditions only in early 2021 (auditions are usually held in London, Leeds, Glasgow and Japan), a total of 39 students were offered places for the start of the academic year (52 2019/2020). This total breaks down to 36 students (44 2019/20) entering 1st Year (27 Ladies and 8 Men) (33 and 11 2019/20) and 3 students entering 2nd Year (8 2019/20). With the continuing students, this resulted in a total of 123 students (117 students 2019/20), of which 82 were UK/EU (82 2019/20) and 41 overseas (35 2019/20).

The CSB Board of Examiners was held online in July 2021 with representatives from CSB, the University of Kent and external examiners attending. The results of the undergraduate and post-graduate courses were very good with students achieving the following:

**Foundation Degree Professional Dance and Performance (Level 5)**

Total FD awards: 43

- 36 students with pass (pass/fail only)
- 5 students with deferrals to complete
- 1 student intermitting
- 1 student withdrew

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**REPORT OF THE BOARD OF GOVERNORS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**BA (Hons) Top-up Professional Dance and Performance (Level 6)**

Total BA (Hons) degree awards: 37

- 10 students with 1st Class Honours
- 24 students with a 2:1
- 2 students with a 2:2
- No students with 3<sup>rd</sup> Class
- 1 student with a deferral to complete

**MA Choreography Course (Level 7)**

Total MA awards: 4 (all with distinction)

**No Detriment Policy**

In order to mitigate the negative impacts of Covid 19 on learning outcomes, The University of Kent extended their 'No Detriment Policy' this academic year. While more restricted than the previous year, this policy facilitated leniency with assessment deadlines and additional deferred assessment attempts. Consequently, it was beneficial to those students who were disproportionately affected by Covid 19.

**MA Choreography**

Susan Kempster was appointed in the newly dedicated role of MA Choreography Course lead and began work in January 2021.

The MA choreography students were able to continue their learning and develop their choreographic skills throughout the year albeit some in-person projects were not able to proceed. The students made good progress and those who had deferrals were able to complete their course successfully. All four students graduated with distinctions. Currently, as expected, two students are continuing their studies on this course.

The application process for the next cohort of MA students (Jan 2022) has begun. Exceptionally this year, a third MA student will join with an independent bursary to fund his studies.

Natasha Chu and Anjali Mehra were both chosen to choreograph for New Adventures dance company's *Adventures in Film*, creating short works for film.

**External Examiners**

At time of writing we have not yet received the External Examiners' reports. However, their feedback at the Board of Examiners meeting was extremely positive. They both commented on the high standard of student work and the school's achievement in realising very good student outcomes despite exceptionally challenging circumstances. Both External Examiners have now completed their tenure. Based on our recommendations, two new External Examiners, Carla Trim-Vamben (Contextual focus) and Kit Holder (Practical focus), have been appointed by the University of Kent. Debbie Lee-Anthony, a current external examiner, will continue to oversee the MA Course for a further year and mentor the new External Examiners.

**Graduate Employment**

Students who received offers of paid contracts include the following Companies: Arts Ballet Theatre of Florida, Crystal Ballet, Ballet Diabolo USA, Ballet Jorgen in Canada, and Lincolnshire Youth Ballet.

Many students found placements in further training and these included Ballet Biarritz Junior in France, Black Box in Pau Pyrennees, Images Ballet Company at London Studio Centre & Northern Ballet post-grad.

Ten Y3 students were chosen for 'Swan School', an initiative set up by Matthew Bourne's New Adventures to identify talent and develop the dancers into company employees. This takes place in the summer.

Central maintains close links with its alumni and is grateful for alumni participation in outreach talks, workshops and teaching. Rishan Benjamin, now with Scottish Ballet alongside other Central graduates, appeared on the cover of Dance Europe. Central MA Choreography graduate Dane Hurst was appointed Artistic Director of Phoenix Dance Theatre.

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**REPORT OF THE BOARD OF GOVERNORS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**International Development**

Annual auditions took place virtually, with applicants assembled in dance studios in Japan and Central staff within studios at Central, and offers were made to students to join both Year 1 and direct entry to Year 2.

