

**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 2018**

**haysmacintyre**  
**Chartered Accountants**  
**Registered Auditors**  
**London**

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

**CONTENTS**

---

<b>INDEX</b>	<b>Page</b>
Legal and Administrative Information	1 - 2
Report of the Board of Governors	3 - 9
Corporate Governance Statement	10 - 12
Statement of Responsibilities of the Board of Governors	11
Independent Auditors' Report	13 -14
Income and Expenditure Account	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the accounts	18 – 27

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

**LEGAL AND ADMINISTRATIVE INFORMATION**

---

<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)
	Pim Baxter OBE	Remuneration and Nominations Committee (Chair)
	Dr Virginia Brooke	
	Simon Cole	
	Carole Gable	
	David Gray	Finance Committee
	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
<b>Secretary:</b>	Jonathan Wood	Audit Committee
	Tamas Wood	Audit Committee (Chair)
<b>Principal:</b>	Heidi Hall	
<b>Senior Management Team</b>	Heidi Hall	(Director)
	Christopher Marney	(Artistic Director Ballet Central)
	Louise Ainley	(Director of Higher Education Programmes)
	Carolyn Braby	(Director of Finance & Operations)
	Iryna Pyzniuk	(Head of Studies)
	Elia Luyando-Lopez	(Head of Senior School)
	Debra Cougill	(Head of Widening Participation & Access)
	Anna Turgoose	(Head of Medical Department)
<b>Registered Company Number:</b>	1657717	
<b>Registered Office and principal address</b>	10 Herbal Hill Clerkenwell Road London EC1R 5EG	

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

**LEGAL AND ADMINISTRATIVE INFORMATION (continued)**

---

**Bankers:**

Metro Bank  
1 Southampton Row  
London  
WC1B 5HA

**Auditors:**

haysmacintyre  
Chartered Accountants  
10 Queen Street Place  
London  
EC4R 1AG

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

**REPORT OF THE BOARD OF GOVERNORS**

**FOR THE YEAR ENDED 31 JULY 2018**

---

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 2018.

**Principal activity and charitable objectives**

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

**Public Benefit**

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

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

Central School of Ballet continues to keep public benefit at the heart of its activities, in line with public benefit guidance provided by the Charity Commission. Its approach to recruitment is to select students on the basis of talent irrespective of other factors and it ensures this by auditioning every student who meets the recruitment criteria (more than 300 applications annually). Where financial assistance is required Central helps students raise the necessary funds. It is committed to sharing good practice within the Conservatoire and the wider educational and cultural sectors. Central supports not only the education of young artists, but their continuing development. It extends a helping hand to artists throughout their careers by commissioning new works. Central, with the Conservatoire, continues to enhance the educational and cultural life of the UK.

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

**Corporate governance**

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

**Review of activities**

**Board of Governors**

Central School of Ballet’s Board of Governors has remained strongly populated in terms of both numbers and breadth of skill sets continuing to ensure appropriate representation to effectively meet the school’s immediate and longer term needs and objectives. At the end of the accounting period the Board membership totalled 15 (2016/17: 15) and this remains in-line with HEFCE/OfS stipulations and with the three requisite sub-committees: Audit, Finance and Remuneration and Nominations. Central’s Student Liaison Governor remains in place, attending one Student Representatives’ Meeting per academic term. The Board of Governors has taken the decision to extend beyond a term of 9 years the critical members of the Board for the duration of the new building project, to be reviewed after the project.

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

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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

**New Premises**

The lease of the Paris Gardens site in Southwark gives a rent-free period (in cash terms) for the initial years of the lease while the fit-out costs are fundraised and the new building is fitted out. During this time Central continues to operate from the existing premises in Herbal Hill. Fundraising across trusts and individuals for the new building within 2017/18 raised £1,287,023. Further funds have been pledged by trusts and individuals. Further fundraising is required to reach the campaign target.

**Senior School Intake Academic Year 2017/18**

From auditions held in London, Leeds, Glasgow (the latter two combined with Central Dance Days), and Japan, a total of 52 students were offered places for the start of the academic year 2017/18. This total breaks down to 37 students entering 1st Year: 26 Ladies and 11 Men; 4 (1 in February) Ladies and 1 Man entering 2nd Year. With the continuing students, this resulted in a total of 109 students, of which 77 were UK/EU and 32 overseas.

**BA (Hons) and Foundation Degree Results**

The Board of Examiners was held at Central in July 2018 with representatives from the University of Kent and the External Examiners attending. The results of the BA (Hons) Degree have been very good with students achieving the following: 8 awarded a First Class Degree; 21 an Upper Second (2:1) Degree; 7 a Lower Second (2:2) Degree; and no students with a Third Class Degree. For the Foundation Degree, 35 were awarded the degree with a Pass. Of the remaining students, 3 have been offered extensions to complete, with these being owing to ill health, injury or a specific learning difference. Two students withdrew and were awarded a Fall Back Award. The External Examiners' reports were very positive noting that the standard of student performance were *'exemplary with a high level of student ownership and engagement'*, additionally referring to the *'high level of engagement and understanding'* in relation to student self-reflection.

