

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 2016

haysmacintyre
Chartered Accountants
Registered Auditors
London

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

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

Registered Name:	The Central School of Ballet Charitable Trust Limited	
Registered Charity Number:	285398	
Registered Company Number:	1657717	
Patron	HRH The Countess of Wessex GCVO	
President	Lady Sieff	
Governors (trustees):	Ralph Bernard CBE	(Chairman) Remuneration and Nominations Committee (Chair)
	Pim Baxter	
	Dr Virginia Brooke	
	Simon Cole	
	Carole Gable	
	David Gray	Finance Committee
	Andrew Hochhauser	Appointed 04/01/16, Resigned 05/09/16
	Stephen Kane	
	Wendy Pallot	Finance Committee (Chair)
	Tim Parsonson	
	Charlotte Schonberg	Remuneration and Nominations Committee
	Susan Scott-Parker OBE	Audit Committee
	Simon Sporborg	Remuneration and Nominations Committee
	Andrew Tuckey	(Vice-Chairman), Finance Committee, Remuneration and Nominations Committee
	Jonathan Wood	Audit Committee
	Tamas Wood	Audit Committee (Chair)
Secretary:	Carolyn Braby	
Principal:	Heidi Hall	
Senior Management Team	Sara Matthews	(Director to 11/09/16)
	Heidi Hall	(Director from 12/09/16)
	Heidi Hall	(Deputy Director to -11/09/16)
	William Glassman	(Deputy Director/Artistic Director Ballet Central to 31/12/15)
	Christopher Marney	(Artistic Director Ballet Central from 01/06/16)
	Michael Jones	(Director of Finance & Operations)
	Louise Ainley	(Head of Studies)
	Stephen Williams	(Artistic Assistant to the Director/First Year Mens' Tutor)
	Elia Luyando-Lopez	(Head of Third Year)
	Emma Smith	(Executive Manager to 15/05/16)
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: Metro Bank
1 Southampton Row
London
WC1B 5HA

Auditors: haysmacintyre
Chartered Accountants
26 Red Lion Square
London
WC1R 4AG

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 2016

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 2016.

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 with its touring company, Ballet Central.

Public Benefit

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

For Central these six core elements are:

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

Central School of Ballet continues to keep the public benefit at the heart of its activities and has had regard to the 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 (some 350 plus individuals annually). Where financial assistance is required Central helps students raise the necessary funds. It is committed to sharing good practice within the Conservatoire and the wider educational and cultural sectors. Central supports not only the education of young artists, but their continuing development. It extends a helping hand to artists throughout their careers by commissioning new works. Central, with the Conservatoire, continues to enhance the educational and cultural life of the UK.

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

Corporate governance

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

Review of activities

Board of Governors

Central School of Ballet's Board of Governors has remained strongly populated in terms of both numbers and breadth of skill sets continuing to ensure appropriate representation to effectively meet the school's immediate and longer term needs and objectives. At the end of the accounting period the Board membership totalled 15 (2014/15: 15) and this remains in-line with HEFCE stipulations and with the three requisite sub-committees: Audit, Finance and Remuneration and Nominations, all appropriately populated. Central's Student Liaison Governor remains in place and, in attending one Student Representatives' Meeting per academic term, continues to be an important and effective channel of communication between the student body and the Board.

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 in their annual Audit Findings Report, which is shared with the full Board.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2016

President's Circle

Central's advocacy group, the President's Circle, continues to meet twice per academic year and the Circle's collective and the individual will become increasingly instrumental in facilitating introductions to the Development Board to support Central's capital campaign as well as Central's regular operations and activities.

Patrons

An additional Patron has been appointed during the year joining Central's advocacy and advisory circles. We are delighted that Deborah Bull CBE has agreed to support Central's high profile individuals and is a key name within the ballet, dance and education sector. She is also Director, Cultural Partnerships at King's College.

New Premises

On 17th December 2015 the lease was signed for the new premises in Southwark, with the lease taking effect from 1st January 2016. The lease signing marked the culmination of years of negotiation to secure the best possible deal for Central, resulting in, amongst other elements, a significant and financially favourable rent-free period in cash terms for the initial years of the lease. Central plans to continue to operate from the existing premises in Herbal Hill until the new building has been fitted out, which we expect to be within the next few years.

Development Board

Work continued to be undertaken by Central's Development Board in terms of driving forward Central's capital campaign to help fund the building project through the cultivation and influencing of high level prospects, required to deliver Central's Development project. During the year £79,813 was generated in capital campaign income with a further £239,250 being secured in terms of pledged income conditional on the full project funding being secured and hence not yet recognised in the financial statements in accordance with FRS 102.

Value for Money Review

The Audit Committee continues to undertake an annual Value for Money Review in order to provide further assurance to the Board that Central is delivering value to our key stakeholders and other wider audiences, including HEFCE, the CDD, other funders and of course our students and programme participants across all our areas of work. The Audit Committee was satisfied that the School is delivering on agreed outputs and outcomes as part of its impact reporting as well as demonstrating efficient and effective use of resources. Feedback from our students continues to be very positive in terms of overall levels of satisfaction against course provision, delivery and support.