**National Student Survey 2021**

The National Student Survey (NSS) gathers students' opinions on the quality of their courses. At CSB, it is completed by our second year Foundation Degree students. The NSS data help to inform prospective students' choices, support institutions in improving the student experience, and facilitate public accountability. In 2021, the NSS results aggregated across the CDD schools had an overall satisfaction score of 77%. This is significantly lower than last year (92%) and reflects the trend in NSS scores across the sector in the midst of Covid 19. The discrete satisfaction rates were; Teaching (86%), Learning Opportunities (82%), Assessment and Feedback (70%), Academic Support (85%), Organisation and Management (66%), Learning Resources (73%), Learning Community (83%) and Student Voice (70%). These scores are above the national average.

**Ballet Central Tour 2021**

Ballet Central delayed the opening of the 2021 tour for reduced government restrictions to allow theatre re-openings. A shorter tour of 11-venues took place complying with Covid guidelines. The students were split into two touring bubbles and alternated the performances. The ballets staged were *Le Corsaire Act 1* by Christopher Marney, a new creation by Central MA student Charlotte Edmonds entitled '*jigsaw*' with music commissioned from Central's Musical Director and Composer in Residence Philip Feeney, and a revival of Act 2 from Matthew Bourne's *Highland Fling Act 2*.

A new film of '*Nutcracker – The 12 Days of Christmas*' was choreographed by Christopher Marney due to the company not being able to perform the usual live production at the ADC Theatre in Cambridge where performances had sold out in the prior 3 years. The film was however shown to a live audience at ADC before Christmas and streamed to a ticket-buying, global audience.

**External Projects and Collaborations**

DanceEurope magazine created a short film with Y3 students on the making of the Ballet Central tour. This appeared in the virtual magazine as well as a double page feature in the printed edition. It advertised the tour and the ongoing work of the company.

The full school took part in a second series of online masterclasses with industry professionals which included Kevin O'Hare, Director of the Royal Ballet, and Tiler Peck, ballerina with the New York City Ballet.

Philip Feeney's composition for Northern Ballet's production of Cathy Marston's *Victoria* won the South Bank Sky Arts dance award.

**Student Support**

During the year Central provided students with £227,798 of financial support (£255,358 2019/20) in the form of cash bursaries and fee scholarships. This enables talented students to join Central and/or continue their studies. £108,447 of the support funding that Central distributed was generated through generous donations received from trusts, foundations and individuals by the Development department; £35,426 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, and £11,804 was made available by the Office for Students (OfS) via CDD to support hardship due to Covid. 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 APP. The identified targets of the APP are those groups underrepresented within Central's student populations: those from low income backgrounds, those from black, brown and minority ethnic families, those from low participation neighbourhoods and those with disabilities.

**Junior and Associate School**

Associate School numbers remained constant throughout 2020-2021 even though the programme was delivered online for much of the academic year, with students joining onsite classes after the move to Wessex Studios in June 21. Unfortunately, this was not the case for Junior School where numbers online dropped to half of expected attendees onsite pre-Covid. A full programme of regular activity was delivered online for the Associate Programme throughout 2020-2021 including the annual Induction Day which included a workshop for parents and students about mindfulness. The Higher Education talk for parents and students went ahead as scheduled including contributions from current undergraduates who were also Associate School students prior to the degree programme. This year the Creative Choreography Day was delivered by Alexander Whitley and his company, who specialise in digital choreography.

The Associate School auditions was the first event to be held in the Wessex Studios with over ninety students auditioning for entry in September 2021. A slight decrease from previous years but in an exceptional year, the numbers were a very positive step forward on the road to 'normality'.

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**REPORT OF THE BOARD OF GOVERNORS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**Dance Days and Courses**

Due to travel restrictions imposed by Covid, no Dance Days were delivered in 2020-2021 however a full programme of courses was delivered throughout the year during half terms and during the Easter and Summer breaks. Additional classes in musicality led by one of Central's pianists was delivered as part of the Audition Preparation days for 14-16 year olds and this was very well received and found to be enormously beneficial towards the students' ballet training. Fears that young people were suffering from 'zoom fatigue' proved to not be the case in February half-term when we received a record number of young people participating on the online courses.

Delivering online did also allow the department to model new ways of monitoring and evaluating the success of programmes and the personal interaction, in many ways, became even richer. A new programme was trialled, '*Dance Around the World*', which gave young people of all abilities to try many dance genres from different cultures which they may not have experienced before.