**MA Choreography**

Two MA choreographers completed the programme in July 2018 and both were awarded a Distinction. The External Examiner for the MA programme reported she was 'impressed with the sophisticated, individual choreographic voice, imaginative flair and artistic vision', held by both students.

Linked to the development of professional choreographers, Central launched a Professional Development Day for Choreographers in June which was led by Kate Flatt, with opportunities for choreographers to work with Central dancers, and reflection and discussion playing a vital part in the process.

**Graduate Employment**

Contracts were being offered to third year students as early as October 2017, with jobs secured by graduates varying from ballet companies to musical theatre. Many offers this year were year-long contracts. Dancers were offered employment through in-house auditions organised by the school rather than them having to attend open calls. These included successful opportunities at Northern Ballet, Scottish Ballet and Phantom of the Opera in Copenhagen. The New Adventures/Ballet Central Associate Scheme took place, resulting in one of the chosen students gaining employment with the company on their Asian tour. Upon graduation 22 out of 36 graduates were engaged in employment.

**International Development**

The annual courses and auditions were held in Japan (Tokyo, Osaka and Fukuoka) in November 2017. A total of 50 participants from the course auditioned for Senior School. 13 students were offered places with 8 starting in September 2018. Workshops and auditions were held for the first time at the Ailey Dance Studios in New York City in February 2018. 9 participants from the workshop auditioned for Senior School. 6 were offered places with 3 starting in September 2018.

**National Student Survey Results 2017/18**

The National Student Survey (NSS) gathers students' opinions on the quality of their courses. The NSS helps to inform prospective students' choices, provide data that supports institutions in improving the student experience, and support public accountability. In 2018, the NSS results aggregated across the CDD schools had an overall satisfaction score of 91% which is 10% higher than the sector score. The highest satisfaction rates were for Teaching (92%), Learning Opportunities (90%), and Learning Community (91%).

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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

**Ballet Central Tour 2018**

The 2018 tour consisted of 22 venues including many new theatres where audience attendance was at an all-time high. For the first time Ballet Central had a 5-show run of the Nutcracker, a condensed 45-minute version for children of all ages which enjoyed a sold-out run at Cambridge’s ADC Theatre. Due to its popularity the theatre has invited Ballet Central to return for an extended run in December 2018.

The tour opened at the Jerwood Vanbrugh Theatre, RADA in March and enjoyed two sold out performances which launched the tour. A press call was arranged during production week and the result of this was a feature in The Times newspaper ahead of opening night, with reviews from Dance Europe and Dancing Times.

For the first time Ballet Central were given the performing rights to dance works by Wayne McGregor and Sir Kenneth MacMillan. The latter was a piece unseen for 35 years and previously danced by only the Royal Ballet, Covent Garden. This attracted much attention from the press, especially when performed at MacMillan’s home venue of Great Yarmouth.

This year the company performed internationally twice. As guests of the British Council in Budapest, and in Tokyo, Japan as part of a gala performance organised by KK Ballet International.

For the final school performances which took place at Stratford Circus choreographer Jenna Lee expanded her creation of Black Swan to include the whole school: a proud moment as all year groups came together onstage to perform as one. Other special visits were from Dame Monica Mason who presented the graduation certificates and was guest speaker, and prima ballerina Alessandra Ferri who coached the dancers in the role she had created in the MacMillan ballet.

Matthew Bourne was once again a strong presence at Central, allowing an excerpt from his Sleeping Beauty to be performed by Ballet Central. This was the first time it had been performed outside of his own company.

**External Projects and Collaborations**

In February, two Central students were selected to take part in the Prix de Lausanne's first choreographic project. They worked with the choreographer, Goyo Monterro, for an intensive five day rehearsal period, collaborating with dancers representing partner schools of the Prix de Lausanne from across the world. The premiere of the piece was performed on the main stage and live streamed to an international audience on the final day of the competitive. Central is looking forward to another opportunity to send two students in 2019 to represent the school and take part in this prestigious project. Alongside the Ballet Central performances many external projects were undertaken as well as new initiatives.

Associations were made with New English Ballet Theatre and four male dancers were chosen to work with renowned choreographer Wayne Eagling on a ballet entitle 'Remembrance' celebrating the women of the First World War. The performances will take place during the next academic year.

The New Adventures Student Associate Scheme was repeated, and two dancers rehearsed and performed in Matthew Bourne's Cinderella at Sadlers Wells and on its national tour. Later in the year two further students were selected to become part of the project the following year.

Several events were choreographed by Jenna Lee and this included female dancers participating in Winter Wonderland at Liverpool Street, the BrideLuxe event at The Wallace Collection and Move It! at London’s ExCel centre. Dancers modelled jewellery for Harriet Kelsall at her flagship store in Cambridge and three dancers were involved in a publicity campaign for John Lewis where they appeared in store dressed in the Nutcracker costumes.