HEFCE Review

During the year HEFCE concluded its review about how additional funding (Institute Specific Targeted Allocation - ISTA) is awarded to selected Higher Education institutions, including small specialist institutions such as the Conservatoire for Dance and Drama (CDD). We are delighted that Central, as part of the CDD, has been judged as World-Leading in its field of dance, drama, circus arts and technical theatre. With 'World-Leading' being one of the main criteria to qualify for continued ISTA funding, this is of course very welcome news as it means that a level of ISTA funding is now guaranteed until 2019/20.

Senior School

BA (Hons) and Foundation Degree Results

The Board of Examiners was held at Central in September 2016 with representatives from the University of Kent and the External Examiners attending. The results of the BA (Hons) Degree have been outstanding with students achieving the following: 11 awarded a First Class Degree; 10 an Upper Second (2:1) Degree; 6 a Lower Second (2:2) Degree; and no students with a Third Class Degree. For the Foundation Degree, 35 out of the 40 Second Year students were awarded a Pass. Of the remaining students, 3 have been offered extensions to complete and 2 to repeat the year, with these all being owing to injury or illness. The External Examiners' reports at the Board of Examiners were very positive and particularly noted: *"...the students' presentation in the theatre is faultless, giving a very professional appearance overall. Central School of Ballet provides a broad preparation for entry into the professional dance world. The training is rigorous and is an appropriate preparation for a career in a range of dance genres."*

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2016

MA Choreography

The fifth MA Choreographer completed the programme in July and, as with the four previous MA students, was awarded a Distinction. The External Examiner for the MA programme reported: *"... the result was very fitting. The presentation given as an assessment element showed great initiative and the facilitated discussion between creative practitioners of different disciplines was particularly impressive."*

Graduate Employment

Following the academic year end in July, 50% of the 2016 Graduates had already successfully gained professional or apprenticeship contracts, which is in line with previous years. We expect the final employment figure to be around 84%, which will also be in line with previous years. Graduating students have already secured contracts with a range of companies, including Matthew Bournes New Adventures, Phantom of the Opera - both in London and Stockholm, Ballet Ireland, Atlantic City Ballet, Cinevox, Vienna Festival Ballet and Dresden Ballet.

National Student Survey Results 2015-2016

Central's results were once again excellent with an overall mean score satisfaction rate of 4.2 (out of 5), with top scores across categories for teaching (4.2), assessment and feedback (4.2) and academic support (4.3).

Ballet Central Tour 2016

The Ballet Central Tour 2016 comprised performances at 17 different venues including a special event at the Royal Automobile Club on Pall Mall with 22 performances in all to excellent audiences across the UK. Opening night of the tour took place in Tonbridge at the EM Forster Theatre on Thursday 24th March, finishing in London on 30th July at Stratford Circus Arts Centre. Works included; Celebration by company founder Christopher Gable CBE. Paquita Pas de Trois staged by Carole Gable. Elan Vital by Linda Moran. War letters by Christopher Marney, Superstruct by Sara Matthews. Ascent by Mikaela Polley, Repetition of Change by Sharon Watson. Insinuate by Leanne King and La Belle Époque by Richard Bermange who was this year MA student. Final year shows at Stratford Circus also saw performances from 1st and 2nd year students which included performances choreographed across all year groups by: Linda Moran, Leanne King, Carole Gable, Stefano Rosato, Sherrill Wexler, Jaquie Biggs, Julia Ellis, Christopher Marney, Christopher Bruce and Sharon Watson. 3rd year students performed solos for their Graduation Ceremony at the theatre and the guest assessor and guest speaker for this event was Sarah Kundi, who is currently performing with English National Ballet and who is also an alumna of Central.

External Projects and Collaborations

This year we have seen our students performing in a range of interesting and unusual settings. 30 1st and 2nd year students performed choreography by Akram Khan in the Big Dance in Trafalgar Square, and 12 2nd year students performed in Depart at the LIFT Festival in Tower Hamlets Cemetery Park alongside electronic musicians, choral singers and circus artists. Another exciting external project included performances at Uppingham School. This was a joint project with young musicians and dancers from the School working together with our 3rd year students from Ballet Central. The project spanned over 3 months, culminating in a performance at Uppingham School where 3 groups of young people, musicians and dancers came together for a one off performance at Uppingham Theatre. All young people involved in this project were given the opportunity to perform with teachers, choreographers and musicians from Central School of Ballet, including Sara Matthews, Heidi Hall, Leanne King, Christopher Marney and Philip Feeney.

Senior School Intake Academic Year 2015-2016

From auditions held in London, Leeds, Glasgow (the latter two combined with Central Dance Days), Japan and Italy, a total of 44 students were offered places for the start of the academic year 2015-2016. This total breaks down to 37 students entering 1st Year: 29 Ladies and 8 Men; 3 Ladies and 2 Men entering 2nd Year; and, 2 Men entering 3rd Year. With the continuing students, this results in a total of 118 students, of which 90 are UK/EU and 28 overseas, which is in line with HEFCE and CDD planning numbers.