The annual Boys Move, a day of dance classes for boys led by all-male tutors, took place, again online, during the summer term. Many of the attendees were new to Central School of Ballet.

The Spring Course was delivered online whilst the Summer Course, due to the change in lockdown restrictions, was able to be delivered both online and for those able to travel, there were in-person courses held at the new premises in Wessex Studios. All programmes were very well received and both formats included an end of courses performance for parents and friends.

**Widening Participation and Ballet Central Joint Projects**

As part of Central's outreach activities, two online ballet workshops were delivered to support Ballet Central's performance of The Nutcracker during December. The workshops were aimed at 4-7 years and accompanying the hour-long creative class was a resource pack of activities. Participants were also offered discounted tickets to watch the online Ballet Central performance. The Widening Participation department continued to deliver their seminar on 'workshop skills' as part of the training for the third-year degree students to give them an understanding of the safeguarding and inclusive teaching practices necessary when working with children.

**New initiatives in 2020/2021**

To continue to attract further online participation, the school designed a 'build your own' ballet course for 8-10 years and 11-13 years which allows participants to pick and choose their own preferred dance genres. This was very successful and was very well attended.

**Central Nights and Central Sundays**

Central Nights and Central Sundays ran on only 3 Sundays throughout the year due to restrictions and the need to use studio space for longer hours across more days of the week than previously. It is being relaunched at Wessex Studios in September 2021, and will provide hundreds of regular participants and new attendees with the opportunity to be taught ballet (at a beginner, intermediate or advanced level), Contemporary African Dance and Contemporary.

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**REPORT OF THE BOARD OF GOVERNORS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**President's Circle**

Central's President Circle led by Lady Sieff helped the school to successfully complete the Countess of Wessex Studios for occupation in summer 2021. In addition members of the Circle continue to support the school's regular activities and operations.

**Patrons**

Central's Patrons continue to support and offer expert advice on Central's work.

**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 continued to have a significant impact on Central's activity for year ended 31 July 2021, reducing both non-HE income and increasing the costs of teaching HE beyond budgeted levels. The financial year ended with a small surplus of £19,658 on the usual operating activities of the school (2019/20 £13,240).

The cost of the project work during the year was £2,972,905 (expensed and drawn from specific restricted funds brought forward from prior years plus the year's fundraised income), of which £2,625,373 was capitalised and £300,255 depreciation and amortisation 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 the generous conversion of their loan to a gift by David and Jane Gosman towards the Wessex Studios, the overall position was a surplus of £834,138 (2019/20 £1,249,751).

Given the likely challenges of Covid 19 in the coming year, adapting to the new premises and the repayments on the loans and OfS scrutiny of long-term 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 the 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 within both 2019/20 and 2020/21, 13 members of staff remained furloughed to September 2020, of which 4 continued to November 2020 and 2 to July 2021, with claims made to the Coronavirus Job Retention Scheme (CJRS). Loan repayments were waived until March 2021 by the Arts Impact Fund as a result of Covid, and support was sought from the school's landlords at Herbal Hill.

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**REPORT OF THE BOARD OF GOVERNORS (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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**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 Voice Forum, 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 strategic plan and 10 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 Countess of 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 Fleet legacy, to be invested for 30 years, will be the first invested fund. 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 £710,000 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 £916,034 which should provide for approximately 4 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 or fundraising 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. Central is seeking self-registration as an independent higher education provider with the Office for Students from 1 August 2022. Due to the fact that all the member schools have decided to seek alternative governance paths, plans have now been agreed and confirmed through a new Members Agreement and Revised Articles of Association, for the dissolution of CDD after the departure of the members in 2022, or a year later, if any member needs more time to confirm self-registration or alternative sub-contract arrangements. Central School of Ballet is actively working with CDD and the other Member Schools on progressing these arrangements and facilitating the smooth transition of all CDD enrolled students to their alternative school registration.

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**CORPORATE GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2021**

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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.

Central School of Ballet complies with the requirements of the Fundraising Regulator, including taking steps to safeguard vulnerable individuals. No complaints have been received during the year.