A programme of work was presented at Killik, an investment house in Bond Street, and four female dancers performed and choreographed a work for the opening celebrations of the Variety Catherine Awards at the Grosevnor House Hotel, Mayfair in which Director Heidi Hall was a nominee.

Ballet Central returned to perform at HTB Church Onslow Square for 400 of the Chelsea Pensioners where dancers mixed with the audience members after the performance.

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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

Five dancers travelled with Artistic Director Chris Marney to Budapest to perform two of the Ballet Central pieces as part of a cultural exchange. The British Council were in attendance with an audience of 300 at Budapest's University headquarters. Ten third year students performed as guests of KK Ballet International at a gala in Tokyo, Japan to an audience of one thousand.

**Student Support**

During the year Central provided students with £196,681 of financial support in the form of cash bursaries and fee scholarships. This helped to ensure that the most talented students were able to join Central, and in some cases able to continue their studies with the School, including those from challenging circumstances and less well-off backgrounds. 55% of UK/EU students at Central received financial support, with 23% of UK/EU students coming from families with household income of under £25,000 per year and 19% from families with income of between £25,000 and £42,600 (Student Finance-defined support thresholds).

£96,631 of the support funding that Central distributed was generated through generous donations received from trusts, foundations and individuals by the Development department; £63,500 was distributed from core funds as part of our Access Agreement commitments within the CDD framework and a further £36,500 allocated from Central's core budget, which helped to meet additional need. Taken together this means that Central was able to deliver support to students well in excess of the basic requirements of our Access Agreement.

**Ballet Central Participation Projects**

To support Ballet Central's performance of the Nutcracker in Cambridge, the Widening Participation team designed a family activity pack to accompany the show. Central returned to Walsall Academy in 2018 with the workshops led by Jo Meredith, a choreographer and movement director and is known for the large-scale events that she choreographs for young people championing inclusivity in dance.

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

Numbers of students attending both Junior School and the Prep & Pre-Senior programme have remained consistent with 2016/17. For 2017/18 a new course was introduced into the Junior School timetable, Advanced Ballet for 16-18 years. This has proved very successful and several students returned to us who had previously attended Junior and Prep programmes but had decided to pursue A-Levels rather than apply for vocational training at 16. Advanced Ballet is aimed at those students who have at least 5 years' experience of ballet training and who are considering applying for a degree programme at 18 years in dance or performance.

Senior School First Year students were recruited in the role of Teaching Assistants for the Pre-Ballet to Level 2 classes for the first time, paid for their work and trained in safeguarding and appropriate contact in dance. This successful initiative will be repeated in 2018/19 with the other new first years.

Central continues to develop regular events such as the Induction day for Preps and Pre-Seniors which takes place on the first Saturday of the academic year. Students must attend with one parent/carer and attend seminars and talks to complement their training. Freed gave a talk on how to correctly fit a pointe shoe; One Dance led talks on Healthy Dance Practice and Dancers' Physical Differences and Sarah Daultry ran a number of workshops on the anatomy and the Franklin technique. These were in addition to students receiving their first ballet class and parents meeting their ballet tutor, plus a talk with the Head of Widening Participation about the expectations and requirements of Central's Associate training.

As the Junior School show is a biennial event, Centralise was scheduled for 2017/18 when juniors and Preps/Pre-seniors have the opportunity to take part in creative workshops with the Ballet Central choreographers and third year students ending with an opportunity to watch Ballet Central perform. A Creative Choreography Day was again scheduled for Preps and Pre-Seniors when they had the opportunity to work with Gary Clarke and Akram Khan dance companies.

Senior School tutor Linda Moran led a syllabus training session for associate school staff to bring the training for the under 16s in line with what is delivered on the degree programme. This was very well-received by staff and ensures that freelance staff who may only come into school once a week feel part of the wider picture. For the first time, two Junior School pupils and one Prep student were offered the opportunity to play the Young Cinderella in the 2018 Ballet Central tour.

Once again, large numbers of students applied for the annual Prep & Pre-Senior auditions in June.



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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

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

Three Dance Days were hosted in Glasgow, Leeds and London. The Glasgow and Leeds Dance Days were scheduled the same weekend as the Senior School auditions in both cities with the classes led by Senior School tutors. Due to the many Widening Participation initiatives attracting boys into dance, Central has seen an increase in boys attending courses and therefore have been able to offer boys only ballet classes on both the Spring and Summer Courses in 2017. During 2016/17, Central introduced Creative Choreography workshops into the programme for all longer courses in addition to a Q&A for students and their parents to answer the many questions about accessing higher education programmes in dance. Shorter and more affordable courses continue to be favoured by families and the one-day courses have been as popular as ever throughout the year.