Student Support

During the year Central provided students with £190,076 worth of financial support in the form of cash bursaries and fee scholarships. This helped to ensure that some of the most talented students were able to join Central, and in some cases able to continue their studies with the School, including those from challenging circumstances and less well-off backgrounds. 46% of UK/EU students at Central received financial support, with 31% of UK/EU students coming from families with household income of under £25,000 per year and 15% from families with income of between £25,000 and £42,600 (Student Finance defined support thresholds).

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2016

Student Support (continued)

£73,162 of the support funding that we distributed was generated through generous donations received from trusts, foundations and individuals by the Development team, £91,917 was distributed from core funds as part of our Access Agreement commitments within the CDD framework and a further £25,000 allocated from Central's core budget, which helped to meet additional need. Taken together this means that we were able to deliver support to students well in excess of the basic requirements of our Access Agreement, and the value of support that we offered amounted to 7.2% of our total income.

International Development

The annual courses and auditions were held in Japan (Tokyo, Osaka & Fukuoka) in November and December 2014 and in Italy (Todi) in March 2015. A total of 101 participants attended in Japan with 42 auditioning for Senior School, of which 7 were offered places with 4 taking these up at the start of the 2015-2016 academic year. In Italy, 8 candidates auditioned, with 3 offered places and 2 accepting.

Widening Participation and Access

Ballet Central Participation Projects

Ballet Central outreach work continued to flourish with 248 children from 6 schools in Newbury (5 primary and 1 secondary) receiving dance workshops based around the themes and choreography taken from the 2016 Ballet Central Tour. A number of schools including dance schools, and, for the first time, home educators, were invited to watch Ballet Central perform in the dress rehearsal at Newbury's Corn Exchange Theatre, participating in a question and answer session with the 3rd year students. The London Dancing Partners' programme was delivered at 2 primary schools in Southwark with both schools also receiving a performance by Ballet Central for the whole school. A further Southwark primary school visited Central School of Ballet to observe morning ballet classes whilst also taking part in an introductory ballet class themselves. A total of 90 children from the 3 primary schools took part in workshops with an additional 350 children watching Ballet Central perform in their school assembly. All workshops were led by specialist practitioners and choreographers accompanied by students from Ballet Central.

Junior School, Prep and Pre-Senior Programmes and Central's Satellite School

Central's Junior School and Prep and Pre-Senior Programmes continued to thrive providing a solid foundation for pupils wishing to pursue their training further, or a creative outlet for hundreds of other children who are able to take classes for pure enjoyment and fitness.

The Prep and Pre-Senior Saturday programme included classes in Pilates, Dalcroze Eurythmics, Character Dance and Contemporary Dance to complement the classical ballet training that they receive at Central. This year saw the largest number of candidates audition for the successful programme which attracts young people aged 11-16 years from across England and Wales. The Pre-Senior pupils also had the opportunity to perform a Character Dance as part of the End of Year School Show at the Stratford Circus Arts Centre in July.

In April, both Junior and Prep and Pre-Senior pupils had the opportunity to work with Ballet Central choreographers and guest ballet tutors as part of Centralise, a Creative Choreography weekend specially for Central's associate pupils. Phoenix Dance Theatre's Artistic Director, Sharon Watson, led an inspirational 2 day programme of choreography classes with participants performing their work at the end of the weekend. All classes were assisted by Ballet Central dancers who also took part in Q&A sessions to discuss progression routes into Higher Education.

For the second year running, an 'Open House' week was held in February for Junior and Associate pupils and their parents to have the opportunity to watch Senior School classes and rehearsals, meet staff and students including Central's Resident Costume Designer and Music Director, take part in workshops and talks discussing topics such as good nutrition and injury prevention in pointe work and hear about the history of the School. Once again, the week was immensely successful with over 400 children and parents attending events which offered a real insight into the work of the School and the training that is required at Senior School level.

Central's Satellite School in Southwark continued to provide free weekly ballet classes to local primary school pupils with the entire School also receiving an assembly performance by Ballet Central during the summer term.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2016

Dance Days, Spring and Summer Courses and the One-Day Ballet Intensives

Dance Days were held in London, Carlisle, Leeds and Glasgow (the latter two combined with Senior School auditions), with a total of 99 participants across the four locations. The Dance Days continue to provide an excellent opportunity for prospective students to gain experience in working with Central's Senior School teachers and understand the expectations and demands of a full time vocational dance education programme. Central also ran a free Dance Day in Swindon for 40 young people aged 12-16 years, in partnership with the Swindon Centre of Advanced Training (CAT) scheme as part of Central's widening participation strategy to encourage engagement by young people from low income households. The pilot programme of affordable one-day intensive ballet courses that was introduced in 2014-2015 as part of this strategy was extended during 2015-2016. The programme consisted of 6 courses offered for girls aged 8-16 years and 113 young people participated.