**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.

With the capital project concluding, the Executive Director and the Remunerations and Nominations Committee are due to begin a retirement and recruitment plan of Board Members, acknowledging the success and contributions of longer serving members of the Board as they step down, and bringing in new Trustees with appropriate knowledge and skills to support Central in its next steps.

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.

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

**CORPORATE GOVERNANCE STATEMENT (continued)**

**FOR THE YEAR ENDED 31 JULY 2021**

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Key risks facing the School include the ongoing impact of Covid 19, cuts in Higher Education funding including performing arts courses and London weighting, any future reduction in UK student fees, EU students losing home fee status as the UK has left the EU, UKVI and OfS compliance with a small staff team, and managing the organisation's adaptation to new premises and activities. To address the risk of reduced funds, the School has been focusing efforts on the new premises, on growing existing programmes and exploring and piloting new ones, and developing new non-Higher Education income streams. Any reduction in student numbers from the UK or from overseas and a continued reduction in EU students remains a risk, and broadening student recruitment and ensuring retention of students has been part of the sustainability strategy. The move to new, larger and purpose-built premises supports 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 gives staff better working conditions.

The additional challenge and key risk in 2020/21 is generating the remaining capital funding to repay the loans made for the fit out of the Wessex Studios. 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 and 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 now that the capital campaign reaches completion. 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 2021**

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**

A resolution proposing the re-appointment of Mazars as auditors was made at the Annual General Meeting.

Signed for and on behalf of the Board of Governors on *20 October 2021*



.....  
**Ralph Bernard**  
Chairman

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 JULY 2021**

### **OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED**

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#### **Opinion**

We have audited the financial statements of The Central School of Ballet Charitable Trust ('the School') for the year ended 31 July 2021 which comprise the Income and Expenditure Account, the 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 2021 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**

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the School's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Governors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Board of Governors is responsible for the other information. The other information comprises the information included in the Annual Report, 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 2021**

### **OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED**

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#### **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 all or part of 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the School and its operations, we identified that the principal risks of non-compliance with laws and regulations related to the OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the OfS Accounts Direction.

We evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Board of Governors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the School which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 JULY 2021**

**OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED**

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**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, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education 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 accounts, is materially misstated.

**Use of the audit report**

This report is made solely to the Governing Body as a body in accordance with paragraph 4(2) of the School's articles and its Schedule of Bye-Laws and the Governing Body's Statement of Primary Responsibilities. Our audit work has been undertaken so that we might state to the Governing Body 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 Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

Mazars LLP

Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 30 October 2021

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

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 JULY 2021**

Income	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Funding Council grants	4					
Teaching grant		388,500	11,804	-	400,304	289,891
Other grants		104,095	-	-	104,095	91,112
Government grants		33,837	-	-	33,837	64,994
Tuition fees & education contracts	5	1,690,086	-	-	1,690,086	1,635,399
Other income	6	71,172	1,628,288	(56,033)	1,643,427	1,877,634
Investment income	7	1,709	177	-	1,886	16,176
<b>Total income</b>		<u>2,289,399</u>	<u>1,640,269</u>	<u>(56,033)</u>	<u>3,873,635</u>	<u>3,975,206</u>
<b>Expenditure</b>						
Staff costs	8	1,663,998	23,900	-	1,687,898	1,488,570
Operating expenses	9	742,039	474,747	-	1,216,786	1,091,259
Depreciation	11	29,448	271,109	-	300,557	145,626
<b>Total Expenditure</b>		<u>2,435,485</u>	<u>769,756</u>	<u>-</u>	<u>3,205,241</u>	<u>2,725,455</u>
<b>Surplus/(Deficit) on continuing operations before taxation</b>		(146,086)	870,513	(56,033)	668,394	1,249,751
Taxation		165,744	-	-	165,744	-
Transfer between funds		-	539,423	(539,423)	-	-
<b>Surplus on continuing operations after taxation</b>		<u>19,658</u>	<u>1,409,936</u>	<u>(595,456)</u>	<u>834,138</u>	<u>1,249,751</u>
Retained reserves brought forward		896,375	1,811,113	1,134,879	3,842,367	2,592,616
Retained reserves carried forward		<u>£916,033</u>	<u>£3,221,049</u>	<u>£539,423</u>	<u>£4,676,505</u>	<u>£3,842,367</u>

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 £2,211,385 from restricted funds was £628,942 and from endowment funds was £1,134,879. Total expenditure in the previous year from unrestricted funds was £2,197,965, from restricted funds was £527,490 and from endowment funds was 0.