**New Initiatives in 2017/18**

The Widening Participation team designed and led a be-spoke project for primary schools in Hackney and Southwark during the summer term funded by Austin Pilkington. Their funding enabled us to create a resource pack and to deliver a professional development session for the teachers and PE co-ordinators of the participating schools. All schools received ballet workshops for two of their classes. Consequently, Central has received renewed interest in the Satellite School at Alfred Salter and are investigating how to further develop these new school relationships.

In 2017/18 a day of professional development for ballet teachers across the UK was again organised. Over forty teachers attended the day which focussed on point work and how to develop the skills of the adolescent dancer. The day was very successful and received excellent feedback with teachers requesting more days such as this. A new partnership was nurtured with a dance school in New Zealand which travels across the country selecting high achieving students to attend their programmes. Central offered two scholarships to students they felt would benefit from our summer course programme, and both selected students were of a very high standard.

**Central Nights and Central Sundays**

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

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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

**President’s Circle**

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

**Patrons**

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

**Governors**

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

**Subsidiary undertaking**

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

**Financial review**

Two years into her leadership, the delivery of the 2017-2020 Strategic Plan and securing the new premises at Paris Gardens has been the focus of Director Heidi Hall and the restructured executive and senior management teams. The year saw substantial trust and major donor giving towards the fundraising campaign, in both funds and pledges.

Central ended the 2017/18 financial year with a surplus on the usual operating activities of the school of £128,080 (2016/17 £16,021), although after allowing for two exceptional (non-cash) items the deficit on unrestricted funds is £(-55,206). This is after including the accounting impact of £133,286 in notional rent related to the new building lease (due to the agreed rent-free period having to be spread over the life of the lease in accordance with FRS 102). This non-cash accounting rent charge during the rent free period will result in lower rent accounting charges in future accounting years, relative to the actual rent paid in those years.

After allowing for the cost of the project work undertaken during the year of £486,670 (expensed and drawn from specific restricted funds brought forward from prior years plus the years fundraised income), and also for a net decrease of £(-744) within other restricted Bursary Support Funds, the overall position was a surplus of £747,590 (2016/17 £141,311). In addition to the £1,290,211 capital income generated during the year, £1,014,250 has been pledged and support to the project has been given by Southwark Council and the Arts Impact Fund which have brought great momentum to the project. These pledged funds are not recognised in the financial statements as they did not meet the registration criteria within FRS 102. Fundraising continues apace.

After reviewing reserves requirements under the Reserves Policy it was agreed to transfer £60,000 from the Designated Capital Fund (unrestricted) to the General Fund (unrestricted), resulting in a final General Fund balance of £628,314 and total unrestricted reserves of £1,073,306.

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 reductions in government grant funding and increases to student fees, developing new programmes and initiatives, and other business and community engagement opportunities.

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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

**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/OfS (value for money is one of the four priorities in the regulatory framework), the CDD, other funders and students and programme participants across all areas of Central's work. The Audit Committee was satisfied that the School is delivering on agreed outputs and outcomes as part of its impact reporting as well as demonstrating efficient and effective use of resources. Feedback from our students via our Student Liaison Group, student questionnaires and via the National Student Survey continues to be very positive in terms of overall levels of satisfaction against course provision, delivery and support.

**Future Prospects of Central**

The School operates within an agreed planning framework, incorporating annual budgets and operating plans, to meet the aims and objectives of Central's 2017-20 Strategic Plan and Long-Term Financial Forecast. Strategies are in place to further develop existing and new income streams as part of our sustainability planning and in response to likely further reductions in HE grant income over the next few years and changes to student fees. 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 leaving the EU in March 2019 as and when that becomes clearer. The Paris Gardens new building is a vital part of Central's future planning, giving facilities and space to expand activity, and it should secure the organisation's future.

**Investment policy**

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

**Reserves policy**

It is the policy of the School that unrestricted funds should, if possible, be maintained at a level equivalent to between three and six months expenditure, and at least £620,000 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 £1,073,306 (£628,314 excluding unrestricted designated reserves towards the new building project and expected to be expended by 31 July 2019) which should provide for approximately five months' usual operating expenditure cover (three months' cover excluding unrestricted designated reserves). Key risks that the School has identified that may impact on future reserves levels include reductions in public grant funding and/or not achieving income targets. Consequently the School has budgeted prudently for the forthcoming year and has strategies in place to diversify and grow non-government grant income streams alongside keeping costs under close review to help ensure that the minimum reserves targets continue to be met.

**Remuneration of Key Management Personnel**

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

**Asset cover**

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

**Connected charities and related parties**

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

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

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

**FOR THE YEAR ENDED 31 JULY 2018**

---

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 2018-19. The remit of the project steering committee is to provide additional expertise and guidance in supporting both the Executive and the full Board of Governors in taking forward the School’s new building project and sustainability strategy.