The Spring and Summer Courses continued to provide an even greater insight to life at Central with classes being delivered by Senior School and Associate School tutors in Ballet, Contemporary Dance, Jazz, Character and Pilates. A creative choreography masterclass also gave participants the opportunity to work with a leading choreographer. The international reach of the Summer Courses continued to be reflected in the diversity of those attending from across the UK, Italy, Japan, Spain, Germany and Switzerland and we also saw a significant increase in the number of boys attending the summer course which enabled the programming of pas de deux work as part of the Summer Course timetable.

New Initiatives in 2015-2016

3 new initiatives were introduced into the programme of work for 2015-2016 as part of Central's Widening Participation strategy. A 'Boys Only' Dance Day was held in April 2016 with 42 boys aged 8-16 years attending a day of classes led by all-male tutors and accompanied by male musicians. Central's Senior School male students assisted throughout the day offering advice to boys that were considering entering full time training. Following on from the success of this day, a pilot 5 week evening ballet course was introduced throughout May and June with 15 boys enrolled.

Central Nights and Central Sundays

The programme of classes on Central Nights and Central Sundays continues to prove hugely popular providing hundreds of participants with a very enjoyable way of keeping fit.

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.

Executive

During the year our long-serving Director, Sara Matthews, decided to step down from her position. Sara has led Central during a successful phase and has achieved significant status for the school in the dance and education world.

We thank Sara for her enormous contribution to Central School of Ballet since 1998 and wish her well for the future.

The Board is thrilled to announce that Heidi Hall has been appointed as Director of Central School of Ballet. This is a momentous appointment in Central's history as Heidi is also an alumna of the school having been taught under the direction of the Founding Directors Christopher Gable CBE and Ann Stannard.

The Board is also delighted to announce the appointment of a new Artistic Director of Ballet Central, Christopher Marney, following the retirement of William Glassman earlier in the year. Christopher is principal dancer with Sir Matthew Bourne's New Adventures and is also an alumnus Central School of Ballet.

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

During the year the Board continued to take forward the New Building Project, which required investing in dedicated staff time, specific income development activities and professional fees. Following the signing of the new lease during the year work has begun in earnest in terms of the internal design, which is necessary prior to fitting it out, as the building is currently in shell form, and this has resulted in significant professional fees being incurred.

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2016

Financial review (continued)

Central ended the 2015/16 financial year with a small surplus on the usual operating activities of the school of £2,432 (2014/15 £151,295) though after allowing for two exceptional (non-cash) items the deficit on unrestricted funds is £125,318. This is after including the accounting impact of £77,750 in notional rent related to the new building lease start date of 1st January 2016 (due to the agreed rent-free period having to be spread over the life of the lease in accordance with FRS 102). The non-cash accounting rent charges during the rent free period will of course result in lower rent accounting charges in future accounting years, relative to the actual rent paid in those years. In addition the Board decided to prudently plan for potential dilapidation costs when Central moves out of its current premises in the next few years, and agreed to increase the provision in the balance sheet by £50,000 to £110,000.

Since the signing of the new lease the School has been able to launch more fully the capital campaign that has been planned to generate significant levels of capital income to help fund the building project. After allowing for the net cost of the project work undertaken during the year of £474,339 (which has been expensed and drawn mainly from specific restricted funds brought forward from prior years), and also for a net increase of £2,547 within other restricted funds (Bursary Support Funds), the overall position was a deficit of £515,046 (2014/15 £106,538). The Board expects this deficit to be a timing difference as funds are generated to cover the main project costs in subsequent years. In addition to the £82,164 capital income generated during the year a further £239,250 has now been pledged towards the campaign.

After reviewing reserves requirements under the Reserves Policy it was agreed to transfer £160,000 from the Designated Capital Fund (unrestricted) to the General Fund (unrestricted), resulting in a final General Fund balance of £600,784 and total unrestricted reserves of £1,295,776.

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

Future Prospects of Central

The School operates within an agreed planning framework incorporating annual budgets and operating plans which in turn underpin the aims and objectives of Central's 2015-20 Strategic Plan and Long-Term Financial Forecast. Strategies are in place to further to develop existing and new income streams as part of our sustainability planning and in response to likely further reductions in HEFCE grant income over the next few years. As with all Higher Education institutions Central (as part of the CDD) will need to respond to any impact and developments that ensue as a result of Brexit as and when that becomes clearer. The new building that we have been negotiating the terms on for a number of years is a vital part of Central's future planning. Future prospects have improved significantly since the signing of the lease during the year now that the Fundraising campaign strategy can be fully implemented and capitalised upon.

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 month's expenditure, and at least £600,000 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 £1,295,776 (£600,784 excluding unrestricted designated reserves towards the new building project, and expected to be expended by 31st July 2018) which should provide for approximately seven months' usual operating expenditure cover (three months' cover excluding unrestricted designated reserves). Key risks that the School has identified that may impact on future reserves levels include reductions in 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

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REPORT OF THE BOARD OF GOVERNORS (continued)

FOR THE YEAR ENDED 31 JULY 2016

and grow non-government grant income streams alongside keeping costs under close review to help ensure that the minimum reserves targets continue to be met.