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

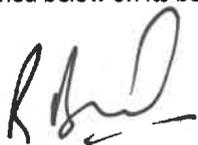
The notes on pages 19 to 28 form part of these financial statements.

**BALANCE SHEET**

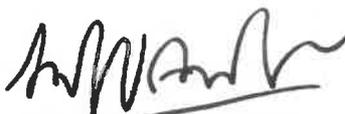
**AS AT 31 JULY 2021**

	Notes	2021 £	2020 £
<b>Fixed Assets</b>			
Tangible assets	11	16,276,042	13,826,148
Investments	12	100	100
		<u>16,276,142</u>	<u>13,826,248</u>
<b>Current Assets</b>			
Stock	13	3,281	4,486
Debtors	14	127,663	1,235,780
Cash at bank and in hand		2,444,909	4,359,731
		<u>2,575,853</u>	<u>5,599,997</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,482,884)</u>	<u>(1,276,955)</u>
<b>Net Current Assets</b>		<u>1,092,969</u>	<u>4,323,042</u>
<b>Total Assets less Current Liabilities</b>		17,369,111	18,149,290
<b>Creditors: amounts falling due greater Than one year</b>	16	<u>(12,692,606)</u>	<u>(14,306,923)</u>
<b>Net Assets</b>		<u>£4,676,505</u>	<u>£3,842,367</u>
Represented by:			
Unrestricted funds			
General funds	17	916,034	896,375
Designated fund	17	-	-
		<u>916,034</u>	<u>896,375</u>
Restricted funds	17	3,221,049	1,811,113
Endowment funds	18	539,422	1,134,879
		<u>3,760,471</u>	<u>2,946,000</u>
<b>TOTAL</b>		<u>£4,676,505</u>	<u>£3,842,367</u>

The financial statements were approved and authorised for issue by the Board of Governors on *20 October* 2021 and were signed below on its behalf by:



.....  
**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 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>	23	<u>833,741</u>	<u>4,510,744</u>
<b>Cash flows from investing activities</b>			
Interest income		1,886	16,176
Purchase of tangible fixed assets		<u>(2,750,449)</u>	<u>(4,598,539)</u>
<b>Cash (used in) investing activities</b>		<u>(2,748,563)</u>	<u>(4,582,363)</u>
<b>(Decrease) in cash and cash equivalents in the year</b>		(1,914,822)	(71,619)
Cash and cash equivalents at the beginning of the year		<u>4,359,731</u>	<u>4,431,350</u>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>£2,444,909</u>	<u>£4,359,731</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 2021**

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**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: The Countess of Wessex Studios, 21/22 Hatfields, Paris Garden, London SE1 8DJ.

**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 with the discount factor of 3% (as determined by the Trustees)	Discounted value of lease payments over the lease term, capitalised and amortised
Premises fit-out - structure	Straight line over the lease term
Premises fit-out - other	Straight line over periods of 10 - 30 years for different components

**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 2021**

**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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Office For Students (via the Conservatoire for Dance and Drama)		
Teaching grants	400,304	289,891
Other grants	21,013	18,867
Research England (via the Conservatoire for Dance and Drama)		
Higher Education Innovation Fund	83,082	72,245
	<u>504,399</u>	<u>381,003</u>

All amounts relate to unrestricted funds in 2020 and 2021.

**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 2021**

<b>5. TUITION FEES AND EDUCATION CONTRACTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Overseas student fees (net of scholarships awarded of £69,760)	757,210	630,400
UK and EU student fees	769,596	786,307
General Studio hire	1,860	6,877
Audition fees	6,895	15,448
Other Senior School fees	24,548	24,129
WP programmes and events (including Spring and Summer courses)	42,418	43,848
Pre-Senior fees	51,765	60,932
Junior fees	26,319	57,713
Access to learning funds and WP funding	9,475	9,745
	<u>1,690,086</u>	<u>1,635,399</u>

All amounts relate to unrestricted funds in 2020 and 2021.