**Principal**

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

**Internal control and risk management**

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

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

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

**CORPORATE GOVERNANCE STATEMENT (continued)**

**FOR THE YEAR ENDED 31 JULY 2018**

---

Key risks facing the School include further likely cuts in Higher Education funding and the high cost of student fees (in line with current policy to move universities to being funded by increased student fees and reduced direct grants, but a government review of Higher Education delivery and funding in the UK is currently underway), the increased costs of the Conservatoire for Dance and Drama with a membership reduced from 8 schools to 6 schools from 2019. To address the risk of reduced funds, the School has been focusing efforts on growing other existing programmes and activities in tandem with exploring and piloting new programmes and income streams - with good results in 2017-18 in overseas student numbers and through the growth of Ballet Central performances and audiences, and increased revenue fundraising. Any reduction in student numbers from the UK, the EU (particularly given the uncertainty caused by leaving the EU) and from overseas remains a risk, and broadening student recruitment and ensuring retention of student has been the subject of work in 2017-18. The planned move to new, larger and purpose-built premises within the next 18 months will support the development of new income generating activities as well as our ability to accept higher numbers of students and participants on our dance HE programmes.

The additional challenge and key risk in 2018-19 is generating the final proportion of capital funding required to fit out the new building in time for the planned move, currently September 2019 and contingency plans are in place should they be needed. The support of Southwark Council and the Arts Impact Fund brought both financial support and wider partnership benefits, with Southwark Council naming Central in its Cultural Strategy. Both associations have assisted with further fundraising.

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

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

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

**STATEMENT OF RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

**FOR THE YEAR ENDED 31 JULY 2018**

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/OfS 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.

**Auditors**

The tender process for the re-appointment of auditors will be discussed at the Annual General Meeting.

Signed for and on behalf of the Board of Governors on



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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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

---

#### **Opinion**

We have audited the financial statements of The Central School of Ballet Charitable Trust Limited for the year ended 31 July 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006
- funds from the Higher Education Funding Council for England/Office for Student have been applied only for the purposes for which they have been received and in accordance with the Financial Memorandum with the Conservatoire for Dance and Drama'
- funds administered by the School for specific purposes during the year ended 31 July 2018 have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Research England have been applied in accordance with the terms and conditions of the Accounts Direction and any other terms and conditions attached to them during the year ended 31 July 2018; and
- the requirements of the OfS's accounts direction have been met.

#### **Basis for opinion**

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

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Conclusions relating to going concern**

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF THE CENTRAL SCHOOL OF BALLET CHARITABLE TRUST LIMITED**

---

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

**Other information**

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

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

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Use of our report**

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



Richard Weaver (Senior Statutory Auditor)  
For and on behalf of haysmacintyre, Statutory Auditors

18/10/2018

10 Queen Street Place  
London  
EC4R 1AG



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

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 JULY 2018**

<b>Income</b>	<b>Notes</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Funding Council grants	4				
Teaching grant		395,130	-	395,130	442,173
Other grants		197,779	-	197,779	114,820
Tuition fees and education contracts	5	1,555,239	-	1,555,239	1,578,852
Other income	6	283,518	1,479,730	1,763,248	1,080,784
Investment income	7	13,109	3,188	16,297	15,629
<b>Total income</b>		<b>2,444,775</b>	<b>1,482,918</b>	<b>3,927,693</b>	<b>3,232,258</b>
<b>Expenditure</b>					
Staff costs	8	1,470,449	61,768	1,532,217	1,653,513
Operating expenses	9	891,962	618,355	1,510,317	1,297,945
Depreciation	11	137,570	-	137,570	139,489
<b>Total Expenditure</b>		<b>2,499,981</b>	<b>680,123</b>	<b>3,180,104</b>	<b>3,090,947</b>
<b>Surplus/(Deficit) on continuing operations</b>		<b>(55,206)</b>	<b>802,795</b>	<b>747,589</b>	<b>141,311</b>
Retained reserves brought forward		1,128,512	353,556	1,482,068	1,340,757
Retained reserves carried forward		1,073,306	1,156,351	2,229,657	1,482,068

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 £2,381,209 and from restricted funds was £851,049. Total expenditure in the previous year from unrestricted funds was £2,548,473 and from restricted funds was £542,474.

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

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

**BALANCE SHEET**

**AS AT 31 JULY 2018**

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
Tangible assets	11	8,994,315	9,128,342
Investments	12	100	100
		<u>8,994,415</u>	<u>9,128,442</u>
<b>Current Assets</b>			
Stock	13	7,239	4,204
Debtors	14	178,491	144,225
Cash at bank and in hand		3,390,067	2,562,551
		<u>3,575,797</u>	<u>2,710,980</u>
<b>Creditors: amounts falling due within one year</b>	15	(770,386)	(857,296)
<b>Net Current Assets</b>		<u>2,805,411</u>	<u>1,853,684</u>
<b>Total Assets less Current Liabilities</b>		11,799,826	10,982,126
<b>Creditors: amounts falling due greater Than one year</b>	16	(9,570,169)	(9,500,058)
<b>Net Assets</b>		<u>2,229,657</u>	<u>1,482,068</u>
Represented by:			
Unrestricted funds			
General funds	17	628,314	623,520
Designated fund	17	444,992	504,992
		<u>1,073,306</u>	<u>1,128,512</u>
Restricted funds	17	1,156,351	353,556
<b>TOTAL</b>		<u>2,229,657</u>	<u>1,482,068</u>

The financial statements were approved and authorised for issue by the Board of Governors on **17 October** 2018 and were signed below on its behalf by:



**Ralph Bernard**  
Chairman of the Board of Trustees



**Heidi Hall**  
Principal

The notes on pages 17 to 26 form part of these financial statements.