Remuneration of Key Management Personnel

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

Asset cover

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

Connected charities and related parties

The School is an affiliate of the Conservatoire for Dance and Drama, an organisation dedicated to education in the fields of dance, drama and circus.

Auditors

A resolution proposing the re-appointment of haysmacintyre as auditors will be made at the Annual General Meeting.

Signed for and on behalf of the Board of Governors on



.....
Ralph Bernard
Chairman

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CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 JULY 2016

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

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

Status and administration

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

Taxation status

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

Governance

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

The Board has three requisite sub-committees; a finance committee, an audit committee, and a remuneration and nominations committee. From time to time the Board establishes other ad hoc committees or working groups to address specific strategic matters. A project steering committee drawn entirely from the Board membership was again in operation during the year and will continue into 2016-17. The remit of the project steering committee is to provide additional expertise and guidance in supporting both the Executive and the full Board of Governors in taking forward the School's new building project and sustainability strategy.

Principal

The Principal of the School is appointed by the Board of Governors and has a general responsibility for ensuring that all public funds are properly applied to the Schools 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 2016

Key risks facing the School include further likely cuts in HEFCE funding, in line with the government's widely publicised and continuing general austerity plans. Although there wasn't an in-year cut in 2015-16 there has been a reduction in the teaching grant announced in our 2016-17 grant letter. This has been partially offset through additional transitional funding for the next 2 years and government guidance remains to budget prudently. To address this risk the School has been focussing efforts on growing other existing programmes and activities in tandem with exploring and piloting new programmes and income streams - with good results being achieved in 2015-16, notably through higher overseas student numbers, both on the Professional Dance and Performance programmes and bridge courses, and through the growth of programmes for studio hire for adult evening fitness and dance classes. Sustainability planning sits at the heart of the new 2015-20 Strategic Plan and the School and Board will continue to invest resources to ensure that Central can take full advantage of the opportunities identified to address the key risks. The planned move to the new, larger state of the art premises within the next few years will also support the development of further income generating activities as well as our ability to accept higher numbers of students and participants on our dance education programmes.

A further challenge and key risk is in relation to generating the capital funding required to fit out the new building in time for the planned move, currently aimed to be by 1st August 2018 and contingency plans are in place should they be needed, including the agreement in principle of a bank loan to help bridge any fundraising shortfall. In tandem with this another challenge is to attract and maintain 3rd party funding and support to deliver on our Development income target which forms part of the core operating budget alongside the Capital Campaign as noted above. This is being addressed through appropriate staffing within the Fundraising team and through developing earned income streams from alternative sources and programmes, including Central Nights and Associate School programmes.

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, 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 2016

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED

We have audited the financial statements of The Central School of Ballet Charitable Trust Limited for the year ended 31 July 2016 which comprise the Statement of Financial Activities, the Charitable Company Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board of Governors and auditors

As explained more fully in the Statement of Responsibilities of the Board of Governors, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice – Accounting for Further and Higher Education. We also report to you whether, in our opinion, the information given in the Governors' Report is consistent with those financial statements. We also report to you whether, in our opinion, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the School have been properly applied in all material respects in accordance with the School's statutes and, where appropriate with the financial memorandum with the Higher Education Funding Council for England.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of affairs as at 31 July 2016, and of the deficit of income over expenditure for the year then ended;
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice – Accounting for Further and Higher Education;
- in all material respects, income from the Higher Education Funding Council for England, grants and income for specific purposes and from other restricted funds administered by the School have been applied only for the purpose for which they were received; and
- in all material respects, income has been applied in accordance with the School's governing instrument and, where appropriate, in accordance with the financial memorandum with the Higher Education Funding Council for England.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Governors' Report and Strategic Report

Richard Weaver
Senior Statutory Auditor
for and on behalf of Haysmacintyre, Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

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

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2016

Income	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Funding Council grants	4				
Teaching grant		507,091	-	507,091	496,784
Other grants		85,059	-	85,059	84,073
Tuition fees and education contracts	5	1,476,218	-	1,476,218	1,406,461
Other income	6	239,125	201,301	440,426	381,784
Investment income	7	24,196	2,352	26,548	30,058
Total income		2,331,689	203,653	2,535,342	2,399,160
Expenditure					
Staff costs	8	1,539,535	146,367	1,685,902	1,508,852
Operating expenses	9	835,133	447,014	1,282,147	991,347
Depreciation	11	82,339	-	82,339	5,499
Total Expenditure		2,457,007	593,381	3,050,388	2,505,698
(Deficit) on continuing operations		(125,318)	(389,728)	(515,046)	(106,538)
Retained reserves brought forward		1,421,094	434,709	1,855,803	1,962,341
Retained reserves carried forward		<u>£1,295,776</u>	<u>£44,981</u>	<u>£1,340,757</u>	<u>£1,855,803</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 £2,232,011 from restricted funds was £167,149. Total expenditure in the previous year from unrestricted funds was £2,080,716 and from restricted funds was £424,982.