<b>6. OTHER INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<i>Restricted and endowment donations</i>		
Building Development Fund	1,485,867	370,713
Ballet Central	13,800	10,162
Student support	104,190	124,329
Student support – accruals	(56,033)	1,134,879
Student and course delivery	24,431	6,750
Outreach	-	110,000
	<u>1,572,255</u>	<u>1,756,833</u>
<i>General</i>		
Donations	1,954	20,646
Evening Studio Hire	1,362	65,403
Other	42,138	7,751
Uniform sales	4,226	8,120
Ballet Central box office	21,492	18,881
	<u>71,172</u>	<u>120,801</u>
	<u>1,643,427</u>	<u>1,877,634</u>

Closure of Herbal Hill March to August 2020 due to Covid-19 government lockdown resulted in prior year reduced income for Pre-Senior and Junior School income, Widening Participation courses and programmes, Ballet Central box office income and Studio Hire. The social distancing requirement in studios from September 2020 to July 2021 due to government restrictions resulted in Higher Education courses being taught in smaller groups, which had an impact on studio space available for Pre-Senior and Junior courses (which continued online), and on theatre capacity which reduced Ballet Central income.

<b>7. INVESTMENT INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<i>Restricted</i>		
Interest receivable	177	6,988
<i>General</i>		
Interest receivable	1,709	9,188
	<u>1,886</u>	<u>16,176</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 2021**

<b>8. EMPLOYEE &amp; FREELANCE STAFF INFORMATION</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries (including freelance staff)	1,537,301	1,349,694
Social security costs (employed staff)	116,732	106,747
Pension contributions (employed staff)	33,865	32,129
	<u>1,687,898</u>	<u>1,488,570</u>

All amounts relate to unrestricted funds in 2020 and 2021.

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

	<b>Number</b>	<b>Number</b>
Full time	22	23
Regular part time	45	45
	<u>67</u>	<u>68</u>

The staffing decrease was due to the Head of Senior School leaving mid-year but not being replaced until late 2021.

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 £526,997 (2020: £421,478). Total emoluments payable to the principal in the year amounted to £102,728 (2020: £84,009) plus pension contributions of £3,000 (2020: £4,734). 2 further employees received annual emoluments totalling between £70,000-£80,000 (2020: 1 between £60,000-70,000).

The total amounts paid in settlements was £0 (2020: £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, trustee Carole Gable was remunerated for her role as Artistic Adviser – Gable Repertoire £12,000 (2020: £37,580). Expenses to Governors reimbursed during the year totalled £0 (2020: £0). Donations totalling £56,099 were received from Governors or organisations connected with Governors (2020: £21,400).

<b>9. OTHER OPERATING EXPENSES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
University registration fees	24,149	32,917
Students and course delivery	27,350	57,865
Student support expenditure	163,070	175,431
Ballet Central expenditure	136,678	66,015
Outreach, learning and participation	2,018	5,004
Communications and marketing	47,851	64,209
Premises	521,551	405,815
Office equipment and insurance	70,235	60,081
Other office costs	15,609	49,007
Audit and accountancy	14,742	13,982
Other legal & professional	166,306	118,067
Bank and merchant charges	27,227	42,866
	<u>1,216,786</u>	<u>1,091,259</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR TO 31 JULY 2021**

**9. OTHER OPERATING EXPENSES (continued)**

Other operating expenses includes £474,747 in relation to restricted funds (2020: £394,204).

Additional resources were allocated to student support in the form of cash bursaries (£158,038 in 2021 compared with £176,558 in 2020) to help students in need with living costs to enable their studying at Central. Taken together with £69,760 fee discounts and scholarships deducted from tuition fee income in note 5, total student support amounted to £227,798 (2020: £255,358).

Included in Premises Costs are £58,608 of running costs during construction at Paris Gardens (2020: £83,699). Included in Other Legal and Professional costs are £88,141 for fundraising, PR and other consultancy associated with the project (£91,009 in 2020). Included in audit and accountancy costs are £14,742 in respect of audit fees (2020: £14,364).

**10. TAXATION**

The charitable company is exempt from corporation tax on its charitable activities. During the year Theatre Tax Relief on prior year expenditure was claimed for 4 previous financial years, from year ending 31 July 2017 to 31 July 2020.