**STATEMENT OF CASH FLOW**

**AS AT 31 JULY 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>	<b>22</b>	<b>814,762</b>	<b>451,748</b>
<b>Cash flows from investing activities</b>			
Interest income		16,297	15,629
Purchase of tangible fixed assets		(3,543)	(10,367)
<b>Cash provided by (used in) investing activities</b>		<b>12,754</b>	<b>5,262</b>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		<b>827,516</b>	<b>457,011</b>
Cash and cash equivalents at the beginning of the year		2,562,551	2,105,540
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>3,390,067</b>	<b>£2,562,551</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR TO 31 JULY 2018**

---

**1. General Information**

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

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

**2. Accounting policies**

**2.1 Basis of preparation**

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

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

**2.2 Income**

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

Income receivable from the 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	Discounted value of lease payments over the lease term, capitalised and amortised
rent-free period over the lease term with the discount factor of 3% (as determined by the Trustees)	

**2.5 Operating and Finance leases**

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

**2.6 School uniforms**

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

**2.7 Fund Accounting**

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

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

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

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

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

**FOR THE YEAR TO 31 JULY 2018**

**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**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Higher Education Funding Council (via the Conservatoire for Dance and Drama)		
Teaching grants	395,130	442,173
Higher Education Innovation Fund	197,779	114,820
	<u>592,909</u>	<u>556,993</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 2018**

<b>5. TUITION FEES AND EDUCATION CONTRACTS</b>		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Overseas student fees (net of scholarships awarded of £27,550)		561,250	475,600
UK and EU student fees (net of scholarships awarded of £4,500)		722,324	784,220
General Studio hire		11,282	9,556
Audition fees		16,926	16,698
Other Senior School fees		22,302	23,625
WP programmes and events (including Spring and Summer courses)		66,331	112,377
Pre-Senior fees		64,057	67,549
Junior fees		79,444	78,537
Access to learning funds and WP funding		11,323	10,690
		<u>1,555,239</u>	<u>1,578,852</u>
<b>6. OTHER INCOME</b>		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<i>Restricted donations</i>			
Building Development Fund		1,287,023	710,000
Ballet Central		80,099	30,520
Student support		95,888	94,655
Student and course delivery		9,720	4,433
Outreach		7,000	7,274
		<u>1,479,730</u>	<u>846,882</u>
<i>General</i>			
Donations		14,726	16,677
Evening Studio Hire		116,473	128,802
Other		65,229	13,500
Uniform sales		7,090	11,412
Ballet Central box office		80,000	63,511
		<u>283,518</u>	<u>233,902</u>
		<u>1,763,248</u>	<u>1,080,784</u>

A sustained interest in adult community dance classes (Central Nights and Central Sundays) has resulted in Evening Studio Hire income of £116,474 (2017: £128,802). Ballet Central box office and merchandise income increased to £80,000 (2017: £63,511) due to larger audience numbers and some bigger venues.

<b>7. INVESTMENT INCOME</b>		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<i>Restricted</i>			
Interest receivable		3,188	4,167
<i>General</i>			
Interest receivable		13,109	11,462
		<u>16,297</u>	<u>15,629</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 2018**

<b>8. EMPLOYEE &amp; FREELANCE STAFF INFORMATION</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries (including freelance staff)	1,405,692	1,536,854
Social security costs (employed staff)	111,260	102,442
Pension contributions (employed staff)	15,265	14,217
	<u>1,532,217</u>	<u>1,653,513</u>

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	23	23
Regular part time	47	46
	<u>70</u>	<u>69</u>

There was 1 employee whose remuneration amounted to more than £60,000 (2017: 1 employee)

The increase in regular part-time roles included one additional Associate School Ballet Tutor.

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 £416,088 (2017: £369,351). Total emoluments payable to the principal in the year amounted to £88,775 (2017: £66,743) plus pension contributions of £3,001 (2017: £2,380). No employee received annual emoluments greater than £100,000.

The total amounts paid in settlements was £0 (2017: £91,691).

None of the Governors (or any persons connected with them) received any remuneration during the current or previous year. Expenses to Governors reimbursed during the year totalled £458 (2017: £0).