The notes on pages 18 to 25 form part of these financial statements.

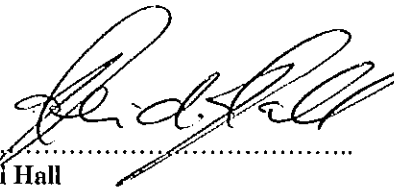
BALANCE SHEET

AS AT 31 JULY 2016

	Notes	2016 £	2015 £
Fixed Assets			
Tangible assets	11	9,257,465	8,469
Investments	12	100	100
		<u>9,257,565</u>	<u>8,569</u>
Current Assets			
Stock	13	14,328	13,741
Debtors	14	313,356	117,926
Cash at bank and in hand		2,105,540	2,466,108
		<u>2,433,224</u>	<u>2,597,775</u>
Creditors: amounts falling due within one year	15	(910,029)	(690,541)
Net Current Assets		<u>1,523,195</u>	<u>1,907,234</u>
Total Assets less Current Liabilities		10,780,760	1,915,803
Creditors: amounts falling due greater Than one year	16	(9,440,003)	(60,000)
Net Assets		<u>£1,340,757</u>	<u>£1,855,803</u>
Represented by:			
Unrestricted funds			
General funds	17	600,784	566,102
Designated fund	17	694,992	854,992
		<u>1,295,776</u>	<u>1,421,094</u>
Restricted funds	17	44,981	434,709
TOTAL		<u>£1,340,757</u>	<u>£1,855,803</u>

The financial statements were approved and authorised for issue by the Board of Governors on 19/10/2016 and were signed below on its behalf by:


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


.....
Heidi Hall
Principal

The notes on pages 16 to 22 form part of these financial statements.

STATEMENT OF CASH FLOW

AS AT 31 JULY 2016

	Note	2016 £	2015 £
Cash flows from operating activities	22	(385,784)	154,505
Cash flows from investing activities			
Interest income		26,548	30,058
Purchase of tangible fixed assets		(1,332)	(2,406)
Cash provided by (used in) investing activities		25,216	27,652
Increase (decrease) in cash and cash equivalents in the year		(360,568)	182,157
Cash and cash equivalents at the beginning of the year		2,466,108	2,283,951
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		£2,105,540	£2,466,108

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 JULY 2016

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.

There have been no changes to accounting policies as a result of Transition to FRS102 which have required a restatement of the prior period of opening balances.

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 Funding Council (via the Conservatoire for Dance and Drama) is recognised in line with the latest estimate of grant receivable for an academic year.

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

2.3 Expenditure

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

2.4 Tangible fixed assets

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

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

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 school uniforms is carried at the lower of cost and net realisable value.

2.7 Fund Accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2016

2.8 Pensions

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

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

2.9 Basic Financial Instruments

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

2.10 Creditors and provisions

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

2.11 Debtors

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

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

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

Depreciation:

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

4. FUNDING COUNCIL GRANTS

	2016	2015
	£	£
Higher Education Funding Council (via the Conservatoire for Dance and Drama)		
Teaching grants	507,091	496,784
TQEF/HEIF and matched funding	85,059	84,073
	<u>£592,150</u>	<u>£580,857</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 2016

5. TUITION FEES AND EDUCATION CONTRACTS	2016	2015
	£	£
Overseas student fees (net of scholarships awarded of £25,000)	442,267	337,298
UK and EU student fees (net of scholarships awarded of £9,750)	770,517	754,030
General Studio hire	15,615	8,185
Audition fees	15,210	16,567
Other Senior School fees	34,302	62,630
WP programmes and events (including Spring and Summer courses)	32,325	71,120
Pre-Senior fees	59,086	50,230
Junior fees	84,772	79,992
City and Islington A Level grant	9,624	20,504
Access to learning funds and WP funding	12,500	5,905
	<u>£1,476,218</u>	<u>£1,406,461</u>
6. OTHER INCOME	2016	2015
	£	£
<i>Restricted donations</i>		
Building Development Fund	79,813	19,938
Ballet Central	14,670	21,392
Student support	75,710	57,034
South African support project	-	9,845
Student and course delivery	23,241	23,367
Outreach	7,867	31,070
	<u>201,301</u>	<u>162,646</u>
<i>General</i>		
Donations	12,694	32,445
Evening Studio Hire	130,286	119,777
Other	17,883	5,557
Uniform sales	28,390	28,410
Ballet Central box office	49,872	32,949
	<u>239,125</u>	<u>219,138</u>
	<u>£440,426</u>	<u>£381,784</u>

Continued growth in adult dance class activity (Central Nights and Central Sundays) has resulted in Evening Studio Hire income of £130,286 (2015: £119,777). Ballet Central box office and merchandise income increased to £49,872 (2015: £32,949) due to higher audience numbers following some venue changes made during the year to the tour.