**11. TANGIBLE FIXED ASSETS**

	Premises £	Plant & Machinery £	Fixtures & Fittings £	Total £
<i>Cost</i>				
At 1 August 2020	14,417,189	54,060	35,769	14,507,018
Additions	2,249,185	408,431	92,835	2,750,451
Disposals	-	(11,734)	(10,462)	(22,196)
At 31 July 2021	<u>16,666,374</u>	<u>450,757</u>	<u>118,142</u>	<u>17,235,273</u>
<i>Depreciation</i>				
At 1 August 2020	610,894	34,427	35,549	680,870
Charge for the year	165,315	111,813	23,429	300,557
Disposals	-	(11,734)	(10,462)	(22,196)
At 31 July 2021	<u>776,209</u>	<u>134,506</u>	<u>48,516</u>	<u>959,231</u>
Net book value at 31 July 2021	<u>15,890,165</u>	<u>316,251</u>	<u>69,626</u>	<u>£16,276,042</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>

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**

	£
<b>Investment in subsidiary company</b>	
Historical cost at 1 August 2020 and 31 July 2021	<u>£100</u>

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 2021**

<b>13. STOCK</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
School uniforms	<u>£3,281</u>	<u>£4,486</u>
<p>£2,151 of stock was recognised as an expense during the year in accordance with uniform sales over the same period.            (2020: £6,433)</p>		
<b>14. DEBTORS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	33,145	34,724
Prepayments and accrued income	<u>94,518</u>	<u>1,201,056</u>
	<u>127,663</u>	<u>1,235,780</u>
<b>15. CREDITORS: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	201,597	114,844
Accruals	474,430	445,796
Taxes and social security costs	41,814	30,392
Loans payable – due in < 1 year	141,761	110,007
Other creditors	311,746	19,498
Deferred income	<u>311,536</u>	<u>556,418</u>
	<u>1,482,884</u>	<u>1,276,955</u>
<p>Included within trade creditors are £13,692 of professional fees, and within accruals £12,000 of professional fees.</p>		
<b>16. CREDITORS: amounts falling due greater than one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Provisions for liabilities and charges	-	260,000
New Building Operating Lease Creditor	9,480,825	9,430,551
Loans payable – due in > 1 year	<u>3,211,781</u>	<u>4,616,372</u>
	<u>12,692,606</u>	<u>14,306,923</u>

Provisions for liabilities and charges consisted of an accrual for potential building dilapidation costs now moved to creditors due within 1 year.

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 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 Southwark Council made available £3 million. David and Jane Gosman generously converted their loan of £1.3 million to a gift within 2021.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR TO 31 JULY 2021**

<b>17. ANALYSIS OF FUNDS</b>	<b>At 1 August 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 July 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>					
Building Development Fund	1,734,431	1,486,044	611,364	539,423	3,148,534
Garfield Weston	66,667	-	-	-	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	581	-	-	-	581
Central Friends	-	4,603	4,603	-	-
General Student Support Fund	5,754	68,084	68,571	-	5,267
Other Restricted Funds	-	33,538	33,538	-	-
	<u>1,811,113</u>	<u>1,640,269</u>	<u>769,756</u>	<u>539,423</u>	<u>3,221,049</u>
<b>Endowment Funds</b>					
Gillian Fleet Legacy	1,134,879	(56,033)	-	(539,423)	539,423
<b>Unrestricted Funds</b>					
General School fund	896,375	2,455,143	2,435,485	-	916,033
Designated Capital fund	-	-	-	-	-
	<u>896,375</u>	<u>2,455,143</u>	<u>2,435,185</u>	<u>(539,423)</u>	<u>916,033</u>
<b>TOTAL FUNDS</b>	<u><u>3,842,367</u></u>	<u><u>4,039,379</u></u>	<u><u>3,205,241</u></u>	<u><u>-</u></u>	<u><u>4,676,505</u></u>