<b>9. OTHER OPERATING EXPENSES</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
University registration fees	24,849	25,679
Students and course delivery	96,895	116,555
Student support expenditure	155,631	151,014
Ballet Central expenditure	247,174	145,797
Outreach, learning and participation	11,063	24,923
Communications and marketing	62,398	46,768
Premises	402,291	431,882
Office equipment and insurance	80,853	73,825
Other office costs	30,800	14,095
Audit and accountancy	14,940	14,400
Other legal & professional	368,300	243,111
Bank and merchant charges	15,123	9,896
	<u>1,510,317</u>	<u>1,297,945</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 2018**

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

Additional resources were allocated to student support in the form of cash bursaries (£164,631 in 2018 compared with £153,179 in 2017) to help students from less well-off backgrounds with their living costs to facilitate their studying at Central. Taken together with £32,050 fee-discounts and scholarships deducted from tuition fee income in note 5 total student support amounted to £196,681 (2017: £182,879).

Included in Other Legal and Professional costs are £369,804 for professional fees relating to the new building design, including £227,571 costs to RIBA Stage 3+, and £142,233 for fundraising, PR and other consultancy costs associated with the capital campaign for the building project (£238,239 in 2017). Included in audit and accountancy costs are £14,940 in respect of audit fees (2017: £14,400).

Ballet Central expenditure saw exceptional costs of £59,399 within the year as a result of the van theft.

**10. TAXATION**

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

**11. TANGIBLE FIXED ASSETS**

	<b>Premises Lease £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Total £</b>
<i>Cost</i>				
At 1 August 2017	9,330,003	45,046	37,035	9,412,084
Additions	-	4,195	880	5,075
Disposals	-	(13,010)	(352)	(13,362)
At 31 July 2018	9,330,003	36,231	37,563	9,403,797
<i>Depreciation</i>				
At 1 August 2017	211,036	37,272	35,434	283,742
Charge for the year	133,286	3,130	1,155	137,571
Disposals	-	(11,477)	(352)	(11,829)
At 31 July 2018	344,322	28,925	36,237	409,484
Net book value at 31 July 2018	8,985,681	7,306	1,326	£8,994,315
Net book value at 31 July 2017	9,118,967	7,774	1,601	£9,128,342

On 17th December 2017 a new premises lease was signed for the Paris Garden site, effective 1st January 2018. 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.

**12. FIXED ASSET INVESTMENTS**

**Investment in subsidiary company**

Historical cost at 1 August 2017 and 31 July 2018

**£**

**£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 2018**

<b>13. STOCK</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
School uniforms	<u>£7,239</u>	<u>£4,204</u>
£3,711 of stock was recognised as an expense during the year in accordance with uniform sales over the same period. (2017: £15,616)		
<b>14. DEBTORS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	24,223	16,785
Prepayments and accrued income	154,268	127,440
	<u>£178,491</u>	<u>£144,225</u>
<b>15. CREDITORS: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	84,248	179,034
Accruals	122,517	106,852
Taxes and social security costs	31,198	32,547
Other creditors	208,934	208,791
Deferred income	323,490	330,072
	<u>£770,386</u>	<u>£857,296</u>
<b>16. CREDITORS: amounts falling due greater than one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Provisions for liabilities and charges	210,000	160,000
New Building Operating Lease Creditor	9,360,169	9,340,058
	<u>£9,570,169</u>	<u>£9,500,058</u>

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

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

Two loan facilities have been offered to Central to act as bridging finance for the Paris Gardens project. The Arts Impact Fund (supported by Arts Council England, Esmée Fairbairn Foundation, Nesta, Bank of America Merrill Lynch and Calouste Gulbenkian Foundation) are lending £600,000, to be drawn down late October 2018, and Southwark Council have made available £3 million, drawn down late October 2018. Further fundraising is required to meet the project target and to assist in repayment of the financing.

**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 2018**

<b>17. ANALYSIS OF FUNDS</b>	<b>At 1 August 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>At 31 July 2018 £</b>
<b>Restricted Funds</b>					
Building Development Fund	345,449	1,290,211	486,670	-	1,148,990
Leverhulme Trust, Support	-	46,634	46,634	-	-
Valerie Heath Memorial Fund	3,276	-	-	-	3,276
Emily Hargreaves Scholarship Fund	- 404	- -	- -	- -	- 404
Christopher Gable Estate	2,581	-	-	-	2,581
Central Friends	-	4,722	4,722	-	-
General Student Support Fund	1,846	49,252	49,998	-	1,100
Other Restricted Funds	-	92,099	92,099	-	-
	<u>353,556</u>	<u>1,482,918</u>	<u>680,123</u>	<u>-</u>	<u>1,156,351</u>
<b>Unrestricted Funds</b>					
General School fund	623,520	2,444,775	2,499,981	60,000	628,314
Designated Capital fund	504,992	-	-	(60,000)	444,992
	<u>1,128,512</u>	<u>2,444,775</u>	<u>2,499,981</u>	<u>-</u>	<u>1,073,306</u>
<b>TOTAL FUNDS</b>	<u>£1,482,068</u>	<u>£3,927,693</u>	<u>£3,180,104</u>	<u>-</u>	<u>£2,229,657</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 generously provided funding to help support students in financial need at undergraduate and postgraduate level. The Valerie Heath & Emily Hargreaves Funds were created to help students in need in specific circumstances, and the balances have been carried forward to 2017/18. 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 (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 £60,000 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**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fixed assets	8,994,415	-	8,994,415
Stock	7,239	-	7,239
Debtors	178,491	-	178,491
Cash and bank	2,233,716	1,156,351	3,390,067
Liabilities	(10,340,555)	-	(10,340,555)
	<u>£1,073,306</u>	<u>£1,156,351</u>	<u>£2,229,657</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 2018**

**19. CAPITAL COMMITMENTS**

At 31 July 2018 the School had no outstanding commitments in relation to capital expenditure (2017: nil).