7. INVESTMENT INCOME	2016	2015
	£	£
<i>Restricted</i>		
Interest receivable	2,352	4,503
<i>General</i>		
Interest receivable	24,196	25,555
	<u>£26,548</u>	<u>£30,058</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 2016

8. EMPLOYEE & FREELANCE STAFF INFORMATION	2016 £	2015 £
Salaries (including freelance staff)	1,554,851	1,397,674
Social security costs (employed staff)	117,360	98,787
Pension contributions (employed staff)	13,691	12,391
	<u>£1,685,902</u>	<u>£1,508,852</u>

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

	Number	Number
Full time	27	23
Regular part time	45	45
	<u>72</u>	<u>68</u>

There was 1 employee whose remuneration amounted to more than £60,000 (2015: 1 employee)

The increase in staff numbers includes 4 full-time staff members, 2 of which are for teaching and academic roles that were previously part-time posts, 1 new PA role to support the Directorate as part of the focus of work on the new building project and 1 maternity cover role within the School Administration team. The change in the 2 roles that were previously part-time was balanced by 2 new part-time roles, 1 to help support the growing work of the Widening Participation department and 1 to replace a long-standing part-time volunteer within the School Administration department.

The Key Management Salaries comprise the full Senior Management Team that number 8 in total (full-time equivalent), and their total salary, benefits and employer national insurance contributions were £398,336 (2015: £391,823). Total emoluments payable to the principal in the year amounted to £65,736 (2015: £62,723) plus pension contributions of £2,967 (2015: £2,826). No employee received annual emoluments greater than £100,000.

None of the Governors (or any persons connected with them) received any remuneration during the current or previous year. No governor was reimbursed for any expenses during the year.

9. OTHER OPERATING EXPENSES	2016 £	2015 £
University registration fees	25,037	24,570
Students and course delivery	63,757	64,421
Student support expenditure	155,330	130,621
Ballet Central expenditure	133,867	135,563
Outreach, learning and participation	19,296	52,497
Communications and marketing	43,076	49,016
Premises	383,144	251,627
Office equipment and insurance	68,967	77,294
Other office costs	68,130	54,890
Audit and accountancy	15,060	13,560
Other legal & professional	298,254	127,651
Bank and merchant charges	8,229	9,637
	<u>£1,282,147</u>	<u>£991,347</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 2016

9. OTHER OPERATING EXPENSES (continued)

Additional resources were allocated to student support in the form of cash bursaries (£155,239 in 2016 compared with £130,621 in 2015) to help students from less well- off backgrounds with their living costs and therefore facilitate their studying at Central. Taken together with £34,750 fee-discounts and scholarships deducted from tuition fee income in note 5 total student support amounted to £190,076 (2015: £171,989). Included in Other Legal and Professional costs are £190,930 for professional fees relating to the new building design, including costs for RIBA stages I and II, £90,838 for fundraising consultancy costs associated with the capital campaign for the building project (£113,011 in 2015). Included in audit and accountancy costs are £15,060 in respect of audit fees, including additional one-off costs associated with FRS 102 implementation (2015: £13,560).

10. TAXATION

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

11. TANGIBLE FIXED ASSETS	Premises Lease £	Plant & Machinery £	Fixtures & Fittings £	Total £
<i>Cost</i>				
At 1 August 2015	-	42,340	35,163	77,503
Additions	9,330,003		1,332	9,331,335
Disposals	-	(3,049)	3,049	-
At 31 July 2016	9,330,003	39,291	39,544	9,408,838
<i>Depreciation</i>				
At 1 August 2015	-	34,636	34,398	69,034
Charge for the year	77,750	2,673	1,916	82,339
Disposals	-			-
At 31 July 2016	77,750	37,309	36,314	151,372
Net book value at 31 July 2016	£9,252,253	£1,982	£3,230	£9,257,465
Net book value at 31 July 2015	£ -	£7,704	£765	£8,469

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 £77,750 notional rent for the new building during the period.

A correction was also made on prior year disposal categorisation.

12. FIXED ASSET INVESTMENTS	£
Investment in subsidiary company	
Historical cost at 1 August 2015 and 31 July 2016	£100

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR TO 31 JULY 2016

13. STOCK	2016 £	2015 £
School uniforms	<u>£14,328</u>	<u>£13,741</u>
£22,563 of stock was recognised as an expense during the year in accordance with uniform sales over the same period. (2015: £24,377)		
14. DEBTORS	2016 £	2015 £
Trade debtors	7,686	7,861
Prepayments and accrued income	305,670	110,065
	<u>£313,356</u>	<u>£117,926</u>
15. CREDITORS: amounts falling due within one year	2016 £	2015 £
Trade creditors	161,683	78,029
Accruals	360,718	78,390
Taxes and social security costs	34,430	33,479
Other creditors	11,648	19,603
Deferred income	341,450	481,040
	<u>£910,029</u>	<u>£690,541</u>
16. CREDITORS: amounts falling due greater than one year	2016 £	2015 £
Provisions for liabilities and charges	110,000	60,000
New Building Operating Lease Creditor	9,330,003	-
	<u>£9,440,003</u>	<u>£60,000</u>

Provisions for liabilities and charges consist of an accrual of £110,000 due after one year 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.