The Building Development Fund comprises donations and grants made to the School from Trusts, Foundations and individuals to support the Wessex Studios 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, deferred within 2020/21 to 2021/22. 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. 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 very kind legacy of the late Gillian Fleet is in support of talented students in financial need, to be invested and awarded annually as a scholarship from 1 August 2021, with 50% of the funds invested in the creation of the Gillian Fleet Studio.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR TO 31 JULY 2021**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fixed assets	16,276,142	-	-	16,276,142
Stock	3,281	-	-	3,281
Debtors	127,663	-	-	127,663
Cash and bank	(1,315,562)	3,221,049	539,422	2,444,909
Liabilities	(14,175,490)	-	-	(14,175,490)
	<u>916,034</u>	<u>3,221,049</u>	<u>539,422</u>	<u>4,676,505</u>

**19. CAPITAL COMMITMENTS**

At 31 July 2021 the School had £131k of outstanding commitments in relation to capital expenditure (2020: £1.92m), for a design and build contract with Kier Services Ltd for the fit-out of the new Wessex Studios premises in London SE1.

**20. OPERATING LEASE COMMITMENTS**

At 31 July 2021, the School had total commitments in respect of operating leases which expire in the period shown:

	Land and buildings 2021 £	Land and buildings 2020 £	Other 2021 £	Other 2020 £
Within one year	-	28,749	3,447	8,071
Two to five years	726,825	-	1,040	4,487
Over five years	7,543,376	-	-	-
	<u>£8,270,201</u>	<u>£28,749</u>	<u>£4,487</u>	<u>£12,558</u>

During the year £185,473 (2020 £213,909) 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 £30,865 (2020 £32,129). There were no amounts outstanding at the balance sheet date. In addition, the company was liable to pay contractual pension contributions for the Director which amounted to £3,000 (2020 £1,663).

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

	2021 £	2020 £
Net income for the year	834,138	1,249,751
Add back depreciation charge	300,557	145,626
Deduct interest income shown in investing activities	(1,886)	(16,176)
(Decrease)/increase in stock	1,205	(509)
(Decrease)/increase in debtors	1,108,117	(1,119,529)
(Decrease)/increase in capitalised building lease creditors	50,274	40,219
(Decrease)/increase in other creditors	(158,664)	4,211,362
Loan converted to gift	(1,300,000)	-
Generated cash used in operating activities	<u>£833,741</u>	<u>£4,510,744</u>

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**FOR THE YEAR TO 31 JULY 2021**

**24. FINANCIAL INSTRUMENTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	2,478,053	4,474,574
	<u>£2,478,053</u>	<u>£4,474,574</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	201,497	114,844
	<u>£201,497</u>	<u>£114,844</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 - 2020**

	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2020 £</b>
<b>Income</b>					
Funding Council grants	4				
Teaching grant		289,891	-	-	289,891
Other grants		91,112	-	-	91,112
Government grants		64,994	-	-	64,994
Tuition fees & education contracts	5	1,635,399	-	-	1,635,399
Other income	6	120,801	621,954	1,134,879	1,877,634
Investment income	7	9,188	6,988	-	16,176
<b>Total income</b>		<u>2,211,385</u>	<u>628,942</u>	<u>1,134,879</u>	<u>3,975,206</u>
<b>Expenditure</b>					
Staff costs	8	1,488,570	-	-	1,488,570
Operating expenses	9	697,055	394,204	-	1,091,259
Depreciation	11	12,340	133,286	-	145,626
<b>Total Expenditure</b>		<u>2,197,965</u>	<u>527,490</u>	<u>-</u>	<u>2,725,455</u>
<b>Surplus/(Deficit) on continuing operations</b>		13,420	101,452	1,134,879	1,249,751
Retained reserves b/forward		882,955	1,709,661	-	2,592,616
Retained reserves c/ forward		<u>£896,375</u>	<u>£1,811,113</u>	<u>£1,134,879</u>	<u>£3,842,367</u>

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**FOR THE YEAR TO 31 JULY 2021**

<b>26. ANALYSIS OF FUNDS 2020</b>	<b>At 1 August 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 July 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>					
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>
<b>Endowment Funds</b>					
Gillian Fleet Legacy	-	1,134,879	-	-	1,134,879
<b>Unrestricted Funds</b>					
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>
<b>TOTAL FUNDS</b>	<u><u>2,592,616</u></u>	<u><u>3,975,206</u></u>	<u><u>2,725,455</u></u>	<u><u>-</u></u>	<u><u>3,842,367</u></u>