**20. OPERATING LEASE COMMITMENTS**

At 31 July 2018, the School had total commitments in respect of operating leases which expire in the period shown as follows:

	<b>Land and buildings 2018 £</b>	<b>Land and buildings 2017 £</b>	<b>Other 2018 £</b>	<b>Other 2017 £</b>
Within one year	195,000	195,000	10,224	14,690
Two to five years	178,750	373,750	22,782	6,033
	<u>£373,750</u>	<u>£568,750</u>	<u>33,006</u>	<u>£20,723</u>

During the year £223,920 (2017 £210,896) 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 £14,237 (2017 £11,837). There were no amounts outstanding at the balance sheet date. In addition the company is liable to pay contractual pension contributions for the Director which amounted to £3,001 (2017 £2,380).

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

	<b>2018 £</b>	<b>2017 £</b>
Net income for the year	747,589	141,311
Add back depreciation charge	137,570	139,489
Deduct interest income shown in investing activities	(16,297)	(15,629)
Decrease (increase) in stock	(3,035)	10,124
Decrease (increase) in debtors	(34,167)	169,132
Decrease (increase) in capitalised building lease assets	-	-
Increase (decrease) in capitalised building lease creditors	(37,009)	10,055
Increase (decrease) in other creditors	20,110	(2,733)
Net cash used in operating activities	<u>£814,762</u>	<u>£451,749</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 2018**

**23. FINANCIAL INSTRUMENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	3,414,290	2,579,336
	<u>£3,414,290</u>	<u>£2,579,336</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	84,248	179,034
	<u>£84,248</u>	<u>£179,034</u>

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

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

**24. MOVEMENT IN FUNDS- 2017**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
		<b>Funds</b>	<b>Funds</b>	<b>2017</b>
		<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>	<b>Notes</b>			
Funding Council grants	4			
Teaching grant		442,173	-	442,173
Other grants		114,820	-	114,820
Tuition fees and education contracts	5	1,578,852	-	1,578,852
Other income	6	233,902	846,882	1,080,784
Investment income	7	11,462	4,167	15,629
<b>Total income</b>		<u>2,381,209</u>	<u>851,049</u>	<u>3,232,258</u>
<b>Expenditure</b>				
Staff costs	8	1,545,166	108,347	1,653,513
Operating expenses	9	863,818	434,127	1,297,945
Depreciation	11	139,489	-	139,489
<b>Total Expenditure</b>		<u>2,548,473</u>	<u>542,474</u>	<u>3,090,947</u>
<b>Surplus/(Deficit) on continuing operations</b>		(167,266)	308,575	141,311
Retained reserves brought forward		<u>1,295,776</u>	<u>44,981</u>	<u>1,340,757</u>
Retained reserves carried forward		<u>1,128,512</u>	<u>353,556</u>	<u>1,482,068</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 2018**

<b>25. ANALYSIS OF FUNDS 2017</b>	<b>At 1 August 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>At 31 July 2017 £</b>
<b>Restricted Funds</b>					
Building Development Fund	35,349	714,167	404,067	-	345,449
Leverhulme Trust, Support	-	45,720	45,720	-	-
Valerie Heath Memorial Fund	3,276	-	-	-	3,276
Emily Hargreaves Scholarship	-	-	-	-	-
Fund	404	-	-	-	404
Christopher Gable Estate	2,581	-	-	-	2,581
Central Friends	-	4,434	4,434	-	-
General Student Support Fund	3,371	48,934	50,461	-	1,846
Other Restricted Funds	-	37,794	37,794	-	-
	<u>44,981</u>	<u>851,049</u>	<u>542,474</u>	<u>-</u>	<u>353,556</u>
<b>Unrestricted Funds</b>					
General School fund	600,784	2,381,209	2,548,473	190,000	623,520
Designated Capital fund	694,992	-	-	(190,000)	504,992
	<u>1,295,776</u>	<u>2,381,209</u>	<u>2,548,473</u>	<u>-</u>	<u>1,128,512</u>
<b>TOTAL FUNDS</b>	<u><u>£1,340,757</u></u>	<u><u>£3,232,258</u></u>	<u><u>£3,090,947</u></u>	<u><u>£ -</u></u>	<u><u>£1,482,068</u></u>