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 2016

17. ANALYSIS OF FUNDS	At 1 August 2015 £	Income £	Expenditure £	Transfers £	At 31 July 2016 £
Restricted Funds					
Building Development Fund	427,624	82,164	474,439	-	35,349
Leverhulme Trust, Support	-	46,101	46,101	-	-
Valerie Heath Memorial Fund	3,276	-	-	-	3,276
Emily Hargreaves Scholarship Fund	404	-	-	-	404
Christopher Gable Estate	2,581	-	-	-	2,581
Central Friends	-	3,753	3,753	-	-
General Student Support Fund	824	47,098	44,551	-	3,371
Other Restricted Funds	-	24,537	24,537	-	-
	<u>434,709</u>	<u>203,653</u>	<u>593,381</u>	<u>-</u>	<u>44,981</u>
Unrestricted Funds					
General School fund	566,102	2,331,689	2,457,007	160,000	600,784
Designated Capital fund	854,992	-	-	(160,000)	694,992
	<u>1,421,094</u>	<u>2,331,689</u>	<u>2,457,007</u>	<u>-</u>	<u>1,295,776</u>
TOTAL FUNDS	<u>£1,855,803</u>	<u>£2,535,342</u>	<u>£3,050,388</u>	<u>£ -</u>	<u>£1,340,757</u>

The Building Development Fund comprises donations and grants made to the School from trusts, foundations and individuals to help support the new building project and sustainability strategy. The Leverhulme Trust provided funding to help support students in financial need and also to provide a specialist classical ballet programme delivered by Aurora Bosch to BA students as part of the Innovative Teaching project. The Valerie Heath & Emily Hargreaves Funds were created to help students in need in specific circumstances, and the balances have been carried forward to 2016/16. 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 from the scheme, whose expenditure is currently determined by a nominated committee drawn from the members. The General Student Support fund is made up of generous grants and donations from a wide pool of donors (individuals, trusts and foundations) to provide financial assistance to students in need of support. Other restricted funds comprise donations and grants generated to support specific programmes of work across the School, including support for the Satellite School, Ballet Central tour and productions and Course Delivery.

The Board has decided to transfer £160,000 from the Designated Capital Fund to the General Fund in order to meet the requirements of the Reserves policy. Although both funds are unrestricted in nature, the Designated Capital Funds are intended to be used to help fund the New Building Project. Due to the impact of the non-cash accounting entries in the Income and Expenditure Account on the General Fund for notional rent for the new building and the increase in the building dilapidations provision for the existing building, the transfer is deemed appropriate.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	9,257,565	-	9,257,565
Stock	14,328	-	14,328
Debtors	313,356	-	313,356
Cash and bank	2,060,559	44,981	2,105,540
Liabilities	(10,350,032)	-	(10,350,032)
	<u>£1,295,776</u>	<u>£44,981</u>	<u>£1,340,757</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 2016

19. CAPITAL COMMITMENTS

At 31 July 2016 the School had no outstanding commitments in relation to capital expenditure (2015: nil).

20. OPERATING LEASE COMMITMENTS

At 31 July 2016, the School had annual commitments in respect of operating leases which expire in the period shown as follows:

	Land and buildings 2016 £	Land and buildings 2015 £	Other 2016 £	Other 2015 £
Within one year	195,000	155,000	4,779	7,252
Two to five years	-	-	-	1,659
Over five years	8,270,201	-	-	-
	<u>£8,465,201</u>	<u>£155,000</u>	<u>£4,779</u>	<u>£8,911</u>

During the year £283,598 (2015 £165,896) was expended relating to rental costs in respect of assets held under operating leases.

21. PENSION COMMITMENTS

The charitable company operates a defined contribution pension scheme. The amounts paid into the scheme are held in an independently administered fund (B&CE - The People's Pension). The pension cost charges to this workplace pension scheme represent contributions payable by the company to the fund and amounted to £11,381 (2015 £10,193). There were no amounts outstanding at the balance sheet date. In addition the company is liable to pay contractual pension contributions for the Director which amounted to £2,310 (2015 £2,199. £14,655 remained outstanding at the balance sheet date which is included within accruals as part of note 15.

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

	2016 £	2015 £
Net income for the year	(515,046)	(106,538)
Add back depreciation charge	82,339	5,499
Deduct interest income shown in investing activities	(26,548)	(30,058)
Decrease (increase) in stock	(587)	(2,384)
Decrease (increase) in debtors	(195,430)	7,775
Decrease (increase) in capitalised building lease assets	(9,330,003)	-
Increase (decrease) in capitalised building lease creditors	9,330,003	-
Increase (decrease) in other creditors	269,488	280,211
Net cash used in operating activities	<u>(£385,784)</u>	<u>£154,505</u>

